



UK TV advertising bounces back

Screen Digest doubles its annual growth forecast to 4.6per cent

London 8th April 2010: With ITV and other broadcasters reporting better than expected results for 2009, the advertising analysts at Screen Digest have just doubled the forecast for year-on-year growth in the UK TV advertising market. Screen Digest's Advertising Team expect ITV to enjoy an increase of up to 20per cent during the second quarter of 2010.

Published in the report '*UK advertising bounces back*' Screen Digest predicts that the UK TV market will grow by seven per cent year-on-year in the first half of 2010 – but this growth is driven by a set of factors that are unlikely to sustain in the second half of the year. Advertising scheduled around the football World Cup in June, marketing strategies placing an emphasis on the first six months of 2010 and tougher year-on-year comparisons with the second half of 2009, mean that across the year the growth figure will be 4.6 per cent.

The report shows just how tough 2009 was for UK broadcasters: ITV's revenues fell nine per cent year on year, Channel 4 10.5 per cent, Channel Five 23 per cent and BSkyB eight per cent.

ITV's Got Talent

Although 2009 was a tough year for commercial, ad-funded broadcasting, there were silver linings. Advertising revenues were up on digital channels ITV 2, 3, 4 and CITV as well as sponsorship on ITV1's programmes. ITV.com witnessed a particular strong surge with revenues up 33 per cent to £24m, primarily due to

growing demand for advertising slots in online video. ITV1's audience was also very good compared to Channel Four and Five, both of which faced difficulties. As a result by the end of 2009, ITV had increased its ad market share to 44.2 per cent, almost twice that of the next biggest player, Channel Four, commanding 23 per cent.

ITV1's entertainment shows *Dancing on Ice*, *I'm a Celebrity* and *X Factor* performed extremely well in 2009. But nothing could compete with the final of *Britain's Got Talent* which attracted 75 per cent of the entire TV audience, becoming the most watched non-sport programme for half a decade. It also boosted the number of unique users on itv.com from an average monthly rate of 13m to 50m.

Outlook for 2010 and the impact of the election

Screen Digest believes that all the major TV broadcasters will end 2010 with significant increases in TV ad revenue after an admittedly terrible 2009; ITV by 4.6per cent from £1.3bn to £1.4bn; Channel by 4.8per cent from £706m to £740m; Five by 4.2 per cent to £251m and BSkyB by 4.7 per cent to £295m.

The COI, the UK's single biggest advertiser will have to restrict its airtime buying for 12 weeks starting six weeks before the general election in May. This will slow growth in Q2, bringing it in line with the seven per cent rate of the previous quarter. Depending on the winner of the election, COI is likely to be spending either less – or considerably less – on advertising. This combined with the knowledge that many advertisers have planned their advertising budgets to focus primarily on the first half of the year has led the analyst firm to settle on a cautious 4.6 per cent overall growth in ad revenues for the entire year.

Daniel Knapp, Advertising Analyst at Screen Digest concludes "Advertising demand and marketers' confidence is clearly up so far this year. 2010 is going to be an interesting year for TV advertising - the football World Cup, the general

election and the trend for marketers to plan their campaigns in the first half of the year, combined with favourable year-on-year comparisons with an exceptionally tough previous year, mean that making forecasts for 2010 is a hard job, but we're cautiously optimistic that the UK market will grow 4.6 per cent, and that is a good performance in these challenging times."

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About this research The research in this press release is taken from Screen Digest's Advertising Intelligence service's latest report, '*UK advertising bounces back*'. More information is available online at

http://www.screendigest.com/reports/10_03_22_uk_advertising_bounces_back/10_03_22_uk_advertising_bounces_back/view.html

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