UTV Media plc

Interim Report

for the 6 months to 30 June 2015

UTV Media plc

("UTV" or "the Group")

Interim Results

for the six months ended 30 June 2015

Financial highlights *

- Group revenue of £58.3m (2014: £57.8m)
- Pre-tax profit of £1.0m (2014: £10.0m)
- Group operating profit of £2.7m (2014: £11.2m)
- Net debt of £46.9m (2014: £43.5m)
- Diluted adjusted earnings per share of (0.55)p (2014: 8.28p)
- Proposed interim dividend of 1.82p (2014: 1.82p)

Operational highlights

- Radio GB - 2014 World Cup impact softened by strong core trading performance
- Continued strong audience performance across established radio and television businesses
- Board has approved programming and marketing action plan for UTV Ireland

* As appropriate, references to profit include income from joint ventures and associates

Richard Huntingford, Chairman, UTV Media plc, said:

"The challenges of establishing a new television channel are evident in these results which reflect the significant losses incurred by UTV Ireland in its first six months on air. Less evident, but not to be lost sight of, is the inherent value created by the establishment of a mainstream television channel in Europe's fastest growing economy, with long term licensing, programme supply and infrastructure in place."

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Chairman's Statement

Introduction

The challenges of establishing a new television channel are evident in these results which reflect the significant losses incurred by UTV Ireland in its first six months on air. Less evident, but not to be lost sight of, is the inherent value created by the establishment of a mainstream television channel in Europe's fastest growing economy, with long term licensing, programme supply and infrastructure in place.

Results and Dividend *

Group operating profit was £2.7m (2014: £11.2m) on group revenue of £58.3m (2014: £57.8m). A reduction in the net interest charge to £1.0m (2014: £1.3m) was more than offset by a foreign exchange loss of £0.7m (2014: £Nil) resulting in a group pre-tax profit of £1.0m (2014: £10.0m). Diluted adjusted earnings per share were (0.55)p (2014: 8.28p). The investment in UTV Ireland was well supported by the strong cash generation characteristics of the rest of the group. As a result, net debt increased by just £3.4m to £46.9m representing Net debt/EBITDA at 30 June 2015 of 3.40 times (30 June 2014: 1.72 times). The group agreed a relaxation with its bankers of its Net debt/EBITDA covenant from 3.50: 1 to 4.50: 1 for one year to 30 June 2016.

The Board is proposing a dividend of 1.82p (2014: 1.82p).

Television

Turnover in our Northern Ireland television business was down by 2% in the first six months of the year, reflecting an 11% decrease in advertising revenue from Belfast. This decrease resulted from a significant cut in expenditure by government departments in the Northern Ireland Assembly. Incorporating the results of Tibus and Simply Zesty, operating profit in our Northern Ireland television business was £4.2m (2014: £4.9m).

Turnover in our new television channel, UTV Ireland, fell below expectations as a result of a slower build in audience numbers. In the first six months, UTV Ireland's share of commercial impacts was 11.4%, compared to our original forecast of approximately 15%. Early teething issues, such as the re-tuning of domestic digital receivers, further compounded the problem of audience under-delivery, resulting in turnover for the first half being recorded at £4.9m (2014: £Nil). With costs of £12.4m (2014: £0.5m), in the first half, operating losses at UTV Ireland were £7.5m (2014: £0.5m), creating an overall operating loss in the television division of £3.3m (2014: operating profit of £4.4m).

Radio *

Operating profit in our radio division was £0.9m lower at £7.9m on turnover of £34.6m (2014: £38.8m). Revenues in our GB radio division were down by £2.6m to £25.8m, with lower revenues at talkSPORT accounting for all of this. In a post World Cup year, and in the context of a national advertising market which was flat in the six month period, talkSPORT's 15% revenue decline was a creditable performance, while its cost base reduced by £2.1m. Our local radio stations experienced modest growth and held costs at the previous year's level. GB Radio operating profit, therefore, was down by only £0.5m to £5.8m. As previously reported, a strategic review of our local radio stations is being carried out with disposal terms in respect of one station, Juice FM in Liverpool, having been agreed. Subject to CMA approval the £10.0m cash proceeds of this disposal are expected to be received in Q4.

The Irish radio advertising market failed to respond to the increasingly positive macroeconomic data and, in the first six months, was estimated by the advertising agencies to be down by about 4%. Significant currency headwinds compounded this leading to an overall reduction in our Irish radio advertising revenues of £1.5m to £8.8m. With compensating currency tailwinds in our operating cost base, Irish radio operating profit for the first half was £0.4m lower at £2.1m.

** As appropriate, references to profit include income from associates and joint venture.*

Chairman's Statement

Prospects

We are experiencing good growth from both our London and Dublin offices and this is expected to generate growth in Northern Ireland television advertising revenue of 4% in the current quarter. However the budget impasse in the local assembly continues and this is expected to create a drag on our Northern Ireland television advertising revenue from Belfast in the third quarter.

UTV Ireland's progress is closely linked to the performance of ITV network's programming, which is the mainstay of its output, and there are new series scheduled for the autumn which have been favourably commented upon. Alongside this, we are implementing an action plan which includes stronger domestic programming, more effective marketing and a better defined branding strategy.

As we move through Q3, the tough World Cup comparator for talkSPORT falls away, with good growth forecast for both August and September. For the current quarter as a whole, talkSPORT's advertising revenue is expected to be up by 1%, with similar growth from our local radio stations.

The poor performance of the Irish radio market relative to the economy continued on into July and August, with the strength of sterling exerting further downward pressure on our reported Irish radio revenues. However, advertising agencies are generally positive about the last four months of the year and we are forecasting growth of 3% in local currency for September which would result in a 5% reduction on the same basis for the third quarter as a whole.

Richard Huntingford
Chairman

28 August 2015

Group Income Statement

for the six months ended 30 June 2015

	Notes	*30 June 2015*	*30 June 2014*
		£000	*£000*
Continuing operations			
Revenue	3	**58,262**	57,781
Operating costs		**(55,765)**	(46,731)
Operating profit from continuing operations before tax and finance costs		**2,497**	11,050
Share of results of JVs and associates accounted for using the equity method		**185**	142
Profit from continuing operations before tax and finance costs	3	**2,682**	11,192
Finance revenue		**22**	26
Finance costs		**(1,021)**	(1,283)
Foreign exchange (loss)/gain		**(703)**	27
Profit from continuing operations before tax	3	**980**	9,962
Taxation		**(1,460)**	(1,970)
(Loss)/profit from continuing operations after tax		**(480)**	7,992
Discontinued operations			
Loss from discontinued operations		**-**	(61)
(Loss)/profit for the period		**(480)**	7,931
Attributable to:			
Equity holders of the parent		**(556)**	7,855
Non-controlling interest		**76**	76
		(480)	7,931

(Loss)/Earnings per share		**2015**	**2014**
Continuing operations			
Basic	6	**(0.58)p**	8.26p
Diluted	6	**(0.58)p**	8.19p
Adjusted	6	**(0.55)p**	8.35p
Diluted adjusted	6	**(0.55)p**	8.28p
Continuing and discontinued operations			
Basic	6	**(0.58)p**	8.20p
Diluted	6	**(0.58)p**	8.13p
Adjusted	6	**(0.55)p**	8.29p
Diluted adjusted	6	**(0.55)p**	8.22p

Group Statement of Comprehensive Income

for the six months ended 30 June 2015

	30 June 2015 £000	*30 June 2014 £000*
(Loss)/profit for the period	**(480)**	7,931
Other comprehensive (loss)/income		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial loss on defined benefit pension schemes	**(2,223)**	(2,081)
Income tax relating to items that will not be reclassified subsequently	**445**	416
	(1,778)	(1,665)
Items that may be reclassified subsequently to profit or loss:		
Cash flow hedges		
Gain arising during the period	**293**	-
Less transfers to the income statement	**(17)**	-
Exchange difference on translation of foreign operations	**(3,874)**	(1,881)
Income tax relating to items that may be reclassified	**(22)**	-
	(3,620)	(1,881)
Other comprehensive loss for the period, net of tax	**(5,398)**	(3,546)
Total comprehensive (loss)/income for the period, net of tax	**(5,878)**	4,385
Attributable to:		
Equity holders of the parent	**(5,954)**	4,309
Non-controlling interest	**76**	76
	(5,878)	4,385

Group Balance Sheet

for the six months ended 30 June 2015

	Notes	*30 June 2015*	*30 June 2014*	*31 December 2014*
		£000	*£000*	*£000*
ASSETS				
Non-current assets				
Property, plant and equipment	7	17,546	12,487	17,360
Intangible assets		166,047	174,374	172,163
Investments accounted for using the equity method		864	890	900
Deferred tax asset		1,691	1,818	1,531
		186,148	189,569	191,594
Current assets				
Inventories		1,591	785	2,390
Trade and other receivables		21,567	22,298	23,502
Financial assets	8	376	375	275
Cash and short term deposits		12,832	13,906	12,886
		36,366	37,364	39,053
TOTAL ASSETS		222,514	226,933	231,007
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		(104)	-	(104)
Foreign currency reserve		(303)	5,069	3,571
Cash flow hedge reserve		276	-	-
Retained earnings		38,038	39,336	45,428
		93,514	100,012	104,502
Non-controlling interest		129	85	53
TOTAL EQUITY		93,643	100,097	104,555
Non-current liabilities				
Financial liabilities	8	56,437	53,594	55,399
Pension liability	9	3,229	4,241	1,971
Provisions		622	413	372
Deferred tax liabilities		32,979	34,518	34,266
		93,267	92,766	92,008
Current liabilities				
Trade and other payables		29,766	27,291	28,058
Financial liabilities	8	3,335	3,790	3,668
Tax payable		1,829	2,313	1,909
Provisions		674	676	809
		35,604	34,070	34,444
TOTAL LIABILITIES		128,871	126,836	126,452
TOTAL EQUITY AND LIABILITIES		222,514	226,933	231,007

Group Cash Flow

for the six months ended 30 June 2015

	30 June 2015	*30 June 2014*
	£000	*£000*
Operating activities		
Profit before tax [(i)]	980	9,851
Adjustments to reconcile profit before tax to net cash flows from operating activities		
Foreign exchange loss/(gain)	703	(27)
Net finance costs	999	1,257
Share of results of associates and joint ventures	(185)	(142)
Depreciation of property, plant and equipment	1,514	971
Gain from sale of property, plant and equipment	(1)	-
Share based payments	171	175
Difference between pension contributions paid and amounts recognised in the income statement	(1,038)	(2,530)
Decrease in inventories	799	973
Decrease in trade and other receivables	1,286	228
Decrease in trade and other payables	(2,830)	(1,169)
Increase/(decrease) in provisions	115	(22)
Cash generated from operations	2,513	9,565
Tax paid	(1,241)	(729)
Net cash inflow from operating activities	1,272	8,836
Investing activities		
Interest received	24	26
Proceeds on disposal of property, plant and equipment	1	1
Purchase of property, plant and equipment	(2,167)	(1,893)
Income received from associates and joint ventures	221	75
Proceeds from the disposal of discontinued operations	175	300
Net cash flows from investing activities	(1,746)	(1,491)
Financing activities		
Borrowing costs	(1,084)	(1,078)
Acquisition of treasury shares	-	(402)
Dividends paid to equity shareholders	(4)	(3)
Dividends paid to non-controlling interests	-	(97)
Repayment of borrowings	(1,939)	(2,000)
Proceeds from borrowings	3,582	-
Net cash flows used in financing activities	555	(3,580)
Net increase in cash and cash equivalents	81	3,765
Net foreign exchange differences	(135)	(44)
Cash and cash equivalents at 1 January	12,886	10,185
Cash and cash equivalents at 30 June	12,832	13,906

[(i)] Includes both continuing and discontinued operations

Group Statement of Changes in Equity

for the six months ended 30 June 2015

	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 2014	55,557	50	(123)	6,950	-	38,531	**100,965**	106	**101,071**
Profit for the period	-	-	-	-	-	7,855	**7,855**	76	**7,931**
Other comprehensive income in the period	-	-	-	(1,881)	-	(1,665)	**(3,546)**	-	**(3,546)**
Total net comprehensive income in the period	-	-	-	(1,881)	-	6,190	**4,309**	76	**4,385**
Acquisition of treasury shares	-	-	(402)	-	-	-	**(402)**	-	**(402)**
Treasury shares issued	-	-	525	-	-	(525)	**-**	-	**-**
Share based payment	-	-	-	-	-	175	**175**	-	**175**
Equity dividends paid and payable	-	-	-	-	-	(5,035)	**(5,035)**	(97)	**(5,132)**
At 30 June 2014	55,557	50	-	5,069	-	39,336	**100,012**	85	**100,097**
Profit for the period	-	-	-	-	-	5,788	**5,788**	81	**5,869**
Other comprehensive income/(loss) in the period	-	-	-	(1,498)	-	1,921	**423**	-	**423**
Total net comprehensive income in the period	-	-	-	(1,498)	-	7,709	**6,211**	81	**6,292**
Acquisition of treasury shares			(104)	-	-	-	(104)	-	(104)
Share based payment	-	-	-	-	-	128	128	-	128
Equity dividends paid	-	-	-	-	-	(1,745)	(1,745)	(113)	(1,858)
At 31 December 2014	55,557	50	(104)	3,571	-	45,428	**104,502**	53	**104,555**
(Loss)/profit for the period	-	-	-	-	-	(556)	**(556)**	76	**(480)**
Other comprehensive (loss)/income in the period	-	-	-	(3,874)	276	(1,800)	**(5,398)**	-	**(5,398)**
Total net comprehensive (loss)/income in the period	-	-	-	(3,874)	276	(2,356)	**(5,954)**	76	**(5,878)**
Share based payment	-	-	-	-	-	171	**171**	-	**171**
Equity dividends paid and payable	-	-	-	-	-	(5,205)	**(5,205)**	-	**(5,205)**
At 30 June 2015	55,557	50	(104)	(303)	276	38,038	**93,514**	129	**93,643**

Notes to the accounts

1. Basis of preparation

The condensed interim financial statements have been prepared in accordance with IAS34 “Interim Financial Reporting” and the Disclosure and Transparency Rules of the Financial Conduct Authority.

In addition, the interim condensed 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 2014. A number of New European Union endorsed amendments to existing standards are effective for periods beginning on or after 1 January 2015. However, none of these have a material, if any, impact on the annual or condensed interim financial statements of the Group in 2015.

These interim statements have been prepared on a 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 2014 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and has been extracted from the Group’s 2014 Annual Report, which has been filed with the Registrar of Companies. The report of the auditors on the accounts contained within the Group’s 2014 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

The established businesses historically have had no significant seasonality or cyclicality affecting the interim results of the operations. However, the launch of UTV Ireland in January 2015 has had a significant impact on the seasonality and cyclicality of the Group. The Board have agreed upon and implemented an action plan to improve the performance of UTV Ireland in order to reduce this impact and as such remains confident that UTV Ireland will create long-term strategic value for shareholders.

Notes to the accounts

3. Segmental information

The Group operates in three principal areas of activity – radio in GB, radio in Ireland and commercial television. These three 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.

Revenue

Six months ended 30 June 2015

	Radio GB £000	Radio Ireland £000	Television £000	Total £000
Sales to third parties	25,839	8,814	23,609	58,262
Intersegmental sales	344	678	932	1,954
	26,183	9,492	24,541	60,216

Six months ended 30 June 2014

	Radio GB £000	Radio Ireland £000	Television £000	Total £000
Sales to third parties	28,485	10,287	19,009	57,781
Intersegmental sales	289	586	1,493	2,368
	28,774	10,873	20,502	60,149

Notes to the accounts

3. Segmental information (continued)

Results

Six months ended 30 June 2015

	Radio GB *£000*	*Radio Ireland* *£000*	*Television* *£000*	*Total* *£000*
Segment operating profit/(loss)	5,573	2,128	(3,295)	4,406
Central costs				(1,909)
Income from Joint Ventures and Associates				185
Profit before tax and finance costs				2,682
Net finance cost				(999)
Foreign exchange loss				(703)
Profit before taxation				980

Results

Six months ended 30 June 2014

	Radio GB *£000*	*Radio Ireland* *£000*	*Television* *£000*	*Total* *£000*
Segment operating profit	6,112	2,533	4,376	13,021
Central costs				(1,971)
Income from Joint Ventures and Associates				142
Profit before tax and finance costs				11,192
Net finance cost				(1,257)
Foreign exchange gain				27
Profit before taxation				9,962

Notes to the accounts

4. Taxation

In the budget in July 2015, it was proposed that corporation tax rates in the UK would be reduced to 19% in 2017 and 18% in 2020. As these have not yet been substantively enacted, deferred tax has been calculated at 20% 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 £1,780,000.

5. Dividends

	30 June 2015 £000	*30 June 2014 £000*
Equity dividends on ordinary shares		
Declared at the AGM during the period		
Final for 2014: 5.43p (2013: 5.25p)	5,205	5,035
Proposed but not recognised as a liability at 30 June		
Interim for 2015: 1.82p (2014: 1.82p)	1,744	1,745

The final dividend for 2014 was paid on 15 July 2015 (2013: 15 July 2014).

6. Earnings per share

Basic earnings per share are 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 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 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 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.

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

Notes to the accounts

6. Earnings per share (continued)

Net profit attributable to equity holders

	30 June 2015			30 June 2014		
	Continuing Operations £000	*Discontinued Operations £000*	*Total £000*	*Continuing Operations £000*	*Discontinued Operations £000*	*Total £000*
Net (loss)/profit attributable to equity holders	(556)	-	(556)	7,916	(61)	7,855
Adjustments to net financing costs	28	-	28	93	-	93
Total adjusted and diluted (loss)/profit attributable to equity holders	(528)	-	(528)	8,009	(61)	7,948

Weighted average number of shares

	2015 thousands	*2014 thousands*
Shares in issue	95,903	95,903
Weighted average number of treasury shares	(53)	(29)
Weighted average number of shares for basic and adjusted earnings per share (excluding treasury shares)	95,850	95,874
Effect of dilution of the Long Term Incentive Plan	238	824
	96,088	96,698

Earnings per share

	2015	*2014*
From continuing operations		
Basic	(0.58)p	8.26p
Diluted	(0.58)p	8.19p
Adjusted	(0.55)p	8.35p
Diluted adjusted	(0.55)p	8.28p

Notes to the accounts

6. Earnings per share (continued)

From continuing and discontinued operations		
Basic	(0.58)p	8.20p
Diluted	(0.58)p	8.13p
Adjusted	(0.55)p	8.29p
Diluted adjusted	(0.55)p	8.22p
From discontinued operations		
Basic	-	(0.06)p
Diluted	-	(0.06)p
Adjusted	-	(0.06)p
Diluted adjusted	-	(0.06)p

7. Property, plant and equipment

During the period the Group incurred £2,020,000 (2014: £1,627,000) of capital additions.

At 30 June 2015 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £390,000 (2014: £Nil).

Notes to the accounts

8. Financial instruments

The Group's principal financial instruments comprise bank loans and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade receivables and trade payables, which arise directly from its operations. Contingent consideration arises in respect of the disposal of businesses.

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial assets and liabilities, excluding trade receivables and payables, that are carried in the financial statements.

	30 June 2015		*30 June 2014*		*31 December 2014*	
	Carrying amount	*Fair value*	*Carrying amount*	*Fair value*	*Carrying amount*	*Fair value*
	£000	*£000*	*£000*	*£000*	*£000*	*£000*
Financial assets						
Contingent consideration	100	100	375	375	275	275
Derivative financial assets	276	276	-	-	-	-
	376	376	375	375	275	275
Financial liabilities						
Interest-bearing loans and borrowings	59,772	59,772	57,384	57,384	59,067	59,067

The Group uses the following hierarchy as set out in IFRS 7 "Financial Instruments: Disclosures" and IFRS 13 "Fair Value measurement" for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and,
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

With the exception of the contingent consideration receivable, which is considered as falling within level 3, the Group's other financial assets and liabilities are considered as falling within level 2 of this hierarchy. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period. There have been no transfers between level 1, 2 or 3 of the hierarchy or changes in valuation techniques during the current period or in the previous years.

Management have assessed that the fair value of cash and cash equivalents, trade and other receivables and trade and other payables approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of interest bearing loans and borrowings are also a close approximation to their carrying value given that they bear interest at floating rates based on Libor/Euribor.

The bank loans at 30 June 2015 are stated net of deferred financing costs amounting to £397,000 (30 June 2014: £618,000; 31 December 2014: £509,000).

The fair value of derivative financial assets which relate to foreign exchange forward contracts is determined by calculating the present value of future cash flows, estimated using forward rates from third party market price quotations.

Contingent consideration receivable relates to amounts due in respect of the disposal of certain of the Group's New Media businesses in 2014. The fair value of these amounts is measured using the present value of the probability-weighted average of pay out associated with each possible outcome of customer profitability or migration milestones achieved under the related disposal agreements. The range of possible outcomes in respect of these arrangements is considered by the Directors to not be materially different from their fair values at 30 June 2015. Changes in the fair value of these amounts during the 6 months ended 30 June 2015 and in the year ended 31 December 2014 are not material to the Group's Income Statement.

Notes to the accounts

9. Pension schemes

The IAS 19 deficit at 30 June 2015 is £3,229,000 (30 June 2014: £4,241,000) compared with a deficit of £1,971,000 at 31 December 2014. The increase is predominately due to the actuarial increase in the schemes liabilities. During the period there was a discretionary employer contribution of £1,209,000.

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 2014 has not changed. There have been no significant related party transactions in the six month period ended 30 June 2015.

Risks and uncertainties

The 2014 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 2015.

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
28 August 2015

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 2015 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 10. 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 Conduct 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 2015 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 Conduct Authority.

Ernst & Young LLP
Belfast
28 August 2015

Notice to shareholders

Adoption of Financial Reporting Standard (FRS) 101: Reduced Disclosure Framework

Following the publication of FRS 100 'Application of Financial Reporting Requirements' by the Financial Reporting Council, UTV Media plc is required to change the financial reporting framework used in preparing its individual company financial statements, which is currently previous UK GAAP, for its financial year commencing 1 January 2015.

The Board considers that it is in the best interests of the Group and the Company for UTV Media plc to adopt FRS101 'Reduced Disclosure Framework'.

A shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in UTV Media plc may serve objections to the use of the disclosure exemptions on UTV Media plc, in writing, to its registered office at Ormeau Road, Belfast, BT7 1EB.