UTV Media plc

Interim Report

for the 6 months to 30 June 2010

UTV Media plc

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

Interim Results
for the six months ended 30 June 2010

Financial highlights on continuing operations

- Group revenue up by 9% to £59.2m (2009: £54.4m)
- Group operating profit including associates, up by 9% to £12.2m (2009: £11.2m)
- Pre-tax profits up by 17% to £9.4m (2009: £8.0m)
- £18.4m reduction in net debt over 12 months to £77.3m (2009: £95.7m)
- Net finance costs down 10% to £2.7m (2009: £3.0m)
- Diluted adjusted earnings per share up by 16% to 7.36p (2009: 6.32p)
- Proposed interim dividend of 1.00p (2009: Nil)

Operational highlights and prospects

- Continuing strong audience delivery across both Radio and Television
- GB Radio and Television revenue, strengthened by the World Cup, experienced strong growth in the first six months
- The decline in Irish Radio revenue has been arrested, with growth of 3% anticipated in the third quarter
- Radio GB benefited from the inclusion of Sport magazine, which was acquired in May 2009, and complements the strong sports-led offering to advertisers
- Advertising revenue in talkSPORT in the second half of the year is expected to benefit from the two significant rights packages obtained for the Premier League
- Greater operational flexibility has been facilitated by the renegotiation of key banking covenants at better than market interest rates

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

“The first six months of 2010 saw a better trading performance due to the improving economic environment and the stimulus of the World Cup and this improvement in trading appears to be continuing in the third quarter.”

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Chairman's Statement

Introduction

The improving economic environment and the stimulus of the World Cup underpinned a better trading performance in the first six months. Consequently, profit before tax increased by 17% to £9.4m (2009: £8.0m) which, coupled with strong cash management, drove net debt down to £77.3m, some £18.4m less than at 30 June 2009.

Results and Dividend

In the first six months of 2010 group turnover from continuing operations increased by 9% to £59.2m (2009: £54.4m). Group operating profit, including associates, was up by 9% to £12.2m (2009: £11.2m), driven primarily by a strong performance in our radio divisions, where operating profit improved by 17% to £9.8m (2009: £8.4m). Television operating profit was lower at £1.4m (2009: £1.8m) while new media maintained its operating profit at £1.0m (2009: £1.0m). Lower net interest costs of £2.7m (2009: £3.0m) helped lift pre-tax profits to £9.4m (2009: £8.0 m). Post tax profits on continuing operations of £7.2m (2009: £6.2m) delivered a 16% improvement in diluted adjusted earnings per share of 7.36p (2009: 6.32p).

Against the background of an improved trading performance, your Board has re-instated an interim dividend, declared at 1.00p (2009: Nil) which will be paid on 15 October 2010 to all shareholders on the Register at the close of business on 17 September 2010.

Radio

Our GB radio division performed strongly in the first half with turnover up by 22% to £25.1m (2009: £20.6m). Within this, the World Cup helped to lift revenue at talkSPORT by 23% to £12.6m (2009: £10.2m) while local radio revenue was unchanged at £10.3m (2009: £10.3m). Even after accounting for the significant additional costs associated with the World Cup, talkSPORT's operating profit increased by 48% to £3.9m (2009: £2.7m) while operating profit at our local radio stations decreased marginally to £2.2m (2009: £2.3m). The turnaround at Sport Magazine, which we acquired for a nominal sum in May 2009, was creditable with the previously loss-making magazine recording an operating profit of £0.5m on revenue of £2.2m. Overall, our GB radio division recorded a 38% increase in operating profit to £6.6m (2009: £4.8m).

The performance of our Irish radio division continued to be impacted by the difficult economic environment but the significant decline in advertising revenue experienced in 2009 moderated in the first six months of 2010. On a like for like basis, revenue in the first half of this year was down by 4%, with the month of June recording an increase of 6%. Movement in foreign exchange brought a further 3% reduction resulting in revenue being down at £11.5m (2009: £12.3m) for the first half. This reduction was mitigated by additional cost savings of £0.4m resulting in an operating profit of £3.2m (2009: £3.6m) for Irish radio.

Chairman's Statement

Television

A welcome improvement in the UK airtime market in the first quarter of 2010 was not matched in the Irish marketplace but the second quarter brought growth in both the UK and Ireland. With the additional stimulus of the World Cup, television advertising revenue was up by 7% to £15.0m (2009: £14.0m) in the six months to 30 June 2010. In this period, total television revenue was £17.0m (2009: £15.5m). Additional network programme costs, primarily in respect of the World Cup, and higher commission and bonus payments more than offset the improvement in revenue, resulting in a lower television operating profit of £1.4m (2009: £1.8m).

New Media

Revenue in our new media division reduced slightly to £5.6m (2009: £5.9m) but this was offset by a £0.3m reduction in costs. Consequently, new media maintained an operating profit of £1.0m for the six months to 30 June 2010.

Net Debt

Following on from a £19.1m reduction in net debt in 2009, we further reduced debt by £11.2m in the first six months of 2010. Improved profitability and a tight focus on the management of working capital provided the cash generation to help reduce net debt to £77.3m at 30 June 2010 (2009: £95.7m).

In order to provide additional operational flexibility the Group accepted an offer from its banking consortium to ease the terms of its key banking covenants for a margin increase. The new covenants are effective from 1 April 2010 until the facilities expire in June 2013.

Prospects

The fragility of economic recovery warrants caution in any forward looking statements. Nevertheless, the improvement in trading this year is evident and this is continuing into the third quarter of 2010.

Total revenue in our GB radio division is expected to be up by 10% in the third quarter. Within this our national radio station, talkSPORT, is expected to increase its revenue by 15% in the three months to 30 September and the acquisition of two significant rights packages for Premier League coverage, while adding to costs, should drive both audience and revenue growth. Recovery at our local radio operations is lagging this and in the third quarter, revenue is expected to be down by 5%. The transformation of Sport magazine's fortunes has continued into the third quarter, raising expectations that its success in the first half of the year can be replicated in the second half, even in the absence of World Cup activity.

Chairman's Statement

After a very difficult period, our Irish radio stations are experiencing an improving trend. Strong audience delivery is driving the success of our unique Urban Access offering to advertisers, even in a weak market, and we would expect our Irish radio advertising revenue to show a 3% improvement in the three months to 30 September 2010.

Recovery in our Irish television advertising revenue had also lagged the UK market but again, the improving trend has gradually brought this part of our revenue back into positive territory. We forecast that our total television advertising revenue will be up by 15% in the third quarter of this year.

Our new media division operates in a highly competitive consumer marketplace. Nevertheless, while pricing pressures may hamper revenue growth, our continued focus on cost control should enhance margins and maintain operating profit in the three months to 30 September 2010.

In last year's Interim Results I wrote that the UTV group was "well positioned for the upturn when this current unpredictable period comes to an end". While it could not yet be said that the unpredictable period is at an end, it is fair to say that much of the difficult work to prepare the group for the recession is bearing fruit. As ever, a sustained recovery in the wider economy is the pre-requisite to ensuring that the group can take full advantage of its strong position in the markets in which it operates.

John B McGuckian
Chairman
31 August 2010

Group Income Statement

for the six months ended 30 June 2010

	Notes	***Results before Exceptional Items 30 June 2010 £000***	*Exceptional Items 30 June 2010 £000*	*Total 30 June 2010 £000*	***Results before Exceptional Items 30 June 2009 £000***	*Exceptional Items 30 June 2009 £000*	*Total 30 June 2009 £000*
Continuing operations							
Revenue	3	**59,169**	**-**	**59,169**	**54,365**	-	54,365
Operating costs		(47,107)	-	(47,107)	(43,302)	-	(43,302)
Operating profit from continuing operations before tax and finance costs	3	**12,062**	**-**	**12,062**	**11,063**	-	11,063
Share of results of associates accounted for using the equity method		151	-	151	143	-	143
Profit from continuing operations before tax and finance costs		**12,213**	**-**	**12,213**	11,206	-	11,206
Finance revenue		36	-	36	104	-	104
Finance costs		(2,708)	-	(2,708)	(3,071)	-	(3,071)
Foreign exchange loss		(153)	-	(153)	(244)	-	(244)
Profit from continuing operations before tax		9,388	-	9,388	7,995	-	7,995
Taxation		(2,159)	-	(2,159)	(1,821)	(1,500)	(3,321)
Profit from continuing operations after tax		7,229	-	7,229	6,174	(1,500)	4,674
Discontinued operations							
Loss from discontinued operations	6	-	-	-	(360)	-	(360)
		7,229	**-**	**7,229**	**5,814**	**(1,500)**	**4,314**
Attributable to:							
Equity holders of the parent		7,070	-	7,070	5,667	(1,500)	4,167
Minority interests		159	-	159	147	-	147
		7,229	**-**	**7,229**	**5,814**	**(1,500)**	**4,314**

Group Income Statement

for the six months ended 30 June 2010

	Note	***2010***	***2009***
Earnings per share			
Continuing operations			
Basic	8	7.41p	4.75p
Diluted	8	7.36p	4.75p
Adjusted	8	7.41p	6.32p
Diluted adjusted	8	7.36p	6.32p
Continuing and discontinued operations			
Basic	8	7.41p	4.37p
Diluted	8	7.36p	4.37p
Adjusted	8	7.41p	5.94p
Diluted adjusted	8	7.36p	5.94p

Group Statement of Comprehensive Income

for the six months ended 30 June 2010

	30 June 2010 £000	*30 June 2009 £000*
Profit for the period	7,229	4,314
Other comprehensive (expense)/income		
Exchange difference on translation of foreign operations	(6,435)	(8,850)
Actuarial loss on defined benefit pension schemes	(3,668)	(5,960)
Cash flow hedges:		
- Loss arising during the year	(996)	(639)
- Less transfers to the income statement	1,116	728
Tax relating to other comprehensive income	1,007	1,646
Other comprehensive expense for the period, net of tax	(8,976)	(13,075)
Total comprehensive expense for the period, net of tax	(1,747)	(8,761)
Attributable to:		
Equity holders of the parent	(1,906)	(8,908)
Minority interests	159	147
	(1,747)	(8,761)

Group Balance Sheet

for the six months ended 30 June 2010

	Notes	30 June 2010 £000	Restated 30 June 2009 £000	31 December 2009 £000
ASSETS				
Non-current assets				
Property, plant and equipment	5	10,574	11,468	11,440
Intangible assets		251,634	256,491	261,030
Investments accounted for using the equity method		246	258	137
Deferred tax asset		13,094	16,758	14,255
		275,548	284,975	286,862
Current assets				
Inventories		617	522	332
Trade and other receivables		32,103	28,146	32,915
Cash and short term deposits		10,434	9,864	8,434
		43,154	38,532	41,681
TOTAL ASSETS		318,702	323,507	328,543
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Equity share capital		55,557	55,557	55,557
Capital redemption reserve		50	50	50
Treasury Shares		(1,258)	(1,258)	(1,258)
Foreign currency reserve		5,997	9,796	12,432
Cash flow hedge reserve		(716)	(1,393)	(821)
Retained earnings		66,156	54,447	63,409
		125,786	117,199	129,369
Minority interest		656	740	747
TOTAL EQUITY		126,442	117,939	130,116
Non-current liabilities				
Interest bearing loans and borrowings	9	79,592	97,298	88,532
Pension liability	10	13,505	13,718	10,999
Provisions		992	1,623	1,060
Deferred tax liabilities		48,597	49,244	49,580
		142,686	161,883	150,171
Current liabilities				
Trade and other payables		38,653	31,871	36,793
Current portion of interest bearing loans and borrowings	9	8,109	8,255	8,374
Financial liabilities		969	1,869	1,100
Tax payable		1,425	1,348	1,540
Provisions		418	342	449
		49,574	43,685	48,256
TOTAL LIABILITIES		192,260	205,568	198,427
TOTAL EQUITY AND LIABILITIES		318,702	323,507	328,543

Group Cash Flow

for the six months ended 30 June 2010

	30 June 2010 £000	*30 June 2009 £000*
Operating activities		
Profit before tax	9,388	7,551
Adjustments to reconcile profit before tax to net cash flows from operating activities		
Foreign exchange loss	153	244
Net finance costs	2,672	2,967
Share of results of associates	(151)	(143)
Depreciation of property, plant and equipment	832	887
Difference between pension contributions paid and amounts recognised in the income statement	(1,164)	(811)
Increase in inventories	(285)	(31)
(Increase)/decrease in trade and other receivables	(343)	1,610
Increase in trade and other payables	1,448	719
(Decrease)/increase in provisions	(49)	642
Profit from sale of property, plant and equipment	(14)	(12)
Share based payments	231	-
Cash generated from operations before exceptional costs	12,718	13,623
Exceptional costs	(397)	(1,340)
Tax received	18	120
Net cash inflow from operating activities	12,339	12,403
Investing activities		
Interest received	30	105
Proceeds on disposal of property, plant and equipment	25	65
Purchase of property, plant and equipment	(359)	(1,758)
Payment to acquire investments	(203)	(236)
Net cash flows from investing activities	(507)	(1,824)
Financing activities		
Borrowing costs	(2,348)	(2,905)
Dividends paid to equity holders of the parent	(3)	(9)
Dividends paid to minority shareholders of subsidiaries	(250)	-
Repayment of borrowings	(7,022)	(6,778)
Rights issue costs	(2)	(23)
Net cash flows used in financing activities	(9,625)	(9,715)
Net increase in cash and cash equivalents	2,207	864
Net foreign exchange differences	(207)	(280)
Cash and cash equivalents at 1 January	8,434	9,280
Cash and cash equivalents at 30 June	10,434	9,864

Group Statement of Changes in Equity

for the six months ended 30 June 2010

	Equity share capital £000	*Capital redemption reserve £000*	*Treasury shares £000*	*Foreign currency reserve £000*	*Cashflow hedge reserve £000*	*Restated Retained earnings £000*	***Restated Share holder equity £000***	*Minority interest £000*	***Restated Total £000***
At 1 January 2009	**55,557**	**50**	**(1,258)**	**18,646**	**(1,455)**	**56,475**	**128,015**	**593**	**128,608**
Total net comprehensive income/(expense) in the period	-	-	-	(8,850)	62	(120)	(8,908)	147	(8,761)
Dividends payable to equity shareholders	-	-	-	-	-	(1,908)	(1,908)	-	(1,908)
At 30 June 2009	**55,557**	**50**	**(1,258)**	**9,796**	**(1,393)**	**54,447**	**117,199**	**740**	**117,939**
Total net comprehensive income/(expense) in the period	-	-	-	2,636	572	8,880	12,088	317	12,405
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(310)	(310)
Share based payment	-	-	-	-	-	82	82	-	82
At 31 December 2009	**55,557**	**50**	**(1,258)**	**12,432**	**(821)**	**63,409**	**129,369**	**747**	**130,116**
Total net comprehensive income/(expense) in the period	-	-	-	(6,435)	105	4,424	(1,906)	159	(1,747)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(250)	(250)
Share based payment	-	-	-	-	-	231	231	-	231
Dividends payable to equity shareholders	-	-	-	-	-	(1,908)	(1,908)	-	(1,908)
At 30 June 2010	**55,557**	**50**	**(1,258)**	**5,997**	**(716)**	**66,156**	**125,786**	**656**	**126,442**

Notes to the accounts

1. Basis of preparation

The interim financial statements have been prepared in accordance with IAS34 "Interim Financial Reporting" and the Disclosure and Transparency Rules of the Finance Services Authority.

In addition the interim financial statements have been prepared on a basis consistent with the accounting policies set out in the Group's Annual Report and Accounts for the year ended 31 December 2009.

Retained earnings together with trade and other payables in the comparative Balance Sheet at 30 June 2009, and consequently the Statement of Changes in Equity for the six month period then ended, have been restated to recognise the final 2008 dividend paid in July 2009 of £1,908,000, but which was approved at the Company's annual general meeting in May 2009. The Statements of Comprehensive Income, the Cash Flow Statement and the financial position as at 1 January 2009 are unaffected.

These interim financial statements have been prepared on the going concern basis as the directors, having considered available relevant information, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The interim results are unaudited but have been formally reviewed by the auditors and their report to the Company is set out at the end of this Interim Report. The information shown for the year ended 31 December 2009 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and has been extracted from the Group's 2009 Annual Report, which has been filed with the Registrar of Companies. The report of the auditors on the accounts contained within the Group's 2009 Annual Report was unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006 regarding inadequate accounting records or a failure to obtain necessary information and explanations.

2. Seasonality and cyclicality

There is no significant seasonality or cyclicality affecting the interim results of the operations.

Notes to the accounts

3. Segmental information

The Group operates in four principal areas of activity – radio in GB, radio in Ireland, commercial television and new media. These four principal areas of activity also form the basis on which the Group is managed and reports are provided to the Chief Executive and the Board. The following is an analysis of the revenue and results for the period, analysed by reportable segment.

Revenue

Six months ended 30 June 2010

	Radio GB	*Radio Ireland*	*Television*	*New Media*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Sales to third parties	25,114	11,466	16,977	5,612	59,169
Intersegmental sales	378	663	1,089	-	2,130
Total segment revenue	25,492	12,129	18,066	5,612	61,299

Six months ended 30 June 2009

	Radio GB	*Radio Ireland*	*Television*	*New Media*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Sales to third parties	20,643	12,324	15,534	5,864	54,365
Intersegmental sales	464	667	806	-	1,937
Total segment revenue	21,107	12,991	16,340	5,864	56,302

Results

Six months ended 30 June 2010

	Radio GB	*Radio Ireland*	*Television*	*New Media*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Segment operating profit before exceptional costs	**6,493**	**3,190**	**1,350**	**1,029**	**12,062**
Share of results of associates					151
Net finance costs					(2,672)
Foreign exchange loss					(153)
Profit before tax					**9,388**

Six months ended 30 June 2009

	Radio GB	*Radio Ireland*	*Television*	*New Media*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*
Segment operating profit before exceptional costs	**4,660**	**3,580**	**1,815**	**1,008**	**11,063**
Share of results of associates					143
Net finance costs					(2,967)
Foreign exchange loss					(244)
Profit before tax					**7,995**

Notes to the accounts

4. Discontinued operations

Discontinued operations in 2009 relate to Central FM which was sold on 8 January 2010 for a nominal sum and Valleys Radio which was closed on 30 April 2009.

5. Property, plant and equipment

During the period the Group spent £337,000 on capital additions.

6. Taxation

In 2009 the capital gains tax rate in the Republic of Ireland was revised from 22% to 25%. Accordingly the deferred tax liabilities in respect of radio licences in the Republic of Ireland were restated to recognise the future gains thereon at this rate. This resulted in a net exceptional charge of £1,500,000 in the comparative period.

In the emergency budget in June 2010, changes in future corporation tax rates in the UK were proposed. As these have not yet been substantively enacted, deferred tax has been calculated at 28% within this Interim Report. If the proposed corporation tax rate changes were to be fully approved, the relevant deferred tax assets and liabilities would be restated accordingly resulting in a net exceptional credit of approximately £4,300,000.

7. Dividends

	30 June 2010 £000	***30 June 2009 £000***
Equity dividends on ordinary shares		
Declared and paid during the period	-	-
Proposed and recognised as a liability at 30 June		
Final for 2009: 2.00p (2008: 2.00p)	1,908	1,908
Proposed but not recognised as a liability at 30 June		
Interim for 2010: 1.00p (2009: Nil)	954	-

The final dividend for 2009 was paid on 15 July 2010 (2008: 15 July 2009).

Notes to the accounts

8. Earnings per share

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

Adjusted earnings per share are calculated based on the profit for the financial period attributable to equity holders of the parent adjusted for the exceptional items. This calculation uses the weighted average number of shares in issue during the period.

Diluted earnings per share are calculated based on profit for the financial period attributable to equity holders of the parent. Diluted adjusted earnings per share are calculated based on profit for the financial period attributable to equity holders of the parent before exceptional items. 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.

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

	2010			*2009*		
	Continuing Operations	*Discontinued Operations*	*Total*	*Continuing Operations*	*Discontinued Operations*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*	*£000*
Net profit attributable to equity holders	7,070	-	7,070	4,527	(360)	4,167
Exceptional items (net of tax)	-	-	-	1,500	-	1,500
Total adjusted and diluted profit attributable to equity holders	7,070	-	7,070	6,027	(360)	5,667

Weighted average number of shares

	2010 thousands	*2009 thousands*
Weighted average number of shares for basic and adjusted earnings per share (excluding treasury shares)	95,403	95,403
Dilutive potential of the Long Term Incentive Schemes	672	-
Adjusted weighted average number of ordinary shares for diluted earnings per share	96,075	95,403

Notes to the accounts

8. Earnings per share (continued)

Earnings per share

From continuing and discontinued operations

	2010	*2009*
Basic	7.41p	4.37p
Diluted	7.36p	4.37p
Adjusted	7.41p	5.94p
Diluted adjusted	7.36p	5.94p

From continuing operations

	2010	*2009*
Basic	7.41p	4.75p
Diluted	7.36p	4.75p
Adjusted	7.41p	6.32p
Diluted adjusted	7.36p	6.32p

From discontinued operations

	2010	*2009*
Basic	-	(0.38)p
Diluted	-	(0.38)p
Adjusted	-	(0.38)p
Diluted adjusted	-	(0.38)p

Notes to the accounts

9. Financial liabilities

	30 June 2010 £000	30 June 2009 £000	31 December 2009 £000
Current			
Current instalments due on bank loans	8,109	8,255	8,374
Non-current			
Non-current instalments due on bank loans	79,592	97,298	88,532
Total	87,701	105,553	96,906

The bank loans at 30 June 2010 are stated net of deferred financing costs amounting to £496,000 (30 June 2009: £671,000; 31 December 2009: £594,000).

10. Pension schemes

The IAS 19 deficit at 30 June 2010 is £13,505,000 compared with a deficit of £10,999,000 at 31 December 2009. The increase is the result of actuarial losses both on the assets and liabilities during the period.

The assets generated lower than expected return during the period resulting in an actuarial loss of £2,658,000.

The liabilities reflect a further increase in life expectancy for the participating members by the inclusion of an allowance for future long term improvements on mortality rates. The effect of this was partly offset by price inflation falling by more than the discount rate during the period resulting in an overall actuarial loss on the liabilities of £1,021,000.

These actuarial losses were partially offset by a payment £1,181,000 to the UTV Scheme over and above normal funding during the period.

11. 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 2009 has not changed. There have been no significant related party transactions in the six month period ended 30 June 2010.

Risks and uncertainties

The 2009 Annual Report sets out the most significant risk factors relating to UTV Media plc's operations in the Company's judgement at the time of that report. The Company does not consider that these principal risks and uncertainties have changed. However additional risks and uncertainties not currently known to the Company, or that the Company does not currently deem material may also have an adverse effect on its business.

With respect to the risks and uncertainties identified within the Annual Report, the Chairman's statement highlights those risks and uncertainties that will have significant impact throughout 2010.

Statement of directors' responsibilities

The interim report is the responsibility of, and has been approved by, the directors of UTV Media plc. Accordingly, the directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union;

- the interim report includes a fair review of the information required by the Disclosure and Transparency Rules:

  - DTR 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

  - DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board:

John McCann
Group Chief Executive
31 August 2010

Independent review report to UTV Media plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the 6 months ended 30 June 2010 which comprises the Group Income Statement, Group Statement of Comprehensive Income, Group Balance Sheet, Group Statement of Changes in Equity, Group Cash Flow Statement and the related notes 1 to 11. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 6 months ended 30 June 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
Belfast
31 August 2010