

UTV Media plc

Preliminary Results 2007



AGENDA

- The UTV Media Group
- Financial Overview
- Radio
- Television
- New Media
- Conclusion



John McCann
Group Chief Executive

Paul O'Brien
Group Finance Director

Scott Taunton
*Managing Director
UTV Radio (GB)*

Jim Downey
*Group Commercial
Director*



UTV Radio (GB) operates the national speech station, talkSPORT, 17 ILR stations and a number of DAB multiplexes throughout Britain



50% shareholder of First Radio Sales, representing national airtime sales for 137 local radio stations throughout the UK



The largest operators of independent local radio in Ireland with stations in Dublin, Belfast, Cork, Limerick, Dundalk and Drogheda



ITV franchise holder for Northern Ireland

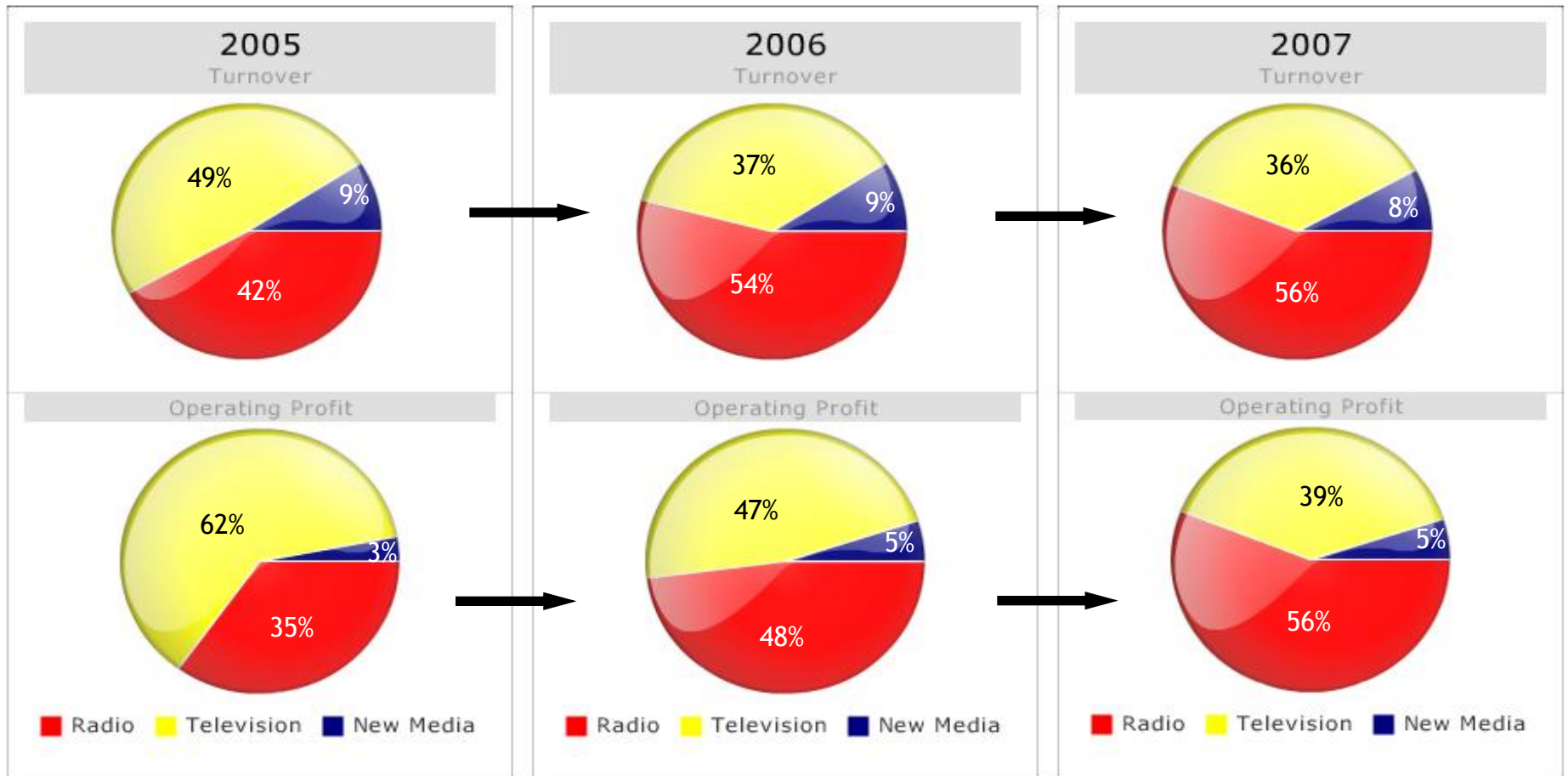
Receivable in 80% of homes in Republic of Ireland



UTV Internet delivers web design, development and content solutions to both internal and external clients. It is a leading Internet Service Provider which offers wholesale line rental telephony services across Ireland



The changing nature of the UTV Media Group



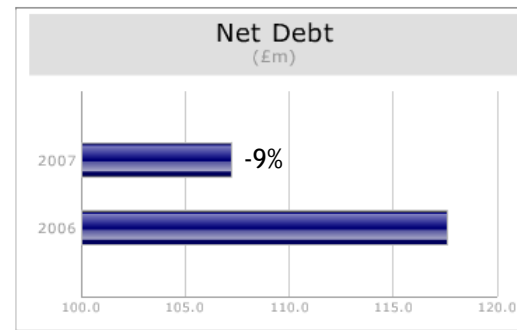
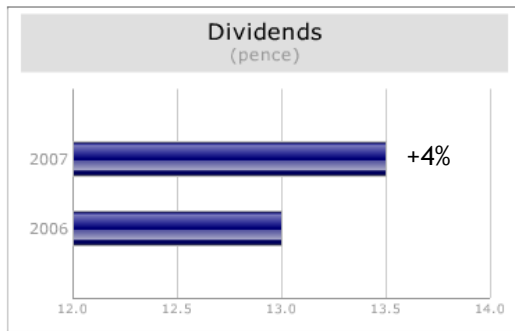
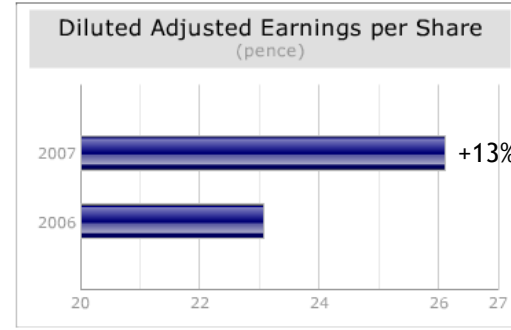
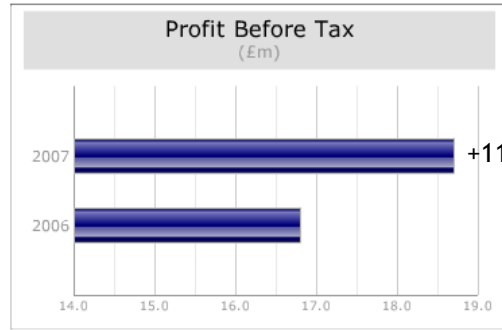
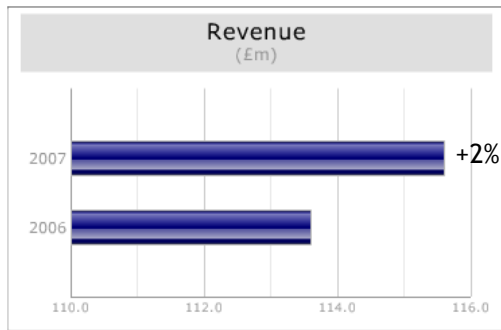
FINANCIAL OVERVIEW

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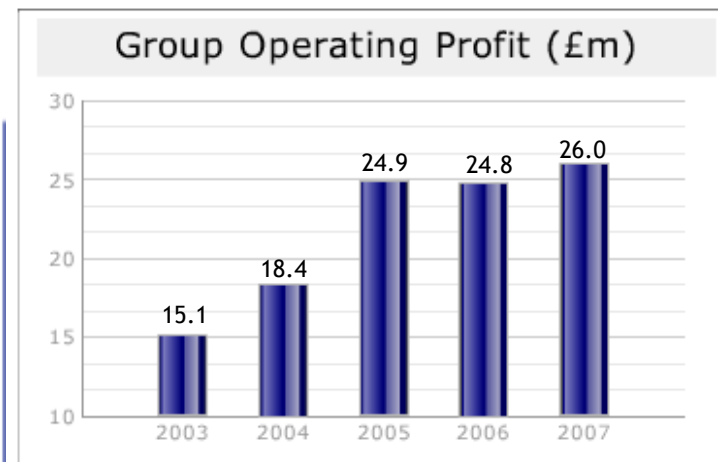


Delivering earnings growth and outperforming the market





- Group revenue up by 2% to £115.6m (2006: £113.6m)
- Group operating profit (pre-exceptional charges) up £1.2m (5%) to £26.0m (2006: £24.8m)
- This is after charging £2.4m (2006: £2.6m) of start up losses at our radio stations in Belfast and Edinburgh
- UTV Radio (GB) operating profit up by 31% to £9.3m (2006: £7.1m) after start up losses at our Edinburgh station of £1.7m (2006: £1.7m loss)
- UTV Radio (Ireland) operating profit up by 7% to £5.2m (2006: £4.9m) after start up losses at our Belfast station of £0.7m (2006: £0.9m loss)
- Television operating profit down at £10.1m (2006: £11.7m)
- New Media operating profit up by 30% to £1.4m (2006: £1.1m)



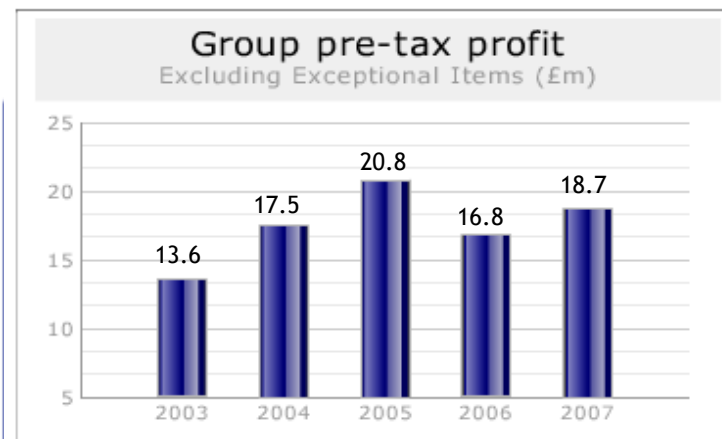
Group Operating Profit

	2007 £m	2006 £m	Change £m
Radio GB	11.0	8.8	2.2
Radio Ireland	5.9	5.8	0.1
Start up losses	(2.4)	(2.6)	0.2
Total Radio	14.5	12.0	2.5
Television	10.1	11.7	(1.6)
New Media	1.4	1.1	0.3
Operating Profit	26.0	24.8	1.2

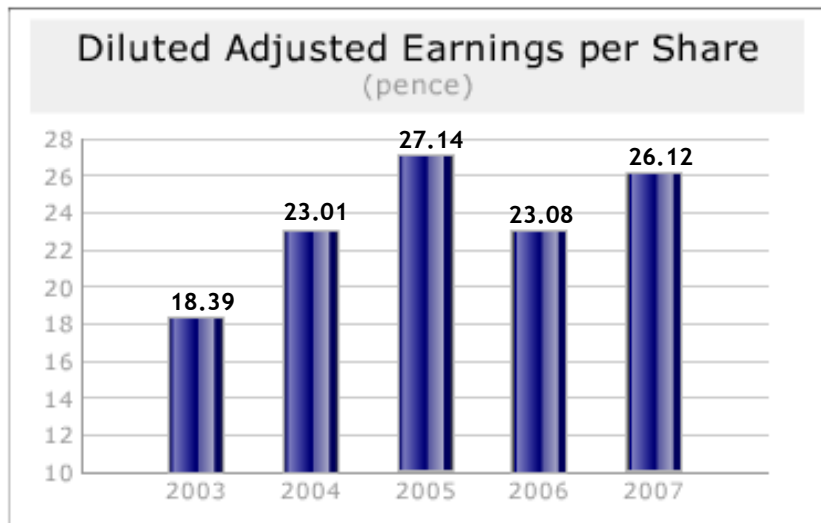


- Net finance cost of £7.4m (2006: £8.0m)
- Effective tax rate of 22.8% (2006: 21.5%)
- Net exceptional gain of £0.4m (2006: loss of £0.5m)
 - Profit from disposals of £0.6m
 - Aborted transaction costs of £0.4m
 - Corporate restructuring costs of £1.2m
 - Gain of £1.4m resulting from the restating of the net deferred tax liability from 30% to 28%
- Pension deficit reduced by £2.1m to £1.9m (2006: £4.0m)

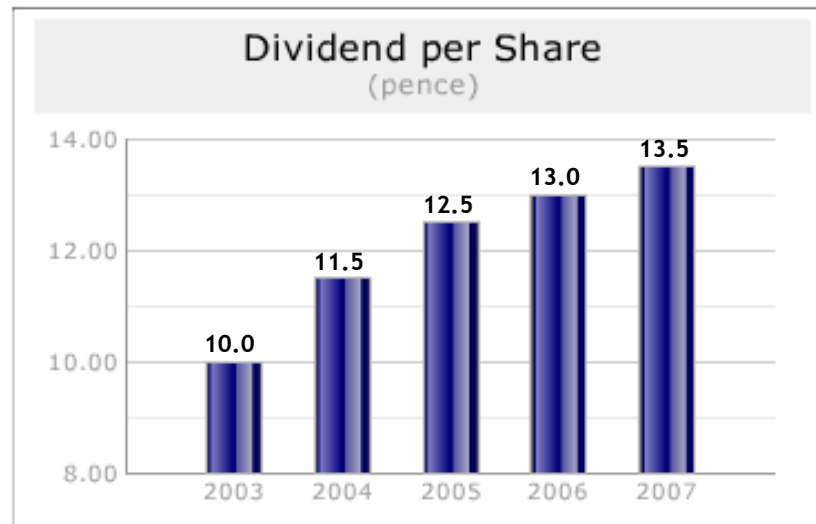
} £1.0m



	2007 £m	2006 £m	Change £m
Group operating profit pre start up losses	28.4	27.4	1.0
Start up losses	(2.4)	(2.6)	0.2
Group operating profit	26.0	24.8	1.2
Foreign exchange gain	0.1	0.0	0.1
Net finance costs	(7.4)	(8.0)	0.6
Profit pre-tax, pre-exceptionals	18.7	16.8	1.9
Exceptional items	(1.0)	(20.7)	19.7
Group pre-tax profit	17.7	(3.9)	21.6
Taxation	(4.2)	(3.6)	(0.6)
Exceptional tax gain	1.4	20.2	(18.8)
Profit after taxation	14.9	12.7	2.2



- Diluted adjusted earnings per share up by 13.2% to 26.12p (2006: 23.08p)
- Impact of start up losses in 2007 was 3.29p



- Recommended final dividend increase of 4% to 8.30p (2006: 8.00p), making a full year dividend of 13.50p (2006: 13.00p), a 4.0% increase
- Dividend cover of 1.93
- Full year dividend has increased by 35% over the past four years
- Dividend yield of circa 5.7% based on share price of 238.5p at 31 December 2007



- During 2007 Net Debt reduced by £10.4m to £107.2m (2006: £117.6m)
- The Group currently has borrowing facilities of £135.1m
- Group facilities headroom £16.9m
- Cash reserves of £10.2m
- Margin on Libor and Euribor is 125bps

Covenants at 31 December 2007

- Net Debt: EBITDA ratio is 3.82x (2006: 4.41x)
- EBITDA: Interest cover of 4.01x (2006: 3.55x)

Net Debt at 31 December

	2007 £m	2006 £m	Change £m
Bank Loans			
Current	10.3	10.1	(0.2)
Non-current	107.1	115.4	8.3
	117.4	125.5	8.1
Less Cash	10.2	7.9	2.3
Net Debt	107.2	117.6	10.4



- Free cash flow decreased by £2.1m to £23.7m (2006:£25.8m)
- Significant reduction in tax cash outflows by £2.0m to £0.4m (2006: £2.4m)
- Reduced interest costs of £0.5m to £7.1m (2006: £7.6m)
- Net cash flow from operations increased by £0.1m to £8.7m (2006: £8.6m)
- In December 2007 a share placing of £5.3m was completed and a deposit of £1.1m was paid for the FM104 acquisition
- Euro denominated debt translation loss of £2.1m

Cash Flow

	2007 £m	2006 £m	Change £m
EBITDA	27.8	26.7	1.1
Capital Expenditure	(1.2)	(1.9)	0.7
Working Capital	(1.2)	1.0	(2.2)
Exceptional Costs	(1.7)	0.0	(1.7)
Free Cash Flow from Operations	23.7	25.8	(2.1)
Finance Cost	(7.1)	(7.6)	0.5
Tax	(0.4)	(2.4)	2.0
Dividends	(7.2)	(7.0)	(0.2)
Other	(0.3)	(0.2)	(0.1)
Net Cash Flow from Operations	8.7	8.6	0.1
Share placing	5.3	0.0	5.3
FM104 deposit	(1.1)	0.0	(1.1)
Debt translation	(2.1)	0.3	(2.4)
Deferred financing costs	(0.4)	(0.3)	(0.1)
Decrease in Net Debt	10.4	8.6	1.8
Net Debt at start of Year	(117.6)	(126.2)	
Net Debt at end of Year	(107.2)	(117.6)	

RADIO - GB

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- Portfolio includes one of three Independent National Radio (INR) stations, talkSPORT and 17 Independent Local Radio (ILR) stations throughout GB
- talkSPORT remains the most efficient broadcaster for advertisers targeting a male audience
- talkSPORT grew its audience by 10% in 2007, the highest growth of any analogue national station for the second year running
- 14% increase in listenership in the four stations which we reprogrammed and marketed (The Wolf, Radio Wave, The Pulse and Juice FM)
- ILRs audience broadly flat in 2007 although investment in music and audience research showing signs of delivery



Great Britain

1. talkSport
2. Wave 102
3. Talk 107
4. Radio Wave
5. The Pulse
6. Pure Classic Gold
7. Tower FM
8. Wish FM
9. Imagine FM
10. Juice FM
11. Wire FM
12. Dee FM (22.1%)
13. Peak 107FM
14. Signal 1
15. Signal 2
16. The Wolf
17. Valleys Radio
18. 96.4 The Wave
19. Swansea Sound



Quarter Ending December 2007					
	Reach ('000)	Hours ('000)	Male %	Female %	ABC1 %
talkSPORT	2,452	20,399	79	21	53
UTV ILRs	1,387	11,974	47	53	46
UTV (UK) Total	3,672	31,158	67	33	50

Source: RAJAR 31 January 2008



- Advertising revenue in the UK radio market grew by 3% in 2007
- Advertising revenue in UTV's GB radio stations was up by 6% on a like for like basis
- Advertising revenue in talkSPORT was up by 12%
- Advertising revenue in our local radio operations was up 2% on a like for like basis
- Operating profit for UTV Radio (GB) after start up losses in our Edinburgh station of £1.7m (2006: £1.7m loss) was £9.3m (2006: £7.1m) of which:
 - talkSPORT delivered £5.9m
 - Local radio delivered £5.1m
 - talk107 incurred losses of £1.7m

Radio GB

	2007 £m	2006 £m	Change £m
Turnover			
talkSPORT	21.4	19.1	2.3
Local Radio	25.9	26.2	(0.3)
talk107	0.6	0.4	0.2
	47.9	45.7	2.2
Operating costs			
talkSPORT	15.5	15.9	0.4
Local Radio	20.8	20.6	(0.2)
talk107	2.3	2.1	(0.2)
	38.6	38.6	0.0
Operating profit			
talkSPORT	5.9	3.2	2.7
Local Radio	5.1	5.6	(0.5)
talk107	(1.7)	(1.7)	0.0
	9.3	7.1	2.2

RADIO GB | Current Trading and Prospects



- UK Radio advertising market is expected to be up by 6% in Q1
- Q1 advertising revenues in our GB stations are expected to be up by 9% on a like for like basis driven by:
 - talkSPORT up by 20%
 - Local radio will be flat
- Further audience growth will be led by complementary talent such as Ian Wright, Alan Brazil, Andy Townsend and Ronnie Irani, together with the acquisition and retention of high profile sports rights such as the Rugby World Cup, Champions League and Premier League football.
- New national and local stations will strengthen audiences and sales proposition
 - talkRADIO will enable clearer separation of sports and current affairs coverage, while growing listening hours through cross promotion
 - Central FM to launch in Preston in October
- Forecast losses for start up stations of £2.2m in 2008 (2007: £1.7m)
 - talk107 losses of £1.0 (2007: £1.7m)
 - talkRADIO losses of £1.0 (2007: n/a)
 - Central FM losses of £0.2m (2007: n/a)

RADIO - IRELAND

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RADIO IRELAND | Radio Listenership 2007

chart to be updated

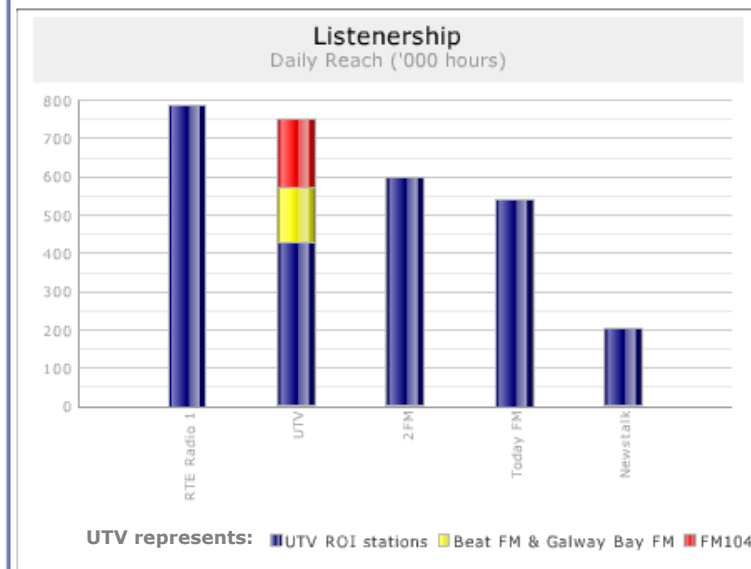


- UTV's radio stations broadcast to six major urban areas in Ireland
- UTV also sells airtime in two other major urban areas, being Galway and the South East region
- These regions account for 64% of the adult population on the island of Ireland and within these regions, 32% of adults listen each week to UTV sold stations
- Listenership data was published by the Joint National Listenership Research (JNLR) in February 2007 showing:

Listenership Reach and Share			
	Weekly Reach	Market Share	Share at Acquisition
	%	%	%
96FM/C103FM (Cork)	65	52.2	50.0
95FM (Limerick)	81	43.6	31.0
LMFM (Dundalk/Drogheda)	51	34.2	31.0
U105 (Belfast)	11	4.2	N/A
Q102 (Dublin)	15	6.6	5.0
FM104 (Dublin)	29	12.4	12.4

Source: JNLR Jan-Dec 2007 / RAJAR 31 January 2008

- U105 in Belfast increased its reach by 25% year on year
- FM104 subject to shareholder approval





- Total advertising revenue was up by 4% on a like for like basis
 - Local advertising revenue down by 1% (H2 up 7%)
 - National advertising revenue up by 9% (H2 up 8%)

- Limerick radio licence renewed until 2017

- UTV Radio (Ireland) operating profit up 7% to £5.2m (2006: £4.9m) after start up losses at our Belfast station of £0.7m (2006: £0.9m loss)

Radio Ireland

	2007 £m	2006 £m	Change £m
Turnover			
Existing Stations	15.9	15.4	0.5
Belfast (U105)	0.7	0.5	0.2
	16.6	15.9	0.7
Operating costs			
Existing Stations	10.0	9.6	(0.4)
Belfast (U105)	1.4	1.4	0.0
	11.4	11.0	(0.4)
Operating profit			
Existing Stations	5.9	5.8	0.1
Belfast (U105)	(0.7)	(0.9)	0.2
	5.2	4.9	0.3



- Q1 advertising revenues in our Irish stations expected to be up by 20% with currency translation gain contributing 12% of this growth

- Like for like Euro growth is 8% and is driven primarily by national advertising

- Integration of FM104
 - Year end 31 March 2007: Revenue was €9.4m and Operating Profit was €3.0m

- Forecast losses of £0.4m for U105 in 2008

TELEVISION

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TELEVISION | 2007 Peak Time Viewership Performance

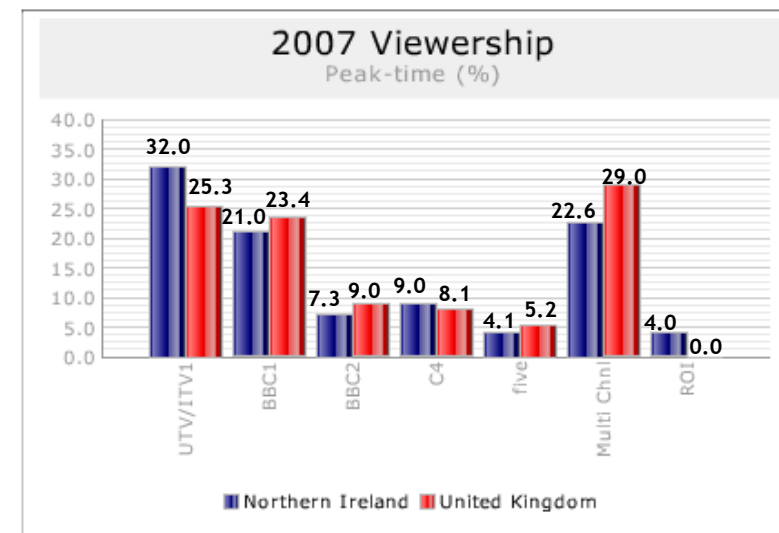
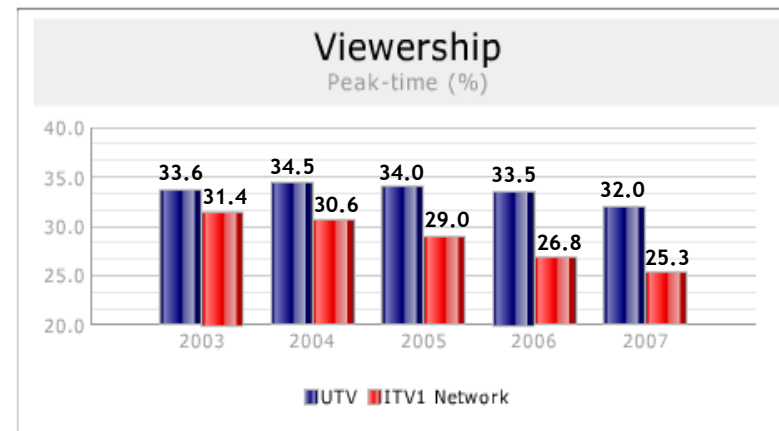


- ITV1's viewing share declined to 25.3% (2005: 26.8%)
- UTV has broadly maintained its peak-time viewership over the past five years and in 2007 had:
 - 26% more viewership than ITV1 with a share of 32.0%
 - 52% more viewership than BBC1 Northern Ireland
 - 20% more viewership than all satellite and Republic of Ireland channels combined
 - a share of 32.0% which compares favourably to the combined viewership share of 35.7% for all UK commercial television (C4, C5 and Multi-Channel)
 - more than three times the viewership of Channel 4, the nearest commercial competitor

and

- UTV had a 7.5% peak-time share in the 80% of Republic of Ireland homes which are multi-channel

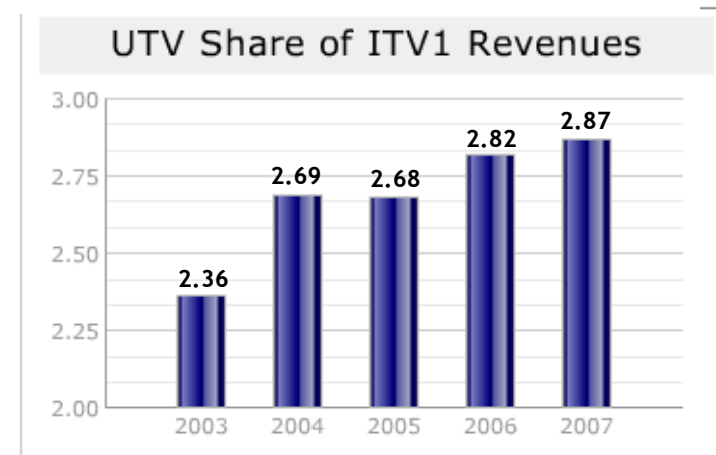
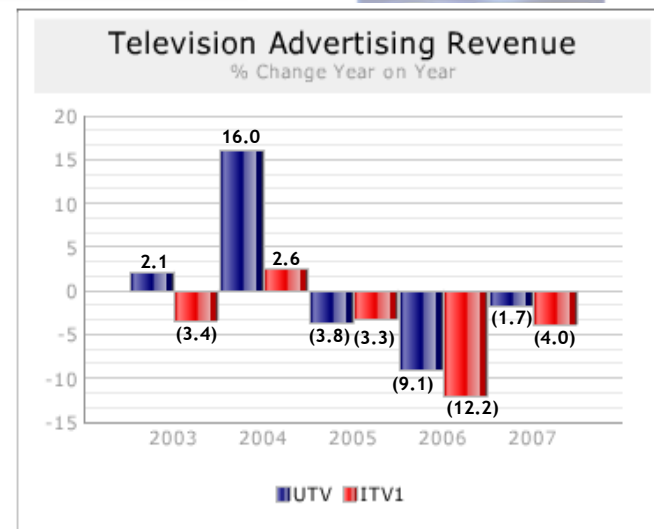
Change in Commercial Impacts		
	ITV	UTV
2003-07	-17%	-4%
2006-07	+1%	Flat



TELEVISION | 2007 Advertising Revenue Performance



- UK television advertising market up by 3%
- ITV1 advertising revenue down by 4%
- UTV again outperformed ITV1 but advertising revenue down by 1.7%
- Record share of ITV1 revenues of 2.87% (2006: 2.82%)





- Turnover down by 3% to £41.3m (2006: £42.4m)

- Television operating profit down by 14% to £10.1m (2006: £11.7m)

- Direct sales costs brought in house effective 1 April 2007

Television

	2007	2006	Change
	£m	£m	£m
Revenue			
Airtime	38.2	38.9	(0.7)
Sponsorship	1.7	1.6	0.1
Other	1.4	1.9	(0.5)
	41.3	42.4	(1.1)
Operating costs			
Salaries (inc. pensions)	7.8	7.6	(0.2)
Network programmes	9.5	9.4	(0.1)
Direct sales costs	3.9	4.0	0.1
Depreciation	0.7	0.7	0.0
Other costs	9.3	9.0	(0.3)
	31.2	30.7	(0.5)
Operating profit	10.1	11.7	(1.6)

TELEVISION | Current Trading and Prospects



- Total UK television advertising market in Q1 is forecast to be down by circa 0.7%
- ITV1's network advertising revenue in Q1 is likely to be down by 2%
- UTV's advertising revenue in Q1 is likely to be flat
- OFT and OFCOM review of CRR announced but unlikely to have an impact before the end of 2009
- As CRR does not apply to UTV's Irish advertising revenue, UTV should outperform ITV Network revenue in 2008

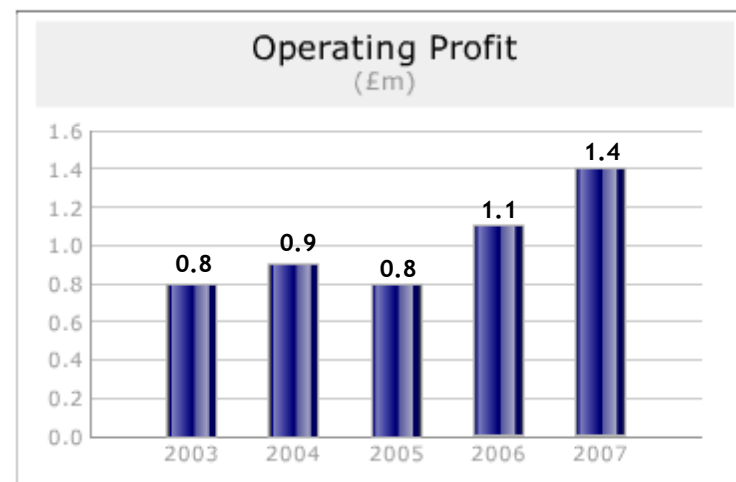
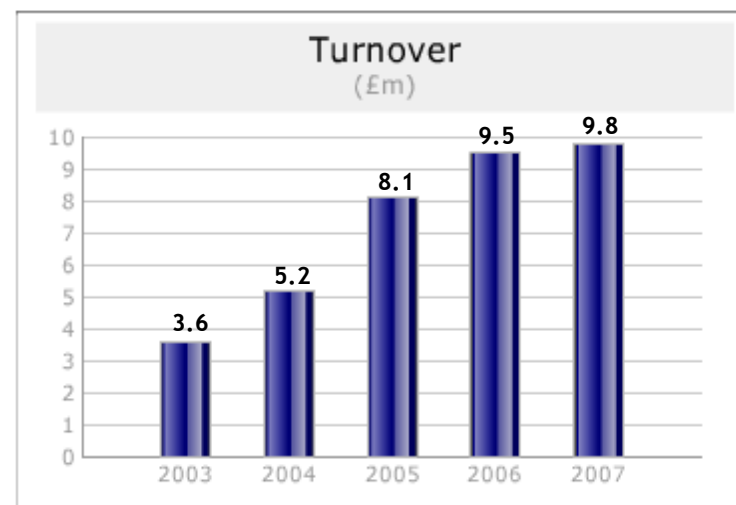
NEW MEDIA

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- Turnover increased by 3%
- New Media operating profit up 30% to £1.4m (2006: £1.1m)
- Turnover in Q1 expected to be marginally down on a like for like basis but
Improved margins should lead to sustained profitability levels on the existing business
- Focus on content
- Tibus had been developing high profile web sites such as
 - Northern Ireland Post Office
 - DHL
 - Queens University Belfast
- Integrate TIBUS acquisition in Q1



CONCLUSION

- GB Radio continuing to outperform the market with particularly strong growth in talkSPORT
- Irish Radio continues to demonstrate growth particularly at national level
- Investment of £2.2m in start up radio stations in 2008
- Integrate FM104 and Tibus acquisitions
- Strong regional television performance mitigates weakness at network level

***Strong performance so far,
.....cautiously optimistic for the rest of the year***

