ITV PLC

(*incorporated with limited liability under*
the laws of England and Wales with registered number 04967001)

€600,000,000 1.375 per cent. Notes due 26 September 2026

ITV plc ("**ITV**" or the "**Issuer**") is issuing €600,000,000 1.375 per cent. Notes due 26 September 2026 (the "**Notes**"). The issue price of the Notes is 99.729 per cent. of their principal amount.

Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 26 September 2026. The Notes are subject to early redemption (i) in whole but not in part, at the option of the Issuer at any time at the Relevant Early Redemption Amount (as defined below), (ii) in whole but not in part, at the option of the Issuer at any time in the event of certain changes affecting taxes of the United Kingdom ("**UK**") at their principal amount together with accrued interest and (iii) at the option of Noteholders if a Put Event (as defined below) shall occur at their principal amount together with accrued interest. See "*Terms and Conditions of the Notes—Redemption and Purchase*".

The Notes will bear interest from 26 September 2019 at the rate of 1.375 per cent. per annum payable annually in arrear on 26 September in each year commencing on 26 September 2020. Such rate will be subject to change in the case of a Step Up Rating Change or Step Down Rating Change (both as defined below) as further described in Condition 4 (*Interest*). Payments on the Notes will be made in euro without deduction for or on account of taxes imposed or levied by the UK to the extent described under "*Terms and Conditions of the Notes—Taxation*".

This Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the UK competent authority for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The FCA has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval by the FCA should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. Applications have been made for the Notes to be admitted to listing on the Official List of the FCA and to trading on the regulated market (the "**Regulated Market**") of the London Stock Exchange plc (the "**London Stock Exchange**"). The Regulated Market is a regulated market for the purposes of Directive 2014/65/EU on Markets in Financial Instruments, as amended ("**MiFID II**").

The Notes have not been, and will not be, registered under the United States ("**US**") Securities Act of 1933, as amended (the "**Securities Act**") and are subject to US tax law requirements. The Notes are being offered outside the US by the Joint Lead Managers (as defined in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the US or to, or for the account or benefit of, US persons unless an exemption from the registration requirements of the Securities Act is available and in accordance with all the applicable securities law of any state of the United States and any other jurisdiction.

The Notes will be in bearer form. The Notes will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to (and including) €199,000. The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons, which will be deposited on or around 26 September 2019 (the "**Closing Date**") with a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**" and, together with the Temporary Global Note, the "**Global Notes**"), without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non-US beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-US beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes in certain limited circumstances. See "*Summary of Provisions Relating to the Notes While Represented by the Global Notes*".

The Notes are expected to be rated BBB- by S&P Global Ratings Europe Limited ("**S&P**") and Baa3 by Moody's Investors Service Limited ("**Moody's**"). In accordance with S&P's ratings definitions available as at the date of this Prospectus on https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352, an obligation rated 'BBB' is judged to exhibit adequate protection parameters; however, adverse economic conditions or changing circumstances are more likely to weaken an obligor's capacity to meet its financial commitments on the obligation. In accordance with Moody's ratings definitions available as at the date of this Prospectus on https://www.moodys.com/ratings-process/Ratings-Definitions/002002, obligations rated 'Baa' are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Each of S&P and Moody's is established in the European Economic Area and registered under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**").

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

An investment in the Notes involves certain risks. Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Prospectus.

Joint Lead Managers

Barclays **Citigroup**

Credit Suisse

NatWest Markets **Wells Fargo Securities**

24 September 2019

CONTENTS

Page

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

Certain information and data contained in this Prospectus relating to the Issuer was derived from publicly available information. The Issuer accepts responsibility that such publicly available information has been accurately reproduced and, as far as the Issuer is able to ascertain, no facts have been omitted which would render such information inaccurate or misleading. Where third party information has been used in this Prospectus, the source of such information has been identified.

The Issuer has confirmed to the joint lead managers named under "*Subscription and Sale*" below (the "**Joint Lead Managers**") that this Prospectus contains all information regarding the Issuer and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading; any opinions or intentions expressed in this Prospectus on the part of the Issuer are honestly held or made and have been reached after considering all relevant circumstances or are based on reasonable assumptions; this Prospectus does not omit to state any fact which would (in the context of the issue of the Notes) make any statement expressed in this Prospectus misleading in any material regard; and all reasonable enquiries have been made to ascertain and to verify the foregoing.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Joint Lead Managers, the Principal Paying Agent (as defined below) or HSBC Corporate Trustee Company (UK) Limited acting as trustee (the "**Trustee**").

None of the Joint Lead Managers, the Principal Paying Agent, the Trustee or any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the US or to US persons.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it: has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement; has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio; has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency; understands thoroughly the terms of the Notes and is familiar with the financial markets; and is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks. Prospective investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities. Prospective investors should review and consider such restrictions prior to investing in the Notes. Prospective investors should consider the tax consequences of investing in the Notes and consult their own tax advisers with respect to the acquisition, sale and redemption of the Notes in light of their personal situations.

In this Prospectus, unless otherwise specified, references to:

- a "**Member State**" are references to a Member State of the European Economic Area;
- "**euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended;
- "**pounds sterling**" or "**£**", are to the currency of the UK;
- "**Trust Deed**" are to the Trust Deed dated the Issue Date (as defined below) relating to the Notes;
- "**Agency Agreement**" are to the Agency Agreement dated the Issue Date relating to the Notes; and
- "**Conditions**" are to the Terms and Conditions of the Notes.

In connection with the issue of the Notes, Citigroup Global Markets Limited (the "Stabilising Manager(s)") (or persons acting on behalf of the Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s)) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents, which have been previously published or are published simultaneously with this Prospectus and have been filed with the FCA. The following documents shall be incorporated in, and form part of, this Prospectus **provided however that** any statement contained in any document incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such statement:

(a) the following sections of the ITV plc Annual Report and Accounts for the year ended 31 December 2018:

(i) 2018 Highlights (page 2);

(ii) Key Performance Indicators (pages 28-31);

(iii) Alternative Performance Measures (pages 44-45);

(iv) Financial Review (pages 46-53); and

(v) the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2018 and the audit report thereon (pages 117-197 (inclusive)).

(b) the following sections of the ITV plc Annual Report and Accounts for the year ended 31 December 2017:

(i) 2017 Highlights (pages 2-3);

(ii) Alternative Performance Measures (pages 34-35);

(iii) Key Performance Indicators (pages 36-39);

(iv) Financial Review (pages 40-49); and

(v) the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2017 and the audit report thereon (pages 107-187 (inclusive)).

(c) the following sections of the ITV plc Interim Results 2019 for the period ended 30 June 2019:

(i) Alternative Performance Measures (pages 20-22)

(ii) Financial Review (pages 25-32);

(iii) the interim condensed consolidated financial statements of the Issuer for the six month period to 30 June 2019 (pages 34-57 (inclusive)); and

(iv) Independent Review Report (page 58).

Copies of the documents specified above as containing information incorporated by reference in this Prospectus may be inspected, free of charge, at the Issuer's offices at 2 Waterhouse Square, 140 Holborn, London EC1N 2AE, United Kingdom and at https://www.itvplc.com/.

Any information contained in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus. Any information which is incorporated by reference in the information incorporated by reference in this Prospectus, will not form part of this Prospectus. For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on any website referred to in this Prospectus does not form part of this Prospectus.

OVERVIEW

This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this overview.

The Issuer:	ITV plc.
Joint Lead Managers:	Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, NatWest Markets Plc and Wells Fargo Securities International Limited.
Trustee:	HSBC Corporate Trustee Company (UK) Limited.
The Notes:	€600,000,000 1.375 per cent. Notes due 26 September 2026.
Issue Price:	The Notes will be issued at 99.729 per cent. of the principal amount of the Notes.
Issue Date:	26 September 2019.
Use and Estimated Net Amount of Proceeds:	See "*Use and Estimated Net Amount of Proceeds*".
Interest:	The Notes will bear interest from 26 September 2019 at a rate of 1.375 per cent. per annum payable annually in arrear on 26 September in each year commencing 26 September 2020. Such rate will be subject to change in the case of a Step Up Rating Change or Step Down Rating Change as further described in Condition 4 (*Interest*).
Status:	The Notes are senior, unsubordinated, unconditional and unsecured obligations of the Issuer.
Form and Denomination:	The Notes will be in bearer form. The Notes will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to (and including) €199,000. The Notes will initially be in the form of a Temporary Global Note, without interest coupons, which will be deposited on or around the Closing Date with a common safekeeper for Euroclear and Clearstream, Luxembourg. The Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the Closing Date upon certification as to non US beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 each with interest coupons attached. The Temporary Global Note and the Permanent Global Note are to be issued in new global note form.
Final Redemption:	26 September 2026.
Optional Redemption:	The Notes may be redeemed prior to their stated maturity at the option of the Issuer (in whole but not in part) as described in

	Condition 6.3 (*Redemption and Purchase - Redemption at the Option of the Issuer*).
Redemption or purchase on change of control:	The Notes of a Noteholder may be redeemed or purchased prior to their stated maturity at the option of such Noteholder on a change of control and rating downgrade as described in Condition 6.4 (*Redemption and Purchase - Redemption at the Option of the Holders following a Change of Control*).
Tax Redemption:	The Notes are subject to redemption at their principal amount at the option of the Issuer (in whole but not in part) at any time in the event of certain changes affecting taxation in the UK as described in Condition 6.2 (*Redemption and Purchase - Redemption for Taxation Reasons*).
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 3 (*Negative Pledge*).
Cross Acceleration:	The Notes will have the benefit of a cross acceleration provision as described in Condition 9.1(c) (*Events of Default*).
Rating:	The Notes are expected to be rated BBB- by S&P and Baa3 by Moody's.
Governing Law:	The Notes, the Trust Deed, the Agency Agreement and the Subscription Agreement will be governed by English law.
Listing and Trading:	Applications have been made for the Notes to be admitted to listing on the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange.
Clearing Systems:	Euroclear and Clearstream, Luxembourg.
Selling Restrictions:	See "*Subscription and Sale*".
Securities Identifiers for the Notes:	**ISIN**: XS2050543839 **Common Code**: 205054383 **FISN**: as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN, as updated from time to time. **CFI Code**: as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN, as updated from time to time.
MiFID II Product Governance/PRIIPs Regulation:	Solely for the purposes of each manufacturer's product approval processes, each manufacturer has concluded that: (i) the target market for the Notes is eligible counterparties and professional clients only; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. No PRIIPs Regulation KID has been prepared as the Notes are not available to retail investors in the EEA.
Risk Factors:	Investing in the Notes involves risks. See "*Risk Factors*".

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Prospectus, including, in particular, the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this section.

According to the Issuer's assessment, the following factors may affect the Issuer's ability to fulfil its obligations under the Notes. The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Prospectus and their personal circumstances.

RISKS RELATING TO THE ISSUER AND ITS BUSINESS

Risks associated with the Advertising Market

A faster than expected shift towards non-linear viewing could lead to a sustained loss of viewing and/or a significantly reduced demand for television advertising.

New technologies, including new video formats, internet-enabled television, streaming and downloading capabilities via the internet, VOD, mobile television, digital video recorders, personal video recorders and other devices and technologies are increasing the number of media and entertainment choices available to audiences. This is changing the way in which viewers consume content, with viewers shifting from linear television and watching more content online. Such technologies are gaining in popularity and ease of use. A faster than expected shift towards non-linear viewing could lead to a sustained loss of viewing and/or significantly reduced demand for television advertising. This could, in turn, result in a decline in airtime revenues from television advertising for broadcasters, including ITV, which in turn may have an adverse effect on ITV's business, results of operations, profitability and financial condition which could adversely affect ITV's ability to fulfil its obligations under the Notes.

In addition, spend on online display and video advertising is an increasing proportion of advertising budgets. An acceleration of this trend could result in a loss of advertising revenue as advertisers switch more of their television advertising spend to competing media, including online video and display advertising, radio, and out of home, which in turn may have an adverse effect on ITV's business, results of operations, profitability and financial condition which could adversely affect ITV's ability to fulfil its obligations under the Notes.

Advertisers could be impacted by general or sector economic uncertainty and/or voluntary advertiser category restrictions and a variety of other factors that could lead to a significant reduction in the demand for advertising and a resulting decline in advertising revenues.

A large proportion of ITV's income is derived from advertising revenue. For the Issuer's financial years ended 31 December 2018 and 31 December 2017, total advertising revenues accounted for 48 per cent. and 49 per cent. respectively of total revenues of ITV and its subsidiaries (the "**Group**").

Future total advertising revenues of ITV could be affected by a variety of factors, including:

- the current overall uncertain economic environment may impact demand for advertising;
- the current position with Brexit is uncertain and future developments could have a significant impact on the overall economic environment and hence demand for advertising;
- there is significant economic uncertainty within key advertiser sectors, which could have a disproportionate effect on advertising;

- regulatory or legislative changes which may impose advertising restrictions on key categories;
- key sectors may extend their voluntary restrictions on advertising;
- an economic downturn in the UK advertising market;
- television may lose its share of the advertising market to other forms of media, in particular to the online advertising market; or
- ITV may lose its market share of the television advertising market to competitors.

The above factors may result in a deterioration in ITV's advertising revenues, which could limit ITV's flexibility in planning for, or reacting to, changes in its business, the competitive environment and the industries in which ITV operates, which may in turn have a material adverse effect on its business, results of operations and financial condition, which could adversely affect ITV's ability to fulfil its obligations under the Notes.

Regulatory and Legal Risks

A significant or unexpected change in legislation or regulation could lead to reduced income or operational impact.

ITV is subject to UK and European Union laws and regulations which restrict the manner in which it carries on its businesses. ITV's businesses are primarily affected by broadcasting policies and regulations adopted by regulatory authorities in the UK, including in respect of its regional Channel 3 licences, advertising content and quality, the amount of commercial advertising permitted per hour, and in relation to the Contract Rights Renewal framework.

Regulatory responsibility for the monitoring of compliance with these conditions is the primary responsibility of the Office of Communications ("**Ofcom**") (the independent regulator and competition authority for the UK communications industries) which has the power to levy fines or terminate a licence for persistent breach of licence obligations. For example, in relation to Channel 3 regional licensees that broadcast material in serious breach of the Broadcasting Code, there is the potential for fines of up to 5 per cent. of qualifying revenue for each licensee broadcasting an offending programme. As such, failure to adhere to the broadcasting regulations could have a material adverse effect on ITV's financial condition and results of operations. Decisions of Ofcom or other regulators may restrict the way in which ITV carries on its business, which could have an adverse effect on its financial condition and results of operations.

There can be no absolute assurance that ITV's internal verification and oversight procedures will be successful in mitigating future sanctions by Ofcom. In addition, the nature and impact of this and future changes in laws, regulations and regulatory policies are not predictable and are beyond ITV's control. Both current and future regulations by the European Union, UK Government or regulators could have an adverse effect on ITV's advertising revenues, financial condition and results of operations, which could adversely affect ITV's ability to fulfil its obligations under the Notes.

ITV could also be affected if there is a significant change in regulation or legislation in any of ITV's key territories that impacts the way in which it operates.

In addition, the outcome of Brexit could lead to changes in regulation or legislation which would affect how ITV interacts with its businesses based in other EU countries (see "*While the outcome of Brexit could lead to changes in regulation or legislation which would impact how ITV interacts with its businesses based in other EU countries, the most significant risk associated with Brexit and particularly a no deal scenario, is the uncertainty it causes which will affect the overall economic environment within which ITV operates*" below).

While the outcome of Brexit could lead to changes in regulation or legislation which would impact how ITV interacts with its businesses based in other EU countries, the most significant risk associated with Brexit and particularly a no deal scenario, is the uncertainty it causes which will affect the overall economic environment within which ITV operates.

On 23 June 2016, the UK voted to leave the EU in a referendum. Following the UK Government's decision to invoke Article 50 of the Treaty on the EU on 29 March 2017, it is expected that the UK will leave the EU in October 2019 ("**Brexit**"), although this deadline could be extended, or a transitional arrangement put in place, subject to agreement by all EU member states. At this stage, the nature of the relationship between the UK and the EU following the UK's exit from the EU has yet to be agreed and negotiations with the EU on the terms of the exit have demonstrated the difficulties that exist in reaching such an agreement.

It is possible that the UK will leave the EU without agreeing the terms of the withdrawal and framework of the future relationship between the UK and the EU. This could have an impact on multiple business areas which pose operational challenges which could cumulatively have an impact on ITV. There may also be an impact on credit availability. However, the most significant risk to ITV associated with this scenario is the likely impact on the wider advertising market. If Brexit impacts intragroup interactions or causes a decline in revenues from the advertising market, this could have an adverse effect on ITV's business, results of operations, profitability and financial condition, which could adversely affect ITV's ability to fulfil its obligations under the Notes.

The uncertainty caused by Brexit could also have an effect on the overall economic environment within which ITV operates and could impact demand for advertising, with advertisers reducing spend on television as they attempt to manage margins. This could affect the financial condition of the Issuer, which could adversely affect ITV's ability to fulfil its obligations under the Notes.

The extent of any impact is currently unknown; however, potential areas of risk will be closely monitored and evaluated.

Risks associated with ITV Content

A rapidly changing marketplace for content rights could result in ITV failing to identify or obtain optimal rights packages.

The production and acquisition of television programming is a significant component of ITV's operating costs, with around £1,055 million allocated for spending on programming in 2018. As well as internal production, ITV acquires programming from independent television production companies and production companies owned by other broadcasters.

However, the marketplace for content rights is rapidly changing. The landscape for content rights is increasingly complex due to the multiple ways in which content is broadcast, ITV's rights requirements are diversifying and changing to support the delivery of the strategy, and increasing risk of global piracy of content could lead to the loss of programme rights. As a result, rapid developments in this market may result in the failure to identify or obtain an optimal rights package and a decline in programming rights.

A decline in programming rights would impact the extent of, amongst other things, the drama, entertainment or sports coverage offered by ITV, which could adversely affect ITV's audience levels and, consequently, advertising revenues. A decrease in advertising revenues could affect ITV's ability to make payments of interest and principal under the Notes.

A failure to create, own and protect the rights to a sufficient number of hit programmes/formats across ITV's portfolio of content companies, could affect the financial condition of ITV.

As a major producer and distributor of programming in both the UK and overseas, ITV is dependent on demand for commissions and programming from broadcasters in the UK and internationally.

ITV Studios creates and produces content in the UK, and internationally across 13 countries and has built significant scale in key creative markets around the world. In the financial year ending 31 December 2018, ITV Studios produced over 8,900 hours of original content and sold 57 television formats, delivering 44 per cent of the Group's total revenue (£1,670 million).

However, competition for creative talent is increasing due to strong global demand for content from broadcasters and platform owners. A key driver of this change over recent years has been the evolution in the delivery and availability of content with a substantial increase in the number of ways to consume content.

The failure to retain or incentivise creative talent and/or to adequately protect the rights to content produced by ITV Studios could have a material adverse effect on the business of the Issuer, results of its operations and/or its financial condition, which could adversely impact on ITV's ability to fulfil its obligations under the Notes.

In addition, a decline in programme budgets from broadcasters, including ITV itself, could adversely affect ITV's revenues and margins and any downturn in the economic climate could also adversely affect the price and margins ITV is able to obtain for the sale of programming. This could also affect the Issuer's financial position and could adversely affect ITV's ability to fulfil its obligations under the Notes.

Economic Risks

A financial crisis or macroeconomic change could impact the value of pension scheme investments and increase the deficit.

ITV operates a variety of pension schemes, including funded and unfunded defined benefit schemes. There are various risks which could adversely affect the funding of the pension schemes and consequently ITV's funding obligations, such as a significant adverse change in the market value of the pension assets of the pension schemes, an increase in pension liabilities, discount rate, longer life expectancy of pension plan members or the pension scheme trustees changing their investment strategy. As at 30 June 2019, ITV's net accounting pension deficit for the combined schemes was £113 million. Any increase in the deficit of the schemes may result in a need to increase pension contributions, which could subject ITV to financial strain and result in a material adverse effect on ITV's financial condition and prospects, and consequently, on ITV's ability to make payments of interest and principal under the Notes.

Risks associated with Technology, Cybersecurity and Data Protection

Legacy technology systems could restrict ITV's ability to respond to business changes and maintain system security.

ITV's technological infrastructure needs to be fit for purpose to meet the needs of the business. As the landscape with respect to media consumption changes and the company rebalances its business, grows new revenue streams and becomes increasingly international, ITV must ensure that its technological infrastructure is up to date and relevant as there is a risk that ITV's strategic priorities may not be met in full if the pace of technological change outstrips its capacity to respond and migrate off legacy systems. Maintaining the security and performance of legacy systems requires ongoing resources and investment.

A failure to implement appropriate technology in order to achieve ITV's strategic goals could result in a material adverse effect on ITV's business, results of operations, profitability and financial condition, which could adversely affect ITV's ability to fulfil its obligations under the Notes.

A sustained cyber incident could result in system denial or loss of data.

As a leading media organisation in the UK and by virtue of operating in a public environment, ITV is vulnerable to potential cyber-attacks from global activists and other phishing attacks. Due to the development of increasingly sophisticated technology, including the proliferation of cyber hacking tools, and with increased amounts of company data collection, the risk of a cyber-attack has increased globally and is expected to increase as ITV's business develops new revenue streams and direct-to-consumer propositions. There is also a growing volume of software and hardware vulnerabilities being identified by technology providers in their own products.

Any successful attack on ITV's infrastructure or services could lead to adverse press coverage and reputational damage for ITV. In addition, the conversion of content into digital formats facilitates the creation, transmission and sharing of high-quality unauthorised TV programmes, meaning that consumers may be able to download and distribute unauthorised content, which could also lead to adverse press coverage or reputational damage for ITV. Reputational damage and/or material litigation could ultimately affect ITV's revenue and prospects, which could affect its ability to fulfil its obligations under the Notes.

ITV collects customer data, some of which may be sensitive. Should ITV lose any sensitive customer data, this could result in reputational damage, adverse press coverage and/or regulatory fines from the Information Commissioner's Office of up to 4 per cent. of ITV's annual global turnover or €20 million (whichever is greater). Furthermore, customer confidence could be damaged, and this may affect ITV's share of viewing figures, leading to financial loss for ITV, which could affect ITV's ability to fulfil its obligations under the Notes.

A major failure in complex broadcast system chains could result in the inability for ITV to broadcast for a sustained period of time, which could in turn lead to a failure to conduct commercial activities.

ITV has a complex broadcast technology chain, as it operates in multiple regions and links to many platforms. ITV broadcasts content across an increasing number of platforms the infrastructure required to deliver and broadcast this content becomes increasingly complex.

Business continuity and resilience of key systems, platforms and sites is a key component of ITV's operational success. A loss of key sites or services due to a failure in ITV's broadcast system chains could result in operational disruption or failure to conduct commercial activities which could ultimately result in a loss of revenue for ITV. A loss of revenue could result in a material adverse effect on ITV's business, financial results, financial condition and prospects, and consequently, on ITV's ability to make payments of interest and principal under the Notes.

Risks associated with People, Brand and Culture

A failure to continue to evolve its organisational structure and culture could prevent ITV attracting or retaining key creative, commercial and management talent to deliver its strategy.

ITV is reliant on its key creative, commercial and management personnel to continue to drive and grow the business. The market for talent is competitive, especially for those with experience in ITV's key strategic areas. In order to attract and retain key talent, ITV must continue to evolve its organisational structure and ensure a culture of creative autonomy within ITV Studios. A failure to employ and retain key talent could lead to a reduced share of the advertising market or share of viewing, all of which would have an adverse effect on ITV's revenues and/or ability to pursue its growth strategy, and could therefore result in a material adverse effect on ITV's business, financial results, financial condition and prospects, which could adversely affect ITV's ability to fulfil its obligations under the Notes.

A failure to meet legal or publicly expected standards could result in severe reputational and brand impact.

ITV operates in a public environment and is exposed to a high degree of media interest. A failure to meet legal or publicly expected standards could attract significant media attention to the business, its operations and its people, including talent. Such incidents could adversely impact ITV's brand or reputation and could therefore impact market share, leading to loss of revenue to ITV. Any subsequent loss of talent to other broadcasters and or independent production companies, or any inability to attract new programme content or any withdrawal of public support (as seen through a reduction in the share of viewing figures) could ultimately lead to a loss of revenue, adversely affecting ITV's financial condition and prospects and consequently ITV's ability to make payments of interest and principal under the Notes.

A major health and safety incident on an ITV or ITV Studios production could result in a loss of human life or major injury related to either physical or mental ill health.

ITV is the largest commercial broadcaster in the UK by share of viewing and a producer of content that is distributed globally. ITV is closely associated with all content that it broadcasts, including content produced by independent production companies. In addition, as ITV Studios expands, there is an increase in the number of production hours and increased potential to produce certain types of programming that have higher inherent risks. Any potential loss of human life or major injury (on set or elsewhere) could have an adverse impact on ITV's brand image and reputation. Furthermore, ITV could be subject to litigation. Reputational damage and/or material litigation could ultimately affect ITV's revenue and prospects which could affect its ability to fulfil its obligations under the Notes.

RISKS RELATING TO THE NOTES

The Notes may be redeemed prior to maturity

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the UK or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, the Conditions provide that the Notes are redeemable at the Issuer's option in certain other circumstances. The optional redemption feature of the Notes may limit their market value. During any period where the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Modification, Waivers and Substitution

The Conditions and the Trust Deed contain provisions for calling meetings of Noteholders to consider and seek consent from Noteholders in respect of matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or provide consent and Noteholders who voted in a manner contrary to the majority.

The Conditions and the Trust Deed also provide that the Trustee may, without the consent of Noteholders, (i) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine that any Potential Event of Default (as defined in the Trust Deed) or Event of Default shall not be treated as such or (iii) agree to the substitution of any of the Issuer's Subsidiaries as principal debtor under the Notes in place of the Issuer in the circumstances described in the Trust Deed and the Conditions, provided that in the case of (i), (ii) and (iii), that the Trustee is of the opinion that to do so would not be materially prejudicial to the interests of Noteholders.

Change of law

The Conditions are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

Minimum Denomination

As the Notes have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 that are not integral multiples of €100,000. In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum denomination.

If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

RISKS RELATING TO THE MARKET

Credit Rating

The credit ratings assigned to the Notes may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the relevant Notes. A credit rating is not a recommendation to buy, sell or hold Notes and may be revised or withdrawn by the rating agency at any time. In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the

EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). The list of registered and certified credit rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. The Notes are expected to be assigned a rating of BBB- by S&P and Baa3 by Moody's. As at the date of this Prospectus, each of S&P and Moody's is a credit rating agency established in the EU and is registered under the CRA Regulation. As such, each of S&P and Moody's is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Interest Rate risks

Investment in the Notes involves the risk that changes in market interest rates after the issue date may adversely affect the value of the Notes. In particular, a holder of a security with a fixed interest rate is exposed to the risk that the price of such security falls as a result of changes in the current interest rate on the capital markets (the "**Market Interest Rate**"). Potential movements in the Market Interest Rate over the life of the Notes are difficult to predict.

While the nominal rate of a security with a fixed interest rate is fixed for a specified period, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such security is likely to change in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls, but if the Market Interest Rate falls, the price of a security with a fixed compensation rate typically increases, in each case until the yield of such security is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate can adversely affect the price of the Notes and can lead to losses for the Noteholders if they sell the Notes.

Exchange rate risk and exchange controls

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. Any of the foregoing events could adversely affect the price of the Notes.

There is no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon factors such as the prevailing interest rates, the market for similar securities, the time remaining to the maturity of the Notes, the outstanding amount of the Notes, the redemption features of the Notes, general economic conditions and the financial condition of the Issuer. Although application has been made for the Notes to be admitted to listing on the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Such factors also will affect the market value of the Notes. Investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk that the Notes may not be readily sellable, that the value of Notes will fluctuate over time and that such fluctuations might be significant.

Investors will have to rely on the procedures of Euroclear and/or Clearstream, Luxembourg for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The €600,000,000 1.375 per cent. Notes due 26 September 2026 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 16 (*Further Issues*) and forming a single series with the Notes) of ITV plc (the "**Issuer**") are constituted by a Trust Deed dated 26 September 2019 (as amended or supplemented from time to time, the "**Trust Deed**") made between the Issuer and HSBC Corporate Trustee Company (UK) Limited (the "**Trustee**", which expression shall include its successor(s)) as trustee for the holders of the Notes (the "**Noteholders**" or the "**Holders**") and the holders of the interest coupons appertaining to the Notes (the "**Couponholders**" and the "**Coupons**" respectively).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated 26 September 2019 (as amended or supplemented from time to time, the "**Agency Agreement**") made between the Issuer, HSBC Bank plc as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent and together with any other paying agents appointed from time to time, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and the Trustee are available for inspection during normal business hours by the Noteholders and the Couponholders at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to (and including) €199,000, each with Coupons attached on issue. Notes of one denomination may not be exchanged for Notes of any other denomination.

1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

1.3 Holder Absolute Owner

The Issuer, any Paying Agent and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon or of any trust or interest therein) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

2. STATUS OF THE NOTES

Subject to the provisions of Condition 3 (*Negative Pledge*), the Notes and the Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. NEGATIVE PLEDGE

3.1 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer will not create or permit to subsist any mortgage, charge, lien (other than a lien arising by operation of law) or other encumbrance upon the whole or any part of its undertaking or assets, present or future, to secure payment of any present or future Relevant Indebtedness of the Issuer or of any other person or to secure any guarantee or indemnity in respect of any Relevant Indebtedness of the Issuer or of any other person, without at the same time according to the Notes and the Coupons and all amounts payable under the Trust Deed in respect of the Notes and the Coupons, to the satisfaction of the Trustee, the same security as is created, or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity, or such other security or other arrangement as the Trustee shall in its absolute discretion deem not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

3.2 **Interpretation**

For the purposes of these Conditions:

(a) "**Relevant Indebtedness**" means any Indebtedness for Borrowed Money which is in the form of, or represented or evidenced by, bonds, notes, loan stock or other securities which, with the agreement of the issuer thereof, are quoted, listed, dealt in or traded on any regulated market or over the counter or other recognised securities market; and

(b) "**Indebtedness for Borrowed Money**" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (1) money borrowed, (2) liabilities under or in respect of any acceptance or acceptance credit or (3) any notes, bonds, debentures, stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

4. **INTEREST**

4.1 **Interest Rate and Interest Payment Dates**

Subject as provided in this Condition 4, the Notes bear interest from (and including) 26 September 2019 (the "**Issue Date**") at the rate of 1.375 per cent. per annum (the "**Initial Rate of Interest**"), payable annually in arrear on 26 September in each year (each an "**Interest Payment Date**"), subject as provided in Condition 5 (*Payments*). The first payment representing a full year's interest for the period from (and including) 26 September 2019 to (but excluding) 26 September 2020, and amounting to €13.75 per €1,000 in principal amount of the Notes shall be made on 26 September 2020.

From (and including) the Interest Payment Date falling on or immediately following the date of a Step Up Rating Change (or a deemed Step Up Rating Change, as set out below), the Initial Rate of Interest will increase to the Step Up Rate of Interest.

If a Step Down Rating Change (or a deemed Step Down Rating Change, as set out below) occurs after the date of a Step Up Rating Change (or a deemed Step Up Rating Change, as set out below) or on the same date but subsequent thereto, with effect from (and including) the Interest Payment Date falling on or immediately following the date of such Step Down Rating Change (or deemed Step Down Rating Change), the Rate of Interest will decrease back to the Initial Rate of Interest.

The Issuer shall use all reasonable efforts to maintain a credit rating for the Notes from each of S&P and Moody’s; *provided that* the Issuer may in its sole discretion substitute either such credit rating for the Notes with a credit rating for the Notes from the Substitute Rating Agency. If either such credit rating for the Notes is so substituted by the Issuer, references in this Condition 4.1 to S&P, Moody's or a Rating Agency, as the case may be, or the ratings thereof, shall be to the Substitute Rating Agency or, as the case may be, the equivalent ratings thereof.

In the event that either Rating Agency fails to, or ceases to, assign a rating to the Notes, the Issuer shall use all reasonable efforts to obtain a rating of the Notes from the Substitute Rating Agency and references in this Condition 4.1 to S&P, Moody's or a Rating Agency, as the case may be, or the ratings thereof, shall be to the Substitute Rating Agency or, as the case may be, the equivalent ratings thereof. In the event that such a rating is not obtained from the Substitute Rating Agency, then, for the purposes of the interest rate adjustments described in this Condition 4.1, the rating assigned to the Notes by the remaining Rating Agency (if any) shall be deemed also to be the rating assigned to the Notes by the other Rating Agency.

In the event that both Rating Agencies fail to, or cease to assign a rating to, the Notes and the Issuer fails to obtain a rating for the Notes from the Substitute Rating Agency, a Step Up Rating Change will be deemed to have occurred on the date of such failure but not otherwise. If a rating of the Notes is subsequently assigned by one or more Rating Agencies, then if such rating (or ratings if more than one) is at least Investment Grade, a Step Down Rating Change will be deemed to have occurred on the date of such assignment.

The Rate of Interest will only increase to the Step Up Rate of Interest, as provided above, upon the first occurrence of a Step Up Rating Change or a deemed Step Up Rating Change on or after the Issue Date. A decrease to the Rate of Interest back to the Initial Rate of Interest following the occurrence of a Step Down Rating Change or a deemed Step Down Rating Change may only occur once and, in any event, only after the occurrence of the Step Up Rating Change or deemed Step Up Rating Change, as the case may be.

The Issuer shall cause each Rating Change (if any) and the relevant Rate of Interest to be notified to the Principal Paying Agent, the Trustee and any stock exchange or other relevant authority on which the Notes are for the time being listed and the Noteholders in accordance with Condition 12 (*Notices*) as soon as practicable after such Rating Change. Promptly upon the Issuer exercising the substitution discretion described in the fourth paragraph of this Condition 4.1, the Issuer shall give notice thereof to the Trustee and the Noteholders in accordance with Condition 12 (*Notices*).

For the purposes of these Conditions:

"**Fitch**" means Fitch Ratings Ltd., or any successor;

"**Investment Grade**" means Baa3/BBB- or equivalent, or better;

"**Moody's**" means Moody's Investors Service Limited, or any successor;

"**Rate of Interest**" means the Initial Rate of Interest or the Step Up Rate of Interest, whichever is applicable pursuant to the operation of this Condition 4.1;

"**Rating Change**" means a Step Up Rating Change (or a deemed Step Up Rating Change, as set out above) and/or a Step Down Rating Change (or a deemed Step Down Rating Change, as set out above) which results in an adjustment to the Rate of Interest as described in this Condition 4.1;

"**S&P**" means S&P Global Ratings Europe Limited, or any successor;

"**Step Down Rating Change**" means, subject as provided above in relation to a deemed Step Down Rating Change, either:

(a) the first public announcement by both Rating Agencies of an increase in the rating of the Notes to at least Investment Grade; or

(b) the first public announcement by either Rating Agency of an increase in the rating of the Notes to at least Investment Grade, and a confirmation by the other Rating Agency that the rating of the Notes is at least Investment Grade,

provided that, for the avoidance of doubt, any further increases in the credit rating of the Notes above Investment Grade, shall not constitute a Step Down Rating Change;

"**Step Up Rate of Interest**" means the Initial Rate of Interest plus 1.25 per cent. per annum; and

"**Step Up Rating Change**" means, subject as provided above in relation to a deemed Step Up Rating Change, the first public announcement by either Rating Agency or, as the case may be, both Rating Agencies of a decrease in the rating of the Notes to below Investment Grade. For the avoidance of doubt, any further decreases in the credit rating of the Notes below Investment Grade, shall not constitute a Step Up Rating Change.

In this Condition 4.1:

"**Rating Agency**" means S&P, Moody’s or the Substitute Rating Agency (as applicable); and

"**Substitute Rating Agency**" means (i) Fitch or (if applicable) S&P or Moody's to the extent previously substituted pursuant to the Issuer's substitution discretion described in the fourth paragraph of this Condition 4.1 or (ii) in the event that any of S&P, Moody's or Fitch ceases to operate its rating business without any successor, such other rating agency of equivalent international standing specified by the Issuer and agreed in writing by the Trustee (and the Trustee may (and shall if so required by the Issuer), in each case subject to its being indemnified and/or secured and/or prefunded to its satisfaction consult promptly and may rely absolutely on advice from a reputable financial adviser in this regard and shall not be liable for such reliance).

4.2 **Interest Accrual**

Each Note will cease to bear interest from (and including) its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue as provided in the Trust Deed.

4.3 **Calculation of Broken Interest**

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (a) the actual number of days in the period from (and including) the date from which interest begins to accrue (the "**Accrual Date**") to (but excluding) the date on which it falls due divided by (b) the actual number of days from (and including) the Accrual Date to (but excluding) the next following Interest Payment Date.

5. **PAYMENTS**

5.1 **Payments in respect of Notes**

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

5.2 **Method of Payment**

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

5.3 **Unmatured Coupons**

Upon the date on which any Note becomes due and repayable, all unmatured Coupons appertaining to the Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

5.4 **Payments subject to Applicable Laws**

Payments in respect of principal and interest on the Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.

5.5 **Payment only on a Presentation Date**

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

Presentation Date means a day which (subject to Condition 8 (*Prescription*)):

(a) is or falls after the relevant due date;

(b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and

(c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET2 Settlement Day.

In these Conditions, "**Business Day**" means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place and "**TARGET2 Settlement Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

5.6 **Initial Paying Agents**

The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that there will at all times be a Principal Paying Agent.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 12 (*Notices*).

6. **REDEMPTION AND PURCHASE**

6.1 **Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 26 September 2026 (the "**Maturity Date**"), subject as provided in Condition 5 (*Payments*).

6.2 **Redemption for Taxation Reasons**

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

(a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 7 (*Taxation*)), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 24 September 2019, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 7 (*Taxation*); and

(b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be required to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

6.3 **Redemption at the Option of the Issuer**

The Issuer may, having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and

(b) notice to the Trustee and the Principal Paying Agent not less than 15 days before the giving of the notice referred to in (a) above,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all of the Notes, but not some only, at any time at the Relevant Early Redemption Amount.

In this Condition 6.3, "**Relevant Early Redemption Amount**" means:

(i) in relation to any date fixed for redemption which falls in the period from (and including) the Issue Date up to (and excluding) 26 June 2026, such amount as is equal to the greater of the amounts in subparagraph (A) and (B) below, together with interest accrued to (but excluding) the date fixed for redemption:

(A) the principal amount outstanding of the Notes; and

(B) the price (expressed as a percentage (as reported in writing to the Issuer and the Trustee by the Determination Agent)) which is equal to (x) the sum of the present values of the principal amount outstanding of the Notes at the date fixed for redemption and the Remaining Term Interest (exclusive of interest accrued to the date fixed for redemption) discounted to the date fixed for redemption on an annual basis at the Reference Bond Rate, plus (y) 0.35 per cent.

In this Condition 6.3:

"**Calculation Date**" means the date which is the second TARGET2 Settlement Day prior to the date fixed for redemption;

"**Determination Agent**" means an investment bank or financial institution of international standing selected by the Issuer and notified to the Trustee;

"**Reference Bond**" means the DBR 0.000 per cent. German government bond due 15 August 2026 with ISIN DE0001102408 (or, where the Determination Agent advises the Issuer and the Trustee that, for reasons of illiquidity or otherwise, such government bond is not appropriate for such purpose, such other government bond as the Determination Agent may recommend);

"**Reference Bond Price**" means, with respect to any date fixed for redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date fixed for redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Determination Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

"**Reference Bond Rate**" means, with respect to any date fixed for redemption, the rate per annum equal to the annual yield to maturity or interpolated yield to maturity on an Actual/Actual (ICMA) basis of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date fixed for redemption;

"**Reference Government Bond Dealer**" means each of the five banks selected by the Issuer, or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues;

"**Reference Government Bond Dealer Quotations**" means, with respect to each Reference Government Bond Dealer and any Calculation Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at 3.30pm (Frankfurt time) on the Calculation Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer; and

"**Remaining Term Interest**" means the aggregate amount of scheduled payment(s) of interest on the Notes for the remaining term of the Notes determined on the basis of the Rate of Interest from (and including) the date fixed for redemption; and

(ii) in relation to any date fixed for redemption which falls in the period from and including 26 June 2026 to (but excluding) the Maturity Date, such amount as is equal to the principal amount outstanding of the Notes, together with interest accrued to (but excluding) the date fixed for redemption.

6.4 **Redemption at the Option of the Holders following a Change of Control**

(a) A "**Put Event**" will be deemed to occur if:

(i) any Person or any Persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in section 1159 of the Companies Act 2006, as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer or any holding company of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006, as amended) in (a) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (b) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (such event being a "**Change of Control**"); provided that a Change of Control shall not be deemed to have occurred if the relevant event which would otherwise have resulted in a Change of Control has been approved in writing by the Trustee or by an Extraordinary Resolution of Noteholders; and

(ii) on the date (the "**Relevant Announcement Date**") that is the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry from any of S&P or Moody's or any other rating agency (for the purposes of this Condition 6.4, each, a "**Substitute Rating Agency**") of equivalent international standing specified by the Issuer from time to time and agreed in writing by the Trustee (and the Trustee may (and shall if so required by the Issuer), in each case subject to its being indemnified and/or secured and/or prefunded to its satisfaction consult promptly and may rely absolutely on advice from a reputable financial adviser in this regard and shall not be liable for such reliance) or any such Substitute Rating Agency's successor (for the purposes of this Condition 6.4, each, a "**Rating Agency**"):

(A) on a solicited basis, an Investment Grade credit rating, and such rating from any Rating Agency is within the Change of Control Period either downgraded to below Investment Grade or withdrawn and is not within the Change of Control Period subsequently (I) (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an Investment Grade credit rating by such Rating Agency or (II) replaced by an Investment Grade credit rating by a Substitute Rating Agency; or

(B) on a solicited basis, a credit rating below Investment Grade, and such rating from any Rating Agency is within the Change of Control Period downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (I) (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency or (II) replaced by a credit rating from a Substitute Rating Agency that is equivalent to or better than such Rating Agency's earlier credit rating; or

(C) no credit rating on a solicited basis and a Negative Rating Event also occurs within the Change of Control Period,

provided that (x) if on the Relevant Announcement Date the Notes carry a credit rating from more than one Rating Agency on a solicited basis, at least one of which is Investment Grade, then sub-paragraph (A) will apply and (y) any such credit rating which is provided on an unsolicited basis will be disregarded for the purposes of sub-paragraphs (A), (B) and (C); and

(iii) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement. Upon receipt by the Issuer or the Trustee of any such written confirmation, the Issuer shall forthwith give notice of such written confirmation to the Noteholders in accordance with Condition 12 (*Notices*).

If the rating designations employed by any of S&P or Moody's are changed from those which are described in paragraph (ii) of the definition of "Put Event" above, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of S&P or Moody's or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of S&P or Moody's and this Condition 6.4 shall be read accordingly.

(b) If a Put Event occurs, the holder of any Note will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) such Note on the Put Date (as defined below) at an amount equal to its principal amount, together with interest accrued to (but excluding) the date fixed for redemption or purchase.

(c) Promptly upon the Issuer becoming aware that a Put Event has occurred and in any event within 14 days of the occurrence of the relevant Put Event, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a "**Put Event Notice**") to the Noteholders (and, in the case of the Issuer, to the Trustee) in accordance with Condition 12 (*Notices*) specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 6.4.

(d) To exercise the right to require the redemption or purchase of this Note under this Condition 6.4, the holder of this Note must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the "**Put Period**") of 60 days after a Put Event Notice is given, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Change of Control Put Notice**").

The Change of Control Put Notice must be accompanied by this Note.

The Paying Agent to which any Note and any Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered.

Payment in respect of any Note so exercised will be made either (i) on the Put Date by transfer to the bank account (if any) specified in the relevant Change of Control Put Notice; or (ii) if no such bank account is so specified, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. A Change of Control Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, pending redemption or purchase of the relevant Notes, non-transferable receipts issued pursuant to this Condition 6.4 shall be treated as if they were Notes. The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Notes on the Put Date unless previously redeemed and cancelled or purchased.

If 80 per cent. or more in nominal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 6.4, the Issuer may, on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Put Date, redeem or, at its option, purchase (or procure the purchase of) the remaining Notes as a whole at an amount equal to their principal amount, together with interest accrued to (but excluding) the date fixed for redemption or purchase.

(e) In this Condition 6.4:

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date and ending 120 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 120 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a "**Negative Rating Event**" shall be deemed to have occurred, at any time, if at such time there is no rating assigned to the Notes by a Rating Agency on a solicited basis (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the relevant Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes from a Rating Agency on a solicited basis; or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such rating of at least Investment Grade by the end of the Change of Control Period;

"**Person**" means, any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government or any agency or political subdivision thereof or any other entity;

"**Put Date**" means the date which is fifteen days after the expiration of the Put Period; and

"**Relevant Potential Change of Control Announcement**" means any public announcement or statement by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

6.5 **Purchases**

The Issuer or any of its Subsidiaries (as defined below) may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price.

6.6 **Cancellations**

All Notes which are redeemed, or which are purchased pursuant to Condition 6.4 (*Redemption and Purchase - Redemption at the Option of the Holders following a Change of Control*), will be cancelled. All Notes which are purchased by or on behalf of the Issuer or any of its Subsidiaries pursuant to Condition 6.5 (*Redemption and Purchase – Purchases*) above may, at the Issuer's option, be cancelled (together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes), held, resold or reissued.

6.7 **Notices Final**

Upon the expiry of any notice as is referred to in paragraph 6.2 (*Redemption and Purchase - Redemption for Taxation Reasons*), 6.3 (*Redemption and Purchase - Redemption at the Option of the Issuer*) or 6.4 (*Redemption and Purchase - Redemption at the Option of the Holders following a Change of Control*) above the Issuer shall be bound to redeem (or, as the case may be, purchase or procure the purchase of) the Notes to which the notice refers in accordance with the terms of such paragraph (in the case of paragraph 6.4 (*Redemption and Purchase - Redemption at the Option of the Holders following a Change of Control*), save as otherwise provided therein).

7. TAXATION

7.1 Payment without Withholding

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

(a) presented for payment by or on behalf of, a holder who is liable to the Taxes in respect of the Note or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon; or

(b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Presentation Date (as defined in Condition 5 (*Payments*)).

For the avoidance of doubt, and notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code (as defined in Condition 5.4 (*Payments Subject to Applicable Laws*)), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FACTA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

7.2 Interpretation

In these Conditions:

(a) "**Relevant Date**" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12 (*Notices*); and

(b) "**Relevant Jurisdiction**" means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it in respect of the Notes and Coupons.

Any reference in these Conditions to "**principal**" in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 7.1 (*Taxation – Payment without Withholding*);

(b) any purchase moneys which may be payable pursuant to Condition 6.4 (*Redemption and Purchase - Redemption at the Option of the Holders following a Change of Control*) or otherwise under or in respect of the Notes; and

(c) any premium and any other amounts (other than interest) which may be payable under or in respect of the Notes.

Any reference in these Conditions to "**interest**" in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.1 (*Taxation – Payment without Withholding*).

8. **PRESCRIPTION**

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 5.1 (*Payments – Payments in respect of Notes*).

9. **EVENTS OF DEFAULT**

9.1 **Events of Default**

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), (but, in the case of the happening of any of the events described in paragraphs (b) to (d) (other than the winding up or dissolution of the Issuer) and (e) to (f) below only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events ("**Events of Default**"), (so long as at the time of such notice, such event or, as the case may be, all such events shall not have been waived by, or cured or remedied to the satisfaction of, the Trustee):

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 days; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

(c) if any Indebtedness for Borrowed Money of the Issuer or any of its Principal Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer or any of its Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace period therefor) or any security given by the Issuer or any of its Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable or if default is made by the Issuer or any of its Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that no such event as aforesaid shall constitute an Event of Default unless the Indebtedness for Borrowed Money to which such event relates either alone or when aggregated with all other Indebtedness for Borrowed Money relative to all (if any) other such events which shall have occurred shall amount to at least £30,000,000 (or its equivalent in any other currency); or

(d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Principal Subsidiaries, save for the purposes of a Permitted Restructuring; or

(e) if the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for the purposes of a Permitted Restructuring, or the Issuer or any of its Principal Subsidiaries stops or threatens to stop payment of, or is or deemed to be unable to, or admits inability to pay its debts or any class of its debts (within the meaning of Section 123(1) or (2) of the Insolvency Act 1986), or is adjudicated or found bankrupt or insolvent; or

(f) if (i) (A) proceedings are initiated against the Issuer or any of its Principal Subsidiaries under any applicable liquidation, insolvency, composition or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or substantially the whole of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or substantially the whole of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or substantially the whole of the undertaking or assets of any of them, and (B) in any such case (other than the appointment of an administrator), is not discharged, stayed or the subject of bona fide proceedings within 28 days; or (ii) the Issuer or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition or other similar laws, save, in any of the cases referred to in (i) or (ii) of this paragraph (f), for the purposes of reorganisation on terms approved in writing by the Trustee or by Extraordinary Resolution of the Noteholders, or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

9.2 Interpretation

For the purposes of these Conditions:

"**Channel 3 Licence**" means any licence to provide a Channel 3 service issued under the Broadcasting Act 1990 or any licence issued in renewal or replacement of it under Chapter 2 of Part 3 of the Communications Act 2003 (or any provision or subsequent legislation which replaces that Part of that Act);

"**Permitted Restructuring**" means an amalgamation, merger, consolidation, reorganisation, restructuring or other similar arrangement (each, a "**Reorganisation Event**"):

(a) in the case of a Principal Subsidiary, not arising out of or involving the insolvency of such Principal Subsidiary; provided that, in the case of ITV Broadcasting Limited, the whole or substantially the whole of the business, undertaking and assets are, immediately after the occurrence of the relevant Reorganisation Event, held by, or vested in, (directly or indirectly) the Issuer and/or one or more of the other Principal Subsidiaries; or

(b) in the case of the Issuer or a Principal Subsidiary, on terms approved in writing by the Trustee or by an Extraordinary Resolution of Noteholders;

"**Principal Subsidiary**" shall, at any time, mean each of (i) Carlton Communications Limited, (ii) ITV Studios Limited, (iii) ITV Broadcasting Limited and (iv) any Subsidiary of the Issuer which is from time to time the holder of a Channel 3 Licence.

A certificate addressed to the Trustee and signed by any two Directors of the Issuer stating that, in their opinion, a Subsidiary of the Issuer is or is not or was not at any particular time or throughout any specified period a Principal Subsidiary and setting out the basis for such opinion shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee, the Noteholders and the Couponholders;

"**Subsidiary**" means a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006, as amended; and

Section 123(1)(a) of the Insolvency Act 1986 shall have effect as if for "£750" there was substituted "£250,000".

10. ENFORCEMENT

10.1 **Enforcement by the Trustee**

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons or otherwise, but it shall not be bound to take any such proceedings or other steps or action or to take any other steps or action under or pursuant to the Trust Deed unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

10.2 **Limitation on Trustee actions**

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

10.3 **Enforcement by the Noteholders**

No Noteholder or Couponholder shall be entitled to (i) take any steps or action against the Issuer to enforce the performance of any of the provisions of the Trust Deed, the Notes or the Coupons or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, in each case unless the Trustee, having become bound so to take any such action, steps or proceedings, fails or is unable so to do within 60 days and the failure or inability is continuing.

11. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

12. NOTICES

12.1 **Notices to the Noteholders**

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Trustee may approve. It is expected that publication will normally be made in the *Financial Times*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this paragraph.

12.2 **Notices from the Noteholders**

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent.

13. SUBSTITUTION

The Trustee may, without the consent of the Noteholders or Couponholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of any of the Issuer's Subsidiaries, subject to:

(a) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and

(b) certain other conditions set out in the Trust Deed being complied with.

14. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

14.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes any matter defined in the Trust Deed as a Basic Terms Modification, including the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution or (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

14.2 Modification, Waiver, Authorisation and Determination

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven.

14.3 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 7 (*Taxation*).

14.4 **Notification to the Noteholders**

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12 (*Notices*).

15. INDEMNIFICATION AND PROTECTION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER

15.1 **Indemnification and protection of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer, the Noteholders and the Couponholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

15.2 **Trustee Contracting with the Issuer**

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes or bonds (whether in bearer or registered form) either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any supplemental deed or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes or bonds which are to form a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any supplemental deed shall, and any other further notes or bonds may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes or bonds of other series in certain circumstances where the Trustee so decides.

17. GOVERNING LAW

The Trust Deed, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law.

18. **RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

There will appear at the foot of the Conditions endorsed on each Note in definitive form the name(s) and specified office(s) of the Paying Agent(s) as set out at the end of this Prospectus.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

The Notes will be issued in new global note ("**NGN**") form. On 13 June 2006, the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time, the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The Notes are intended to be held in a manner which would allow Eurosystem eligibility that is, in a manner which would allow the Notes to be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Closing Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only:

(a) upon the happening of any of the events defined in the Trust Deed as "Events of Default";

(b) if either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available; or

(c) if the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee.

Thereupon (in the case of (a) and (b) above) the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) or the Trustee may give notice to the Issuer and (in the case of (c) above) the Issuer may give notice to the Trustee and the Noteholders, of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

So long as the Notes are represented by a Temporary Global Note or a Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of €100,000 and higher integral multiples of €1,000, notwithstanding that no Definitive Notes will be issued with a denomination above €199,000.

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (c) above, shall surrender the Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, "**Exchange Date**" means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

The following is a summary of the provisions to be contained in the Trust Deed to constitute the Notes and the Global Notes which will apply to, and in some cases modify, the Conditions of the Notes while the Notes are represented by the Global Notes.

1. **Payments**

On and after 5 November 2019, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer of such Global Note and, if no further payment falls to be made in respect of the Notes, against surrender of such Global Note to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. The Issuer shall procure that the amount so paid shall be entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg and the principal amount of the Notes recorded in the records of Euroclear and Clearstream, Luxembourg and represented by such Global Note will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of Euroclear and Clearstream, Luxembourg shall not affect such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

In the case of all payments made in respect of the Temporary Global Note and the Permanent Global Note "**Business Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

2. **Notices**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders (as defined below) rather than by publication as required by Condition 12 (*Notices*), provided that, the Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority on which the Notes are for the time being listed. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Principal Paying Agent and Euroclear and Clearstream, Luxembourg may approve for this purpose.

3. **Accountholders**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 6.4 (*Redemption* *and Purchase - Redemption at the Option of the Holders following a Change of Control*)) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

4. **Prescription**

Claims against the Issuer in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7 (*Taxation*)).

5. **Cancellation**

On cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase, the Issuer shall procure that details of such cancellation will be effected by entry in the records of Euroclear or Clearstream, Luxembourg, as the case may be.

6. **Put Event**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Noteholders provided for in Condition 6.4 (*Redemption and Purchase - Redemption at the Option of the Holders following a Change of Control*) may be exercised by an Accountholder giving notice to the Principal Paying Agent in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instructions by Euroclear or Clearstream, Luxembourg or any common service provider for them to the Principal Paying Agent by electronic means) of the principal amount of the Notes in respect of which such option is exercised and at the same time the Issuer shall procure that Euroclear and Clearstream, Luxembourg make appropriate entries in their records in respect of all Notes redeemed within the time limits set forth in that Condition.

7. **Electronic Consents**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the Trust Deed provides that consent given by way of electronic consents through Euroclear and/or Clearstream, Luxembourg (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding shall be effective as an Extraordinary Resolution of the Noteholders.

8. **Euroclear and Clearstream, Luxembourg**

References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee.

USE AND ESTIMATED NET AMOUNT OF PROCEEDS

The net proceeds of the issue of the Notes are expected to amount to approximately €596,574,000 and will be used for general corporate purposes, including the repurchase of the Issuer's previously issued notes scheduled to mature in 2022 and 2023.

DESCRIPTION OF THE ISSUER

1. OVERVIEW OF THE GROUP

1.1 Overview of operations

ITV is an integrated producer-broadcaster that creates, owns and distributes high-quality content on multiple platforms. ITV also continues to diversify the business through the opportunities presented from consumers' willingness to pay for quality content and to engage with ITV as a trusted brand. ITV operates the largest commercial family of channels in the UK (the "**ITV Family**") in terms of advertising revenue and audience share (as further detailed below) and delivers content through linear television broadcasting and on demand via the ITV Hub. ITV's Direct to Consumer business engages directly with consumers through subscription video on demand ("**SVOD**") on the ITV Hub+, competitions, live events, gaming apps, merchandise and pay per view events. ITV's studios business creates and produces content in the UK and internationally for both the ITV Family and third parties, while ITV's distribution business, Global Entertainment, and the distribution arm of Talpa Media, Talpa Global, sell finished programmes and formats worldwide.

ITV is comprised of two principal business segments: Broadcast & Online and ITV Studios. Broadcast & Online is responsible for commissioning and scheduling programmes and selling airtime across the ITV Family of channels and platforms. ITV broadcasts a wide variety of content, investing around £1 billion annually in programming for the ITV Family (which is primarily funded by television advertising revenue). The ITV Family attracted a total share of viewing in the UK ("**SOV**") of 23.2 per cent. in 2018, the largest audience of any UK commercial broadcaster, delivering 98 per cent. of all commercial audiences over five million. Furthermore, ITV's main channel ("**ITV main channel**"), is the largest commercial channel in the UK, ITV's free-to-air digital channels provide more targeted demographics for advertisers and consist of ITV2 and ITV3 (the two largest digital channels in the UK), ITV4, CITV and ITVBe.

In addition to linear broadcast, ITV delivers its content across multiple platforms. This is through its over-the-top ("**OTT**") service (the "**ITV Hub**"), available on 28 platforms including ITV's website (itv.com), pay providers such as Virgin Media Limited ("**Virgin**") and Sky plc ("**Sky**"), and through direct content deals with services such as Amazon, Apple and Netflix.

ITV also has a number of SVOD propositions including the ITV Hub+ in the UK where subscribers have access to ad-free content, the ability to download catch up content, along with EU portability. In addition, ITV has a joint venture with the British Broadcasting Corporation ("**BBC**"), BritBox US, which is an ad-free SVOD service in the US and Canada offering the most comprehensive collection of British content available in these countries and Cirkus, a British content SVOD service in the Nordics, Germany, Austria and Switzerland. In Q4 2019, ITV will be launching BritBox UK, a strategic partnership with the BBC for a new SVOD service which will provide an unrivalled collection of British boxsets and original series all in one place for UK audiences.

ITV Studios is the Group's international content business. ITV has built significant scale in key creative markets around the world, creating and producing programmes and formats that return and travel internationally, particularly drama, entertainment and factual entertainment. ITV Studios UK, the UK arm of ITV Studios, is the largest commercial producer in the UK (Source: internal estimates, 2018), producing programming across a diverse range of genres for the ITV Family, as well as for other UK broadcasters such as the BBC, Channel 4 and Sky. In 2018 programmes produced by ITV Studios UK accounted for 67 per cent. of the ITV main channel's total spend on original commissions.

ITV America is one of the largest unscripted independent producers of content in the US. ITV has acquired a number of unscripted and reality producers and is growing a scripted presence in the US. ITV Studios also operates in the Netherlands (largely through Talpa Media), Germany, France, Italy, Australia, the Nordics, and the Middle East. Talpa Media produces and distributes entertainment formats while the other businesses increasingly produce scripted content, as well as unscripted content, for local broadcasters in these regions and OTT platforms. This content is either created locally or are formats that have been created elsewhere by ITV, primarily in the UK and the Netherlands. Global Entertainment, ITV's distribution business, owns the rights to ITV programmes and formats and acquires third-party content, distributing this to other broadcasters and platforms internationally. Within this business, ITV also finances productions for ITV and third parties to acquire global distribution rights.

For the full year ended 31 December 2018, the Group generated total external revenue of £3,211 million (compared to £3,130 million for the equivalent period in 2017), and operating earnings before interest, taxation, amortisation and exceptional items ("**adjusted EBITA**") of £810 million (compared to £842 million for the equivalent period in 2017). In the six months to 30 June 2019, the Group generated total external revenue of £1,476 million (compared to £1,593 million for the equivalent period in 2018) and adjusted EBITA of £327 million (compared to £375 million for the equivalent period in 2018). Adjusted EBITDA, which is adjusted EBITA before depreciation, was £838 million for the full year ended 31 December 2018 (compared to £872 million for the equivalent period in 2017). In the six months to 30 June 2019, Adjusted EBITDA was £356 million (compared to £388 million for the equivalent period in 2018).

ITV's head office and registered office is at 2 Waterhouse Square, 140 Holborn, London EC1N 2AE, United Kingdom and its telephone number is +44 (0)20 7157 3000.

1.2 **History**

The ITV main channel (previously known as ITV1) consists of 15 regional broadcasting licences and a morning television licence. ITV1 began broadcasting in the London area in 1955 after the Television Act 1954 permitted the broadcasting of commercial television channels in the UK. Until 1990, each broadcasting licence was run by a separate company. The Broadcasting Act 1990 permitted any of the 15 regional broadcasting companies, subject to specific conditions, to merge for the first time allowing for consolidation in the UK broadcasting industry. By 2000, Granada plc ("**Granada**", now called Granada Limited) owned six regional licences and Carlton Communications plc ("**Carlton**", now called Carlton Communications Limited) owned five regional licences.

In February 2004, Granada and Carlton merged through a scheme of arrangement (the "**Merger**"). The Merger required an amendment to existing legislation, which was effected by the enactment of the Communications Act 2003, and UK Competition Commission approval, which was received subject to conditions. As a result of the Merger, the Group's new holding entity became ITV plc, a public limited company listed in the UK with registration number 04967001. Following the Merger, ITV owned, directly or indirectly, the entire issued ordinary share capital of both Granada and Carlton and controlled 11 of the 15 regional broadcasting licences. In 2011 ITV acquired a further licence, Channel Television and in February 2016, ITV acquired the Ulster Television ("**UTV**") licence, taking the total number of licences to 13 out of 15. ITV Broadcasting Limited holds all of ITV's broadcasting trade and assets. In February 2014, ITV's public service broadcasting licences were renewed for a further 10 years from 1 January 2015.

Since the Merger, ITV has disposed of a number of non-core businesses, including certain Carlton Screen Advertising businesses and assets, its stakes in Arsenal and Liverpool football clubs (and associated broadband businesses) and MUTV (Manchester United Television).

ITV2 was launched on 7 December 1998, ITV3 was launched on 1 November 2004 and ITV4 on 1 November 2005. ITV launched CITV on 11 March 2006. ITV Encore, a pay channel exclusive to the Sky platform, was launched on 9 June 2014 and a further free-to-air channel, ITVBe, was launched on 8 October 2014. ITV Encore was closed in April 2018 in preparation for the launch of BritBox.

On 27 April 2005, ITV acquired SDN Limited ("**SDN**"), a UK terrestrial television multiplex operator that leases spectrum to other content providers who want their channels broadcast on digital terrestrial television. SDN's multiplex licence expires in 2022 and ITV are fully engaged with the UK Government and Ofcom in relation to the possible renewal or extension of the licence. ITV's online services include ITV.com, which was launched in 2002. Friends Reunited, a portfolio of social networking websites, was acquired by ITV in December 2005 and sold in 2010.

Since 2012, ITV has acquired a controlling stake in a number of production companies.

- In 2012, ITV acquired 100% of each of the Norwegian production company Mediacircus (now ITV Norway), the UK production company SO TV and the Finnish production company Tarinatalo (now ITV Finland). ITV also acquired a 61.5% stake in the US production company Gurney, with the remaining 38.5% stake acquired in 2019.

- In 2013, ITV acquired majority stakes in two US production companies, a 60% stake in High Noon and a 65% stake in Thinkfactory Media (with the remaining 35% stake acquired in 2018). In addition, ITV acquired 100% of two UK production companies, The Garden and Big Talk.

- In 2014, ITV acquired an 80% stake in US production company Leftfield Entertainment (with the remaining 20% stake acquired in 2019), and acquired 100% of United Productions in Denmark.

- In 2015, ITV acquired 100% of the Netherlands based production company, Talpa Media along with UK production companies Mammoth Screen (previously an investment) and Cats on the Roof Media. ITV also acquired a 75% stake in Twofour Group in the UK.

- In 2017 ITV took a controlling interest in several production companies, including a 92% stake in World Productions in the UK, a 65% stake in Tetra Media in France, a 51% stake in Cattleya in Italy, a 75% stake in Tomorrow Studios in the US, and a 96% stake in Elk production in Sweden.

- In July 2019, ITV increased its holding in Monumental Pictures in the UK to take a controlling interest, ITV also acquired Armoza Formats, an Israeli formats creator and distributor.

ITV has made a number of smaller investments in content related companies over the last five years including; Quibi, Blumhouse Television and Circle of Confusion in the US, Appletree Productions in Denmark and Koska in the UK.

1.3 Strategy

In 2018, ITV undertook a strategic refresh launching a new strategy and vision in July 2018 in response to the changes within the media market. The vision for the business is to be "More than TV", building upon ITV's combination of creativity and commercial strength and focusing on ITV's digital transformation to create a stronger, more diversified, structurally sound business.

ITV's strategy is focused on three key areas:

- strengthening the integrated producer broadcaster ("**IPB**");
- growing UK and global production; and
- creating a scaled Direct to Consumer business.

This strategy aims to ensure that ITV is:

- the pre-eminent IPB for viewers and brands in the UK by accelerating its digital transformation;
- a world class creative force in global content production;
- a leading Direct to Consumer business in the UK;
- a lean and agile organisation with leading capabilities in data analytics and technology;
- a future facing, modern and digital brand that is relevant to all viewers and brands; and

- a sustainable, cash generative and growing business.

ITV's unique integrated business model, with the strong linkage between the two core businesses, is a strong competitive advantage. It provides ITV Studios with a powerful promotional engine for its content; enables 360 degree monetisation of ITV Studios content by ITV and secures access to content for ITV's channels, advertising video on demand ("**AVOD**") and SVOD businesses and protects them against above inflation content pricing pressure.

To help address and deliver the three key strategic priorities, ITV has set out an essential investments programme across 2019 – 2021, with £40 million in 2019, increasing to £60 million per annum by 2021 (this excludes the investment in BritBox UK).

Investment into the IPB will focus on strengthening the IPB model to drive digital viewing and advertising through investments in (i) ITV's brand, (ii) the ITV Hub, (iii) technology, (iv) data and (v) advertising capabilities and addressable advertising.

(i) Brand investment aims to reposition ITV and the ITV Hub, to drive more light viewers and increase reach.

(ii) Investment in the ITV Hub will focus primarily on improving the user experience, driving higher engagement and the upsell of BritBox UK.

(iii) Technology investment will focus on improving ITV's technology capabilities and platforms in order to accelerate its digital transformation internally and externally, along with evolving and enhancing ITV's digital video platform to deliver the ITV Hub redesign and the launch of BritBox UK, and building ITV's new programmatic addressable advertising platform.

(iv) Data will span across all areas of the IPB and look to drive viewing, advertising and direct to consumer revenues through the development of a data and insights team, scaling ITV's data platform to enable unification of data across the business and putting in a data framework for BritBox UK.

(v) Investment around advertising capabilities focuses on strengthening ITV's creative partnerships team, creating a client strategy team to build long term, deeper relationships with advertisers and creating a scaled programmatic addressable advertising platform around ITV's premium VOD inventory. This addressable advertising platform is expected to be rolled out from Q4 2019 and fully integrated across all agencies by the second half of 2020.

Investment into ITV Studios will focus on creating a drama and entertainment development fund to build its creative pipeline, strengthen its creative talent pool and build its monetisation capabilities.

Investment in the Direct to Consumer business is aimed at driving revenues and profits as ITV grows a Direct to Consumer business. The business will benefit from the investment in the ITV Hub, data and the brand along with additional investment into the competition portal along with strengthening ITV's customer focus.

ITV's essential investments will partly be offset by cost savings of £20 million in 2019 increasing to a run rate of £55 million - £60 million per annum by 2022. Cost savings will come from organisational redesign, production efficiencies, contract renewals, reduced overheads and property moves.

ITV is making good progress in each area of this strategy as it becomes an increasingly digital entertainment company.

1.4 2019 Interim Results

On 24 July 2019, ITV published its interim results for the six months to 30 June 2019.

Against a backdrop of ongoing political and economic uncertainty in the UK, which continues to impact the demand for television advertising and therefore ITV's financial performance, ITV delivered a good performance in the areas it can control, and is making good progress in delivering the strategy, with its investment and cost saving programmes on track.

Group external revenue decreased 7 per cent. to £1,476 million (compared to £1,593 million for the equivalent period in 2018) reflecting a 5 per cent. decline in Broadcast & Online external revenue to £989 million (compared to £1,044 million for the equivalent period in 2018) and an 11 per cent. decline in ITV Studios external revenue to £487 million (compared to £549 million for the equivalent period in 2018), with the timing of deliveries weighted to the second half of the year.

Adjusted EBITA decreased 13 per cent. to £327 million (compared to £375 million for the equivalent period in 2018). Adjusted EBITDA was £356 million (compared to £388 million for the equivalent period in 2018).

In the first half of 2019, ITV delivered a good viewing performance both on-screen and online, against tough comparatives in 2018 from the Football World Cup, and in the absence of Saturday Night Takeaway. ITV Family SOV was maintained at 23.6 per cent. (2018: 23.5 per cent.) and is now at an 11 year high. ITV2 remained the most watched digital channel for the 16-34 age group for the third year in a row with a SOV of 6.5 per cent. for this demographic, up 7 per cent. year-on-year.

Online viewing, which measures the total number of hours viewers are spending online, was up 13 per cent. year-on-year and dwell time, which measures the average time spent viewing per session across all platforms, was up 5 per cent. in the period. The ITV Hub had 29 million registered users as at 30 June 2019 (2018: 25 million) and monthly active users were up 37 per cent. since 30 June 2018. ITV Hub+ subscribers almost doubled year-on-year to over 500,000 and BritBox US continues to grow steadily, exceeding 650,000 subscribers by July 2019.

2. COMPETITION/MARKET ENVIRONMENT

2.1 Overview of the market environment

The market environment in which ITV operates is dynamic. It is changing and evolving rapidly, becoming increasingly competitive. Consolidation of media and telecoms companies, the increasing influence of technology and data, growing consumer demands and the evolution in the way viewers consume media, bring both challenges and exciting opportunities which ITV aims to address through successfully delivering its strategy.

2.2 Global Content

Global demand for content continues to grow with the proliferation of channels, platforms and new entrants, with particularly strong demand for high-quality global and local scripted content, as well as unscripted formats that travel with a strong track record. A key driver of this change over recent years has been the evolution in the delivery and availability of content with a substantial increase in the number of ways to consume content. Viewers are able to choose from a variety of platforms, both free and pay to watch live, catch up and box set content. This has led to the rapid growth of viewing on mobile devices and via connected TVs. However, linear television viewing remains resilient as the most popular way to consume content for all demographics.

The growth in demand for content can be further attributed to a number of factors, including: a larger international pay television market; the consolidation of pay providers with content companies and distributors; convergence in the television market, where telecoms and new media companies are competing with traditional media companies for content and viewers; online players such as Netflix and Amazon investing heavily in new original and local content; and online advertising-driven platforms such as Google and Facebook creating a new market for short form and digital content.

With the proliferation of channels and platforms looking for brand defining content, ITV has seen an increase in viewer expectations which has driven an increase in the cost of some content, particularly scripted. As a result, deficit financing and co-productions or partnerships have become increasingly important in financing productions in the UK and US, where distributors are often funding the difference between what the content buyer is paying for the original broadcast and the cost of production in return for distribution rights.

Scripted content

In the UK, there is higher demand and stronger viewing figures for domestically produced content over imported series. Original, high-quality scripted content is central to ITV's strategy and essential for the growth of broadcasters and OTT players, with the ability to drive viewing and grow brands. In the UK, where there is stronger demand and higher viewing figures for UK content over imported series, ITV is a major producer of scripted content.

The US dominates global production and is the largest content market in the world. This represents a significant opportunity for ITV, with a strong and evolving presence in the region. As with the UK, the market continues to see a significant increase in demand for drama, particularly US drama. Original scripted content is essential for broadcasters and OTT platforms to drive viewing and attract subscribers. Drama is brand defining, and is used as a tool for differentiation and prominence in an increasingly competitive global environment. The rise of Netflix and Amazon, which are investing heavily in signature high-quality original scripted content, has significantly increased competition in the market.

In Europe, ITV has seen a resurgence in demand for local scripted content, with acquired US content not performing as well as it has done historically on broadcast channels. The OTT platforms also drive growth across Europe for local scripted content, with the platforms tailoring their proposition on a regional basis to differentiate the offerings and attract subscribers. There is now also global demand for high-quality, foreign language scripted content on both broadcast and OTT platforms resulting in a broadening market for European content.

The deficit on high-cost productions is covered through global and secondary sales, with ITV's strategy of making content available in different territories, on different broadcasters or OTT platforms and at different times, either exclusively or non-exclusively, in order to maximise overall revenues. As a distributor as well as a producer, ITV is in a strong position.

Non-scripted content

While not growing as quickly as scripted content, demand for unscripted content remains strong as networks continue to require lower-cost, high-volume popular series. The UK remains the dominant producer and exporter of unique unscripted formats.

The US remains a strong and vast market for unscripted content, with continued demand from broadcasters for proven successful programming and new entertainment formats. There is growing pressure in the US cable market with significant external competition. OTT platforms have also started to supplement their catalogue with unscripted titles, which provides a lower-cost alternative to expensive scripted titles, and to appeal to new audiences, or supplement the viewing of existing subscribers.

Demand remains strong across all major territories for unscripted content as, consistent with the UK and US, networks require lower-cost alternatives to scripted content. The market demands a combination of proven global formats, as well as the development and production of local original ideas. ITV has a presence in what it considers to be the most attractive TV production markets, leveraging its international formats and local creative expertise to grow its overall business.

ITV is now a genuine player in non-scripted content: ITV America is one of the largest unscripted independent producers in the US, ITV Studios UK is the largest commercial production company in the UK, and ITV is also a leading independent producer in Europe. ITV Studios has produced a number of successful non-scripted formats, including Love Island, I'm A Celebrity… Get Me Out Of Here!, Come Dine With Me and The Chase. ITV has also made a number of acquisitions of producers specialising in non-scripted content in order to expand its presence in this area, in particular with Talpa Media which owns the internationally successful The Voice and The Voice Kids formats.

Large independent production companies, such as Endemol Shine Group and Fremantle Media, continue to be ITV Studios' main competitors in non-scripted content.

2.3 **Changing viewing habits**

The number of ways for viewers to engage with content has expanded and offers increased flexibility, which has impacted viewing habits globally. With this ITV has seen a marked increase in viewing on OTT platforms, via non-TV devices (such as smartphones, games consoles and tablets) and TV video on demand ("**VOD**"). This evolution is not uniform across demographics, with younger viewers spending proportionally more time consuming video content on non-TV devices and TV VOD, whilst older demographics spend comparatively more time engaging with linear television.

In the UK linear viewing remains the most popular form of media entertainment by a significant margin. However, online viewing, while currently only a small share of total viewing, has grown rapidly, particularly via OTT services such as Netflix and Amazon, which have seen strong growth over the last few years.

It is ITV's ambition to maximise its volume of total viewing across its linear and online platforms and develop SVOD. ITV will continue to invest in its online offering, the ITV Hub and the ITV Hub+, the subscription version of the ITV Hub, both of which have shown strong growth in the last few years.

An important part of ITV's Direct to Consumer strategy is the launch of BritBox in the UK in Q4 2019 which will offer an extensive collection of British boxsets and original series all in one place. This is in addition to existing SVOD propositions, BritBox US in the US and Canada, and an equity stake in Cirkus.

TV viewing, and in particular free-to-air TV and public service broadcaster viewing, is more resilient in the UK than in other markets, because per capita, the UK has a higher spend on local, original content than most other developed markets; and the existence of the BBC, with whom ITV competes with for viewers but not revenue. That in turn gives ITV a platform from which to launch SVOD services using similar, indigenous content that connects to viewers in a way that US series, with very few exceptions, do not.

2.4 **Linear television viewing**

Linear television is offered through both free-to-air and pay services in the UK. Free-to-air television is delivered through services including Freeview, YouView and Freesat, while linear pay television is delivered through operators such as Sky, BT, Virgin and TalkTalk. The market dynamics of the pay market are changing as established pay television providers face increasing competition from BT and OTT providers Netflix and Amazon. The platform mix between free-to-air and linear pay television has remained relatively constant for a number of years. In 2018 the mix was 54 per cent. free-to-air and 46 per cent. linear pay. Including SVOD services, the platform mix in the UK is 36 per cent. free-to-air and 64 per cent. paid viewing.

The UK average linear television viewing in 2018 was 192 minutes per person per day, down from 203 minutes in 2017. ITV has countered this trend showing a growth in the hours of live linear television viewing year-on-year, up 2 per cent.

The average for the 16-34 age group was 106 minutes per day which declined by 13 per cent. (2017: 123 minutes). In contrast, across the ITV main channel, the average number of minutes increased for the 16-34 age group by 2 per cent. in 2018 and across the ITV family of channels decreased only 2 per cent., and as such ITV saw a 13 per cent. share growth for this demographic year-on-year (Source: Broadcaster's Audience Research Board ("**BARB**")).

Younger viewers are more skewed to watching content outside of the traditional seven-day measurement window and often on non-TV devices. Since October 2018, BARB has published a joint-industry, audited measure of linear and online viewing combined across all devices, which includes viewing on TVs, PCs, tablets and smartphones, providing a more comprehensive measure of viewing for a 28-day measurement window. This is currently only available on a programme by programme basis and is not available to calculate aggregate channel or broadcaster viewing volume or share.

While it is clear that younger viewers do watch less linear television than other demographics, if the right content is delivered, they will watch it either via linear television or online. Love Island on ITV2 is an example of this, with an average of 2.0 million viewers in the 16-34 age group in 2018 with a 46.2 per cent. share across the series. On linear, I'm a Celebrity… Get Me Out of Here! achieved an average of 3.0 million viewers in 2018 in the 16-34 age group, which was its biggest audience ever for this demographic. The series launched with 3.8 million viewers in the 16-34 age group, which was the second biggest audience of 2018 for this age-group, beaten only by the England World Cup semi-final, also on ITV.

ITV competes for linear viewers with the BBC and commercial broadcasters including Channel 4, Sky and Channel 5. ITV and BBC One continue to be the only channels consistently able to deliver mass audiences as well as targeted demographics, and in 2018, ITV delivered 98 per cent. of all commercial audiences over five million viewers and 96 per cent. over three million.

In 2018, the ITV family of channels achieved the highest SOV in ten years, increasing their SOV to 23.2 per cent. (2017: 21.7 per cent.), with the main channel up 9 per cent. to 16.9 per cent. (2017: 15.5 per cent.), compared with BBC One, down 2 per cent., driven by consistently strong performances across the daytime schedule, growth in key entertainment shows, unmissable drama, and outstanding audiences for the 2018 Football World Cup (Viewing data source: BARB).

2.5 **Online viewing**

Online viewing includes catch up viewing of broadcaster content via the television set or non-TV devices, simulcast viewing on non-TV devices and VOD delivery of other long-form content such as box sets and movies via platforms such as Sky, Netflix and Amazon.

While online viewing has grown rapidly, and continues to do so, it still accounts for only a small proportion of total viewing time. In the UK, ITV estimates that 71 per cent. of all viewing of legal long-form content is live (excluding online simulcast viewing) (2017: 75 per cent.), with a further 13 per cent. timeshifted via a Personal Video Recorder (PVR) and watched within 28 days of the original broadcast date (2017: 13 per cent.). Of the estimated 16 per cent. of content viewed on demand (2017: 13 per cent.), 4 per cent. is catch up viewing of broadcaster content via the television set or to non-TV devices (2017: 4 per cent.). The remaining 12 per cent. of content is other VOD viewing, where viewing of box sets via services such as Sky, Netflix and Amazon is replacing viewing of DVDs (2017: 8 per cent.). In the UK, in viewing share terms, Netflix would represent the third biggest channel behind BBC One and ITV.

Online viewing is growing quickly, driven by accessibility of these services on smartphones, tablets and connected televisions, providing flexibility in viewing and adaptability to changing lifestyles, facilitating viewers to watch content whenever and wherever they want. In 2018 viewing on the ITV Hub has grown 32 per cent. year-on-year.

2.6 **Advertising revenue**

ITV generates advertising revenue through linear television, online VOD and sponsorship, competing with both other commercial broadcasters and increasingly alternative advertising media for its advertising revenues. ITV's total advertising revenue in 2018 was £1,795 million, up 1 per cent. year-on-year. As an integrated producer broadcaster, cash from these revenue streams funds the broadcast of ITV's content in the UK and content creation globally.

In the UK, television advertising (including spot, online VOD, sponsorship and other television revenues) continues to hold a significant share of the overall advertising market with a 23.7 per cent. share in 2018 (2017: 25.5 per cent.). Television advertising is being affected by the ongoing political and economic uncertainty in the UK around Brexit with advertisers reducing spend on television as they try to manage margins (Source: Advertising Association, January 2019).

The make up of television advertisers is changing as new markets are being disrupted by insurgent brands. Some categories have grown rapidly, the stand out being the online brands. The well publicised issues with the high street and FMCG companies have put them under pressure and as a result they are spending less and have largely reduced spend across all media.

While online advertising has grown rapidly, concerns remain as to what some online advertising delivers, especially when compared with television in terms of both investment return and potential reputational risk. Some forms of online advertising have no trusted measurement system, the adverts may not be seen by a human, the adverts may be off screen or viewed without sound, and the content around the advertising may not be appropriate for that brand or socially responsible. The ITV Hub delivers the key demographics and growing volumes in a high-quality, trusted and measured environment for online advertisers.

With no uniformity in the definitions used by broadcasters, the UK television advertising market is extremely difficult to measure, and therefore it is not possible to give ITV's share of total advertising.

Online advertising can deliver a more targeted advertising proposition and ITV is making good progress on developing a scaled, programmatic addressable advertising proposition on the ITV Hub.

ITV also earns revenue from various third parties, including Sky and Virgin, through the licensing of channels and content, including its HD digital channels (ITV2 HD, ITV3 HD and ITV4 HD) and catch up VOD.

2.7 **SVOD**

Increasingly homes are supplementing their free and pay television with other forms of paid content including SVOD services such as Netflix and Amazon, or by purchasing additional channels through 'no-contract' providers such as NowTV. Many households have multiple subscriptions to paid content, the annual growth in homes with any SVOD service is 20 per cent. and the growth in homes with multiple services is 34 per cent., with five million homes now having more than one subscription (Source: BARB Q1 2019). Research by ITV has shown that the desire for British content specifically is high, with 44 per cent. of all online homes interested in subscribing to a new SVOD service which features British content. This increases to over 54 per cent. in homes with Netflix.

To tap into this demand, ITV will launch BritBox UK, its SVOD service with the BBC, in Q4 2019. Research has demonstrated there is high demand and a willingness to pay for an additional service. ITV is well positioned to deliver this.

ITV's existing SVOD propositions, including ITV Hub+ in the UK, BritBox US in the US and Canada, and Cirkus in the Nordics, Germany, Austria and Switzerland, demonstrate its ability and ambition to compete in this market internationally.

2.8 **Other Direct to Consumer**

Consumers are increasingly willing to pay to engage with great brands, content and intellectual property (IP), whether that is through competitions, live events, gaming, merchandise or pay per view.

Developing deeper and broader insights about ITV's customers and viewers is increasingly possible and more valuable with the greater use of data analytics.

Generating revenue directly from consumers, while small, is not new for ITV, however, it presents an area of great potential growth with its well-known brands and loyal viewers. Vital to this growth is making data analytics a key competency across the organisation. To support this ITV is investing in technology platforms to collect, process, store, and analyse these data sets, as well as investing in people to turn that data into insight.

3. **ITV'S BUSINESS**

3.1 **Broadcast & Online**

In the 2018 financial year, Broadcast & Online accounted for £2,096 million of total revenues and £555 million of EBITA before exceptional items (compared to £2,076 million and £599 million respectively for the equivalent period in 2017). The main subsidiaries in Broadcast & Online are ITV Broadcasting Limited, ITV2 Limited and ITV Digital Channels Limited.

Broadcast & Online derives its revenue primarily from the sale of television advertising airtime. The ITV Family comprises the UK's leading family of commercial channels, attracting 23.2 per cent. of the total television audience in the 2018 financial year, representing a 7 per cent. increase on the equivalent 2017 figure.

ITV also makes its broadcast content available to view on the ITV Hub, and generates revenues through selling online advertising and sponsorship around this content.

Other sources of revenue for the Broadcast & Online segment are derived either through engaging directly with consumers through SVOD, competitions, merchandise and live events, or selling advertising airtime on behalf of third parties and receiving licence fees for leasing digital terrestrial television spectrum held through SDN to other broadcasters.

Broadcast & Online's key customer groups are viewers, advertisers and consumers. ITV's Broadcast & Online business relies on delivering content that appeals to viewers. This in turn helps to attract the audiences to which advertisers can market their products. ITV's programming schedules are intended to maximise the volume of audiences for ITV channels in aggregate and across a broad demographic of society, including the sub-demographic groups ABC1, 16 to 34 year old adults, housewives with children and adult males. While the main channel is ITV's mass audience channel, the digital channels are targeted at more specific demographics. ITV2 is targeted at young adults (16 to 34 year olds), ITV3 is targeted at ABC1 adults, ITV4 at men and ITVBe at a young female audience. ITV Hub helps ITV reach valuable younger audiences. The growth in ITV Hub enables ITV to deliver more targeted advertising and in 2019 ITV will launch its programmatic addressable advertising platform.

The majority of ITV's television advertising airtime is sold to advertising agencies that have arrangements and relationships with the businesses which advertise products or services. Television advertising in the UK is generally purchased on the basis of annual share deals, under which an advertising agency commits in advance a certain proportion of their total spending on television advertising for the following year to a channel or broadcaster. ITV provides discounts to these advertising agencies depending on, amongst other matters, the percentage of television advertising spend committed by an advertising agency.

3.2 **ITV Studios**

ITV Studios is the Group's UK and international production and distribution business. In the 2018 financial year, ITV Studios generated £1,670 million of total revenues, including internal revenues, (compared to £1,579 million for the equivalent period in 2017) and £255 million of EBITA before exceptional items (compared to £243 million for the equivalent period in 2017). Internal revenues are sales of programming from ITV Studios to Broadcasting & Online and accounted for £551 million of 2018 full year revenues (compared to £523 million for the equivalent period in 2017). ITV Studios operates a UK production business, a number of international production businesses and a distribution business (Global Entertainment).

ITV Studios produced and delivered over 8,900 hours of original content in 2018, up 5 per cent. year-on-year. It operates over 50 labels in 13 countries, supplying over 200 channels or platforms. In 2018 ITV Studios sold 57 formats (2017: 62).

UK production business

ITV Studios UK is the largest commercial production company in the UK and produces programming for the ITV Family of channels and for other UK broadcasters such as the BBC, Channel 4, Channel 5 and Sky. The main subsidiary for the UK Studios business is ITV Studios Limited. In the UK, ITV Studios produces content across a diverse range of genres, including drama, soap operas, entertainment, factual, daytime and comedy. ITV Studios UK production revenues were £695 million in the 2018 financial year (compared to £692 million for the equivalent period in 2017). ITV Studios UK produces programmes for ITV including Coronation Street, Emmerdale, I'm a Celebrity… Get Me Out of Here!, Love Island, Victoria and Cold Feet, along with programmes for other broadcasters including The Graham Norton Show and Poldark for the BBC and 24 Hours in A&E and Come Dine With Me for Channel 4.

International production businesses

ITV Studios operates in the US, Australia, The Netherlands, Germany, France, Italy, the Nordics and the Middle East, producing original content as well as local versions of ITV Studios UK and Talpa Media formats. ITV has made a number of acquisitions in the UK, US and Europe as it builds its international business. ITV America is now a business of scale and is one of the largest unscripted independent producers in the US. ITV America revenues were £245 million and Studios Rest of World revenues were £516 million for the 2018 financial year (compared to £310 million and £390 million, respectively, for the equivalent period in 2017). As well as producing original programming for the local market, the ITV Studios international businesses also produces local versions of ITV Studios formats. A number of ITV Studios UK formats have been successfully sold to broadcasters outside of the UK including Love Island, I'm a Celebrity… Get Me Out Of Here!, Come Dine with Me, Hell's Kitchen and The Chase.

Global Entertainment

ITV Studios' distribution business, Global Entertainment, owns the rights of ITV programmes and formats and acquires third-party content and distributes this to other broadcasters and platforms internationally. Global Entertainment's revenues for the 2018 financial year were £214 million (compared to £187 million for the equivalent period in 2017).

4. REGULATION

ITV is subject to regulation under UK and European Union legislation. ITV also has production companies incorporated and registered in each of Australia, The Netherlands, Germany, France, Italy, the United States, Canada, the Middle East and the Nordic region, which are subject to the laws of those jurisdictions. The regulatory regimes that affect ITV's business are primarily broadcasting, telecommunications and advertising laws and regulations. ITV's business is subject to regulation by various regulatory authorities. The primary regulator of ITV's business is Ofcom, the principal regulator for the UK broadcasting industry. However, other UK regulators that are particularly relevant to ITV's business are the Advertising Standards Authority and the Competition and Markets Authority.

The public service broadcasters ("**PSBs**") are subject to additional tiers of content regulation, including production quotas for independent, regional and original production. The PSBs are also subject to additional quotas for particular genres of programming, such as news, current affairs, and – in the case of ITV – regional programming. The volume and nature of television advertising are also regulated, with the commercial public service broadcasters again subject to tighter restrictions than other channels.

5. DIRECTORS

The current Directors of the Issuer, each of whose business address is 2 Waterhouse Square, 140 Holborn, London EC1N 2AE, United Kingdom, their function in relation to the Group and their principal outside activities (if any) of significance to the Group are as follows:

Name	Function(s) within the Group	Principal outside activity (year of appointment)
Sir Peter Bazalgette	Chairman Member of the Remuneration Committee Member of the Nomination Committee	
Carolyn McCall	Chief Executive	• Non-executive Director, member of the Audit and

Name	Function(s) within the Group	Principal outside activity (year of appointment)
		Nomination Committees, Burberry Group plc
Chris Kennedy	Group CFO	• Non-executive Director, Chair of the Audit Committee and member of the Nomination Committee, Whitbread plc
Edward Bonham-Carter	Senior Independent Director Member of the Audit and Risk Committee Member of the Nomination Committee	• Vice Chairman, Jupiter Fund Management plc • Senior Independent Director, member of the Remuneration and Nomination Committees, Land Securities Group plc
Margaret Ewing	Non-executive Director, Chair of the Audit and Risk Committee	• Non-executive Director, member of the Audit and Compliance Committee, International Consolidated Airlines Group SA • Senior Independent Director, Chair of the Audit and Risk and Nomination Committees, member of the Corporate Responsibility Committee, ConvaTec Group plc
Roger Faxon	Non-executive Director Member of the Remuneration Committee	
Anna Manz	Non-executive Director Member of the Remuneration Committee Member of the Audit and Risk Committee	• Group Finance Director, Johnson Matthey plc
Mary Harris	Non-executive Director, Chair of the Remuneration Committee Member of the Audit and Risk Committee Member of the Nomination Committee	• Non-executive Director, Chair of the Remuneration Committee, Reckitt Benckiser Group plc • Vice Chair, Chair of the Remuneration Committee, Member of the Supervisory Board, Unibail Rodamco SE
Salman Amin	Non-executive Director Member of the Remuneration Committee Member of the Nomination Committee	• Chief Executive Officer, Pladis Global
Duncan Painter	Non-executive Director Member of the Remuneration Committee	• Chief Executive Officer, Ascential plc

There are no potential conflicts of interest between the duties to the Issuer of each of the members of the Board of Directors listed above and his or her private interests or other duties.

Litigation

In 2011, the Determinations Panel of the Pensions Regulator determined that Financial Support Directions ("**FSDs**") should be issued against certain Group companies, which would require those companies to put in place financial support for the Boxclever Pension Scheme. The Group challenged the Pensions Regulator’s decision in the Upper Tribunal. However, in May 2018, the Upper Tribunal handed down judgment allowing the Pensions Regulator to issue an FSD. Subsequently, ITV appealed the Upper Tribunal's decision to the Court of Appeal. The Court of Appeal dismissed the appeal in June 2019. ITV is currently seeking permission to appeal the Court of Appeal's decision to the Supreme Court.

Major Shareholdings

As at 31 August 2019, the Issuer had been notified of the following disclosable interests held as a shareholder in accordance with DTR5 of the disclosure and transparency rules produced by the FCA, that are equal to or exceed five per cent of the issued share capital:

	% Notified as held
The Capital Group Companies, Inc	10.92
Liberty Global Inc Limited (US)	9.90
Blackrock, Inc.	5.01
Ameriprise Financial, Inc. and its Group	5.08

TAXATION

The tax laws of the Noteholder's jurisdiction of incorporation and of the Issuer's jurisdiction of incorporation might have an impact on the income received from the Notes. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the UK of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. The summaries below are based upon the law as in effect on the date of this Prospectus and is subject to any subsequent change in law that may take effect after such date or that has retrospective effect.

In addition, investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

UK Taxation

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current UK law and published HM Revenue and Customs ("**HMRC**") practice relating only to UK withholding tax treatment of payments of principal and interest in respect of Notes. The following is not exhaustive and does not deal with any other UK taxation implications of acquiring, holding or disposing of Notes. The UK tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the UK or who may be unsure as to their tax position should seek their own professional advice.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 13 of the Notes or otherwise and does not consider the tax consequences of any such substitution.

Interest on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of UK income tax provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**")) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes are and remain so listed, interest on the Notes will be payable without withholding or deduction on account of UK tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a UK source on account of UK income tax at the basic rate (currently 20 per cent.) subject to any available exemptions and reliefs, including an exemption for certain payments of interest to which a company within the charge to United Kingdom corporation tax is beneficially entitled. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Any discount element on the Notes will not generally be subject to any UK withholding tax pursuant to the provisions mentioned above, but may be subject to reporting requirements as outlined above. Where Notes are redeemed at a premium then any such element of premium may constitute a payment of interest. Payments of interest are subject to UK withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of UK income tax, Holders who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in UK tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

Other Tax Matters

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

FATCA

Pursuant to certain provisions of the US Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "*foreign passthru payment*" are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining "*foreign passthru payments*" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, NatWest Markets Plc and Wells Fargo Securities International Limited. (the "**Joint Lead Managers**") have, in a subscription agreement dated 24 September 2019 (the "**Subscription Agreement**") and made between the Issuer and the Joint Lead Managers upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Notes at their issue price of 99.729 per cent. of their principal amount plus any accrued interest in respect thereof and less a combined management and underwriting commission. The Issuer has also agreed to reimburse the Joint Lead Managers for certain of its expenses incurred in connection with the management of the issue of the Notes. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United States of America

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the US or to, or for the account or benefit of, US persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to US tax law requirements and may not be offered, sold or delivered within the US or its possessions or to a US person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and regulations promulgated thereunder.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the US or to, or for the account or benefit of, US persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the US or to, or for the account or benefit of, US persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the US by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

General

Each Joint Lead Manager has represented and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any other offering material relating to the Notes. Persons into whose hands this Prospectus comes are required by the Issuer and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

1. **Authorisation**

The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 28 August 2019 and a resolution of a Sub-Committee of the Board of Directors of the Issuer dated 3 September 2019.

2. **Legal and Arbitration Proceedings**

Save as disclosed on page 46 in this Prospectus, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer and its subsidiaries.

3. **Significant/Material Change**

Since 31 December 2018, there has been no material adverse change in the prospects of the Issuer. Since 30 June 2019, there has been no significant change in the financial performance or the financial position of the Group.

4. **Auditors**

The consolidated financial statements of the Issuer have been audited without qualification for the years ended 2018 and 2017 by KPMG LLP, Chartered Accountants and Registered Auditors.

5. **Documents on Display**

Copies of the following documents may be inspected during normal business hours at the offices of the Principal Paying Agent and at https://www.itvplc.com:

(a) the memorandum and articles of association of the Issuer (as the same may be updated from time to time);

(b) the Agency Agreement and the Trust Deed; and

(c) the audited consolidated financial statements of the Issuer for the years ended 2018 and 2017 and the interim financial statements of the Issuer for the six month period to 30 June 2019.

For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on any website does not form part of this Prospectus.

6. **Yield**

On the basis of the issue price of the Notes of 99.729 per cent. of their principal amount, the gross real yield of the Notes is 1.461 per cent. on an annual basis.

The yield is calculated at the Issue Date and is not an indication of future yield.

7. **Legend Concerning US Persons**

The Notes and any Coupons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

8. **ISIN, Common Code, CFI and FISN**

The Notes have been accepted for clearance through the ICSDs. The ISIN of the Notes is XS2050543839 and the common code of the Notes is 205054383. The Financial Instrument Short Name (FISN) and the Classification of Financial Instruments (CFI) Code are as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN, as updated from time to time.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

9. **Listing Expenses**

The total expenses related to the listing of the Notes are estimated by the Issuer to be around £4,790.

10. **Legal Entity Identifier**

The Legal Entity Identifier (LEI) code of the Issuer is ZLEC17ED2QMWFGYCXZ59.

11. **Joint Lead Managers transacting with the Issuer**

In the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or their affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Issuer, including potentially the Notes offered hereby. Any such positions could adversely affect future trading prices of the Notes offered hereby. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

THE ISSUER

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To the Joint Lead Managers and the Trustee as to English law:

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