THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000 or, if you are taking advice in the Republic of Ireland, is authorised or exempted under the Investment Intermediaries Act 1995 of Ireland or the Stock Exchange Act 1995 of Ireland or, if you are in neither the United Kingdom nor the Republic of Ireland, from another appropriately authorised independent professional adviser.

This document comprises a prospectus relating to UTV Media plc which has been prepared in accordance with the Prospectus Rules published by the Financial Services Authority. This document has been approved by the Financial Services Authority and has been filed with the Financial Services Authority in accordance with Rule 3.2 of the Prospectus Rules.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares (other than ex-rights) held in certificated form before 23 June 2008, please send this document together with the accompanying documents at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale is/was effected for onward transmission to the purchaser or transferee. If you sell or have sold only part of your holding of Existing Ordinary Shares (other than ex-rights) in certificated form, please contact your stockbroker, bank or other agent through whom the sale or transfer is/was effected immediately. Instructions regarding split applications are set out in this document and the Provisional Allotment Letter (to be issued immediately after the General Meeting). If you sell or have sold or otherwise transferred your Existing Ordinary Shares (other than ex-rights) held in uncertificated form before 23 June 2008, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

The distribution of this document and/or the accompanying documents and/or the transfer of Nil Paid Rights, Fully Paid Rights and/or Rights Issue Shares and/or the issue of Rights Issue Shares into jurisdictions other than the UK and the Republic of Ireland, including the United States and the Excluded Jurisdictions, may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions. In particular, subject to certain exceptions, this document, the accompanying Form of Proxy and any Provisional Allotment Letter (when issued) should not be distributed, forwarded to or transmitted in or into the United States (as defined in Regulation S of the United States Securities Act of 1933, as amended) or the Excluded Jurisdictions.

UTV Media plc and the Directors, whose names appear on page 17 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of UTV Media plc and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

You should read this document, the accompanying documents and the documents incorporated by reference in their entirety (and in particular the Risk Factors set out in Part 2 of this document) when considering taking up your rights under the Rights Issue.

UTV Media plc

(Incorporated in Northern Ireland
under the Companies (Northern Ireland) Order 1986, with number NI65086)

Proposed 2 for 3 Rights Issue of
38,361,011 Rights Issue Shares at 130 pence per Rights Issue Share

and

Notice of General Meeting

Numis Securities Limited
Joint Sponsor, Financial Adviser and Joint Underwriter

Goodbody Corporate Finance
Joint Sponsor

Goodbody Stockbrokers
Joint Underwriter

The Existing Ordinary Shares have been admitted to the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities and to the Official List of the Irish Stock Exchange and to trading on its regulated market. Application has been made to the UKLA for the Rights Issue Shares (nil and fully paid) to be issued in connection with the Rights Issue to be admitted to the Official List and to the Irish Official List. Application has been made to the London Stock Exchange for the Rights Issue Shares (nil and fully paid) to be admitted to trading on the London Stock Exchange's main market for listed securities and to the Irish Stock Exchange for the Rights Issue Shares (nil and fully paid) to be admitted to trading on the regulated market of the Irish Stock Exchange. It is expected that admission to the Official List and to the Irish Official List will become effective and that dealings in the Rights Issue Shares will commence on the London Stock Exchange and on the Irish Stock Exchange, nil paid, on 23 June 2008. No application is currently intended to be made for the Rights Issue Shares to be admitted to listing or dealt with on any other exchange.

The latest time and date for acceptance and payment in full of entitlements under the Rights Issue is expected to be 11.00 a.m. on 14 July 2008. The procedure for acceptance and payment is set out in Part 7 of this document and, for Qualifying non-CREST Shareholders only, will also be set out in full in the Provisional Allotment Letter. Qualifying CREST Shareholders should refer to Part 7 of this document.

Certain information in relation to the Company and the Group is incorporated by reference into this document. You should refer to Part 11 of this document for further details.

CONTENTS

PART 1

SUMMARY

This summary should be read solely as an introduction to this document. Any decision to invest in Rights Issue Shares and/or Nil Paid Rights and/or Fully Paid Rights and/or to take up any entitlements under the Rights Issue should be based on consideration of this document (and the documents incorporated by reference) as a whole.

Where any claim relating to information contained in this document is brought before a court in a member state of the European Economic Area, the claimant investor might, under the national legislation of the member state where the claim is brought, have to bear the costs of translating this document before any legal proceedings are initiated.

Civil liability attaches to the Company and the Directors who are responsible for the contents of this summary, including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document.

1. INTRODUCTION

UTV announced today that, subject to the passing of the Resolutions, it proposes to raise approximately £46.7 million (net of expenses) by the issue of 38,361,011 Rights Issue Shares by way of the Rights Issue. The Rights Issue will be undertaken on the basis of 2 Rights Issue Shares for every 3 Existing Ordinary Shares held at the Record Date at the Rights Issue Price of 130 pence per Rights Issue Share. The Rights Issue Price of 130 pence per Rights Issue Share represents a discount of approximately 39.0% to the middle-market price per Existing Ordinary Share of 213 pence on 3 June 2008, the last business day before the announcement of the Rights Issue.

Other than in relation to an aggregate of 662,237 Rights Issue Shares in respect of which all of the Directors have irrevocably undertaken to take up their rights pursuant to the Rights Issue, the Rights Issue has been fully underwritten by the Joint Underwriters on and subject to the terms of the Underwriting Agreement.

2. OVERVIEW OF THE GROUP

UTV Media is the holding company of a media group which owns radio, television and multimedia assets in Great Britain and Ireland. The Group's assets in Ireland include UTV Limited, the Channel 3 licence holder for Northern Ireland, seven local radio stations, and UTV Internet, which provides telephone and broadband services. In Great Britain, the Group owns talkSPORT, the national radio sports station, and 16 independent local radio stations (ILRs). UTV Media is listed on the Official List and the Irish Official List.

3. BACKGROUND TO AND REASONS FOR THE RIGHTS ISSUE AND USE OF NET PROCEEDS

UTV has grown significantly in recent years from a standalone television company to a multimedia business providing television, radio and internet services in both the UK and the Republic of Ireland. This diversification has been achieved both through organic growth as well as through a number of acquisitions, including the acquisition in 2005 of TWG (comprising the national talkSPORT licence, 17 ILRs and broadcasting facilities) and of the Independent Broadcasting Corporation (trading as LMFM), and, more recently, the acquisitions in 2008 of Tibus and FM104. These acquisitions have been funded primarily through debt facilities made available from the Group's principal banks, which throughout this time have been, and continue to be, strongly supportive of the Group.

While the Board continues to be confident about the prospects for long term growth of the Group, it is mindful of the need to balance risk with prudence in the context of uncertain market conditions. Since the date the FM104 Circular was issued, financial market conditions have become considerably more uncertain due to the continuing tightening of global credit markets. While the Board had originally intended to begin the process of refinancing its existing debt facilities during summer 2008, it has now decided to accelerate the refinancing process given the prevailing and potentially worsening financial market conditions. It is in this context that the Directors have reviewed the balance sheet structure of the Group, and taking into account the significantly increased cost of debt available in current markets, the Directors have concluded that it is in the best interests of the Group and of Shareholders as a whole to include an equity issue as part of this refinancing in order reduce the overall gearing level of the Group. The Group has also put in place the New Five Year Facilities which together with the net proceeds of the Rights Issue receivable by the Company, will strengthen the Group's balance sheet and enable it to continue its strategy of developing a diversified multimedia business.

The net proceeds of the Rights Issue receivable by the Company (expected to be approximately £46.7m) will be used to reduce the Group's financial indebtedness.

4. PRINCIPAL TERMS AND TIMING OF THE RIGHTS ISSUE

The Company proposes to raise approximately £46.7 million (net of expenses) by way of the Rights Issue of 38,361,011 Rights Issue Shares. The Rights Issue Shares will be offered by way of rights to all Qualifying Shareholders (other than certain Overseas Shareholders) on the following basis:

2 Rights Issue Shares at 130 pence per Rights Issue Share for every 3 Existing Ordinary Shares

held and registered in their name at the close of business on the Record Date and in proportion for any other number of Existing Ordinary Shares held. Fractions of Rights Issue Shares will be aggregated by the Company and sold in the market.

The Rights Issue is conditional on, amongst other things, the passing without amendment of the Resolutions at the General Meeting, certain conditions in the Underwriting Agreement being fulfilled before Admission and the Underwriting Agreement not being terminated prior to Admission.

The Rights Issue Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive in full all dividends and other distributions declared on the Ordinary Shares after their date of issue but, for the avoidance of doubt, will have no right to the final dividend declared relating to the financial year ended 31 December 2007.

5. DIRECTORS' INTERESTS

The Directors have each irrevocably undertaken to take up their respective entitlements to their Rights Issue Shares in full. Following the Rights Issue, the Directors will beneficially own, in aggregate, approximately 1.7% of the ordinary issued share capital of the Company, as enlarged by the Rights Issue.

6. NEW FIVE YEAR FACILITIES AGREEMENT

In conjunction with the Rights Issue, the Group has put in place new debt facilities by way of the New Five Year Facilities Agreement which comprises a five year, £95m and €50m debt facility with the Bank of Ireland as arranger, facility agent and lender. Approximately £54.3m and €28.5m of this facility has been syndicated to a group of three banks comprising Barclays Bank, Allied Irish Bank and Ulster Bank. Subject to Admission, the New Five Year Facilities will provide debt funding and working capital facilities for five years following the date of drawdown and, together with the net proceeds of the Rights Issue receivable by the Company, will be used partly to refinance the Group's existing facilities.

7. RISK FACTORS

An investment in the Rights Issue Shares and/or Nil Paid Rights and/or Fully Paid Rights and/or taking up any entitlement under the Rights Issue is subject to a number of risks. Accordingly, Shareholders should consider carefully all the information set out in this document and accompanying documents and the risks attaching to the Company and the Ordinary Shares prior to making an investment decision. The Group's business, financial condition or results of operations could be materially and adversely affected by a number of risks relating either to the business of the Group or general risks (such as the value of the investments fluctuating), which are summarised below.

Risks relating to the Group's business

- Substantially all of the Group's operating revenues derive from advertising, sponsorship and promotions.
- The Group is dependent upon licences for broadcasting radio services and digital radio multiplexes.
- The Group's television business is dependent upon the performance of ITV for network programming and sale of national advertising.
- The Contract Rights Renewal system could have an adverse effect on the performance of the Group's television business in Great Britain if ITV's audience share reduces.

- RAJAR data is important within the commercial radio industry, yet can be volatile.
- The Group operates in markets likely to continue to be subject to extensive broadcasting and competition regulation.
- The Group operates in a highly competitive national and local market.
- The digital market is growing strongly, which may result in increased competition.
- Adoption by other countries of a DAB standard set which is incompatible with the installed base of DAB sets in the UK could adversely affect the growth of DAB in the UK.
- Digital Switchover will provide greater access to multi-channel television which may lead to increased competition.
- The Group's internet business operates in a highly competitive and consolidating market and is dependent upon the networks of competitors to deliver services.
- The Group is dependent upon the efficient and uninterrupted operations of the Group's advanced IT systems and on third party service and software providers.
- The Group is dependent upon all staff, including certain key employees.
- The Group is exposed to possible public liability or other civil actions arising out of the Group's operations.
- The Group operates two defined benefit pension schemes which at 31 December 2007 had an aggregate deficit of £1.86m (2006: £3.98m). There can be no guarantee that this deficit will not increase.

General risks

- The share price of quoted companies can be highly volatile and shareholdings illiquid.
- Any future issue of Ordinary Shares by UTV or a significant sale of Ordinary Shares by major Shareholders could have an adverse effect on the price of Ordinary Shares.
- Dividend growth in the Ordinary Shares will rely on underlying growth in the Group's businesses.
- Any change in the Group's tax status or in taxation legislation could affect its ability to provide returns to shareholders.
- The general economic climate.

Risks relating to the Rights Issue

- An active trading market for the Nil Paid Rights may not develop.
- The share price of the Ordinary Shares may be negatively affected if Qualifying Shareholders do not take up their rights under the Rights Issue.
- Qualifying Shareholders who do not take up their rights will experience a dimunition of their percentage ownership of UTV.

8. SELECTED FINANCIAL INFORMATION

The following information summarises the trading record of the Group. This information has been prepared under IFRS. The information set out below has been extracted without material adjustment from the audited consolidated financial statements of the Company as at, and for the three years ended, 31 December 2007.

	Year ended 31 December		
	2007	*2006*	*2005*
	£'000	*£'000*	*£'000*
Profit and Loss			
Revenue	**115,573**	**113,583**	**92,741**
Gross profit	**25,764**	**24,615**	**24,087**
Impairment of intangible assets (exceptional cost)	—	(14,877)	—
Operating profit before tax and finance costs	25,764	9,738	24,807
Share of results of associates	244	211	109
Non-operating exceptional costs	(955)	(5,833)	(1,235)
Profit before tax and finance costs	25,053	4,116	23,681
Net finance costs	(7,414)	(8,021)	(4,503)
Foreign exchange	97	—	413
Net profit/(loss) before tax	**17,736**	**(3,905)**	**19,591**
Cash Flow			
Net cash flows from operating activities	24,143	25,146	22,130
Net cash flows from investing activities	(1,473)	(1,252)	(111,124)
Net cash flows from financing activities	(20,471)	(22,239)	87,650
Cash increase/(decrease)	**2,199**	**1,655**	**(1,344)**
Net foreign exchange differences	141	(34)	(87)
Cash and cash equivalents at start of the year	7,897	6,276	7,707
Cash and cash equivalents at the end of the year	**10,237**	**7,897**	**6,276**
Balance sheet			
Current assets	39,563	37,708	36,669
Non-current assets	217,638	217,068	225,128
Total assets	**257,201**	**254,776**	**261,797**
Current liabilities	(37,610)	(38,830)	(41,455)
Non-current liabilities	(148,223)	(161,408)	(172,077)
Total liabilities	**(185,833)**	**(200,238)**	**(213,532)**
Net assets	**71,368**	**54,538**	**48,265**

9. THE GROWTH STRATEGY

The Group's strategy is to build and maintain a network of market leading stations in GB and Ireland, providing an attractive local and national advertising platform.

The key focus is increasing audience numbers through its television and radio divisions and the generation of advertising revenue from that increased audience. UTV delivers high quality, locally focused programming and plans to continue to invest in outstanding presenters and effective audience research to further increase viewer and listener numbers. The Group will also invest in the development of people and infrastructure to ensure a smooth migration to digital transmission.

In new media, the Group's focus is to ensure that it continues to offer innovative and advanced technological products at a competitive price to ensure customer growth in a highly competitive market.

The Directors will give due consideration to any future acquisition based on the potential shareholder value that it would bring to the Group.

10. CURRENT TRADING AND PROSPECTS

On 16 May 2008, UTV announced its first Interim Management Statement covering the period from the beginning of the Group's financial year, 1 January 2008, to 16 May 2008 and incorporating the Group's first four month trading period ending 30 April 2008 (the "Trading Period"). The information below is extracted from this Interim Management Statement.

The Group achieved revenue growth of 7% in the Trading Period. Excluding the impact of the FM104 and Tibus acquisitions, which completed during the Trading Period, like for like growth was 4%. Underlying growth was driven by the performance of the Group's radio businesses and the Directors believe this revenue growth will be maintained for the remainder of the first half of 2008. The Group delivered its budgeted operating profit for the Trading Period.

Radio GB

The GB radio division increased revenues by 7% compared to the overall market which is understood to have grown by 4%.

talkSPORT performed extremely well with revenue growth of 19%, demonstrating continued strong demand. This level of growth is expected to be maintained for the remainder of the first half of 2008. Revenue in ILRs was down by 3% against a broadly flat local radio market.

talk107 is performing in line with budget expectations. The launch date for talkRADIO, UTV's second national speech station, is likely to be delayed to allow for completion of the transmission infrastructure. As a result, losses associated with talkRADIO in 2008 are likely to be relatively modest.

Television

The television division is performing broadly in line with the network, recording a 3% decline in revenues compared to a 3% decline in the ITV1 network.

Radio Ireland

The Irish radio division experienced growth of 32%, with sterling translation exchange gains and acquisitions accounting for 15% and 9% of the growth, respectively. Like for like growth of 8% was underpinned by strong national agency revenues.

New Media

The new media division benefited from the acquisition of Tibus, growing revenues by 12%. Revenues on a like for like basis decreased by 4%, but this was offset by improving margins.

Recent corporate activity

On 13 February 2008, the Group announced the acquisition of Tibus, a leading all Ireland web development company which specialises in providing online services for clients across a broad range of business sectors as well as central and local government. The online presence of the Group's television and radio stations will be enhanced by the acquisition of Tibus and will facilitate greater integration of media across online and broadcast platforms.

Completion of the acquisition of FM104 took place on 10 April 2008. FM104 has significantly enhanced the Group's presence in the critical and highly competitive Dublin radio market and represents a further significant step in the implementation of its stated strategy of building a network of leading radio stations in Ireland's key urban areas.

On the 15 May 2008, the Group disposed of its loss-making Dundee station, Wave 102, for a modest consideration.

Summary and outlook

The Group overall has had a strong start to the year. The Directors anticipate that the revenue performance and trends experienced in the Trading Period will be maintained for the remainder of the first half of 2008. Expectations for the year as a whole are unchanged from those indicated at UTV's results announcement on 13 March 2008.

Since the date of the announcement of the Interim Management Statement, trading has been in line with the Director's expectations.

11. DIVIDEND POLICY

The Directors recommended a final dividend for the year to 31 December 2007 of 8.30p (2006: 8.00p) which represented a 4% increase over the prior year's final dividend, making a total dividend for 2007 of 13.50p (2006: 13.00p), an increase of 4% over the same period. The final dividend will be paid on 11 June 2008 to all Shareholders who were on the register of members of the Company at the close of business on 25 March 2008. The Rights Issue Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, save that they will not participate in the final dividend for the year to 31 December 2007 referred to above. Following completion of the Rights Issue, UTV intends to continue its current dividend policy.

PART 2

RISK FACTORS

Any investment in Rights Issue Shares and/or Nil Paid Rights and/or Fully Paid Rights and/or the taking up of any entitlements under the Rights Issue is subject to a number of risks. Prior to subscribing for any Rights Issue Shares and/or Nil Paid Rights and/or Fully Paid Rights and/or the taking up of any entitlements, prospective investors should carefully consider all the information in this document, including the risks described below which are not presented in any order of priority. The Directors have identified those risks as the material risks, but additional risks and uncertainties not currently known to the Directors, or that the Directors currently consider immaterial, may also adversely affect the Group's business, results of operations or financial condition. If any or a combination of the following risks materialise, the Group's business, financial condition and/or operational performance could be materially adversely affected. In that case, the trading price of the Ordinary Shares may decline and investors may lose all or part of the value in their investments.

An investment in the Rights Issue Shares may only be suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. Accordingly, prospective investors are recommended to obtain independent financial advice from an adviser authorised under FSMA (if in the United Kingdom) or authorised or exempted under the Investment Intermediaries Act 1995 of Ireland or the Stock Exchange Act 1995 of Ireland (if in the Republic of Ireland) who specialises in advising upon investments.

RISKS RELATING TO THE GROUP'S BUSINESS

Advertising, sponsorship and promotions revenues

The Group derives substantially all of its operating revenues from advertising, sponsorship and promotions. The Group's ability to generate revenues from the sale of advertising, sponsorship and promotions on its television channel and its analogue and digital radio stations will be affected by a number of factors, including, but not limited to: the quality of content and programming across its television and radio networks; its viewer/listener numbers and average time spent viewing/listening; viewer/listener demographics and socio-economic profiles; competition from other television and radio broadcasters and other media (such as print and digital media); and various factors affecting the level of expenditure by advertisers, promoters and sponsors, including their general prospects, cyclicality in their budgeting and buying patterns, restrictions placed on advertising by the regulatory bodies and the state of the economy in general. A future loss of such revenues as a result of any of these (or any other) factors could have an adverse effect, which may be material, on the Group's business, financial condition and results of operations.

Dependence on radio licences

The Group's analogue and digital radio services require radio broadcasting licences to carry on its radio business. Each digital radio multiplex awarded to the Group (whether exclusively or with one or more other parties) also requires a licence. In the event that any licence is materially amended, suspended or revoked, this may cause disruption (which could be material) to the operation of the radio service or multiplex affected and potentially the business of the Group as a whole. In the period approaching the expiry of an existing radio broadcasting licence, a re-application process is conducted. New service providers can apply for the licence and there is no guarantee that an existing provider will be re-awarded the licence. The potential loss of a broadcasting or digital radio multiplex licence remains a risk for any radio station or digital radio multiplex licence holder and if the Group were to lose one or more of its broadcasting licences, this could have a material adverse effect on the performance of the Group's radio business, and consequently on the Group's business, financial condition and results of operations as a whole.

Dependence upon performance of ITV

As part of the ITV network of Channel 3 licence holders, the Group's television broadcasting activities are highly dependent upon the performance of ITV with respect to the supply of network programmes and also the sale of GB national advertising. As the network schedule comprises over 90% of UTV's programme schedule, ITV ultimately has a significant level of control over UTV's viewership. In addition, ITV sells UTV's national airtime to advertisers and media buyers, and consequently controls a significant proportion of this revenue, which represents approximately 48% of UTV's television revenue. A downturn in the ability of ITV to generate similar levels of advertising revenue as it has historically commanded through its programme content and share of audience figures could have a material adverse effect on the performance of the Group's television business, and consequently on the Group's business, financial condition and results of operations as a whole.

Effect of Contract Rights Renewal

The Contract Rights Renewal system (CRR) is intended to protect the advertising community in GB against the market power held by ITV by putting in place a number of rights that advertisers and media buyers have when buying advertising time from the ITV sales company. In particular, CRR gives advertisers and media buyers in GB the right to renew their contracts on a rolling annual basis, adjusted for changes in ITV's audiences, with no reduction in the discounts they receive. This allows advertisers and media buyers to reduce the amount that they are required to pay for the same amount of airtime should ITV's audience share reduce. If this occurs, it could have an adverse effect on the performance of the Group's television business, and consequently on the Group's business, financial condition and results of operations as a whole.

The OFT and Ofcom formally launched a review of the CRR undertakings on 30 January 2008. This review is expected to last approximately a year, following which the OFT and Ofcom will consider whether a change to the undertakings may be warranted. Any adjustment to the CRR system may have either a beneficial or detrimental impact on the Group's business, financial condition, results of operations or prospects as a whole.

The importance of RAJAR data within the commercial radio industry

UTV relies on industry data produced by RAJAR. RAJAR data is very influential throughout the radio industry and is regarded by advertising buyers as determining a radio station's strength and performance. RAJAR data can vary significantly from quarter to quarter particularly in hours per listener. The volatility is due to the small size of the sample data recorded and other factors relating to the sampling methodology. If future data were to suggest that UTV's listener levels had decreased significantly, advertising buyers may not choose UTV's stations as advertising platforms, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects as a whole.

The Group operates in a market which is likely to continue to be highly regulated

The Group's television and radio broadcasting activities are likely to continue to be subject to extensive broadcasting and competition regulation in the UK and the Republic of Ireland. Such regulations include rules relating to ownership and control, licensing and programming content. Such regulations could, amongst other things, effectively restrict the Group's ability to develop its operations in certain parts of the UK or the Republic of Ireland which could have an impact upon the future growth of the Group. In addition, any changes in the regulatory environment could adversely affect the Group's operations. Such changes may include Ofcom or any other regulatory body to which the Group may be subject, varying or modifying the terms of any of the Group's licences; granting additional licences to current or new competitors; or directly or indirectly increasing the costs of regulatory compliance. It cannot be predicted the extent to which any change in the television or radio broadcasting regulatory environment would have a material adverse effect on the Group's business, financial condition and results of operations.

The Group operates in a highly competitive market

The broadcasting industry in the UK and the Republic of Ireland is highly competitive on both a national and local level. The Group's radio business faces competition from the BBC and certain commercial radio operators (such as Bauer, Global Radio, GMG and SMG). The Group's television business faces competition from BBC NI, Channel 4 and multi-channel television (satellite, cable and digital terrestrial television). The Group will have to continue to develop and enhance its product offerings (as it plans to do) to maintain its competitive position in such markets.

Proliferation of commercial radio stations

The commercial radio industry in the UK is becoming increasingly fragmented. In general, high-yielding heritage FM stations are losing audience share to lower-yielding challenger brands and emerging digital stations and most of the Group's UK radio assets comprise the former, heritage group of stations. The digital market is growing strongly with listening on digital platforms accounting for 18% of all radio listening hours. DAB is the dominant digital platform accounting for

11% of all radio listening, over 110 million listening hours per week. More than one in every four adults now live in a DAB household and sales of sets have hit seven million with over one million sets sold over the Christmas 2007 period alone. The new national DAB multiplex, of which UTV has a 10% share, is set to launch towards the end of 2008 bringing around ten new national radio services and further marketing and growth impetus. However, whilst the growth in digital listening provides opportunities it also brings added threat from the emergence of more radio services giving the Group greater audience and revenue competition in its markets. It is uncertain at this stage if, or to what extent, the continued development of digital radio will lead to volume migration of listeners from analogue to digital radio stations. If volume migration did occur and the Group's digital offering was not as popular or widespread as its analogue radio stations previously were, it is likely that the Group's overall listener share would decrease and with it, its advertising revenues. This could have an adverse effect, which may be material, on the Group's business, financial condition, results of operations or prospects as a whole.

"DAB+"

The UK is currently the market leader in DAB sets, which are required to receive DAB services. However, a higher efficiency version of the UK DAB sets, dubbed DAB+, has been adopted by a number of European and other countries. The impact of other countries adopting a DAB+ standard, which is not backwardly compatible with the existing installed base of DAB sets in the UK, could, given negative PR, adversely affect consumer confidence and therefore the continued growth of DAB set sales in the UK. This could consequently impact upon the Group's opportunities that emanate from the growth of digital radio. However, the manufacture of DAB+ compatible sets and DAB+ upgrade technology in the UK is underway and within three years the vast majority of sets sold within the UK may be capable of receiving DAB+ broadcasts. Further risk to DAB growth emanates from the recent announcement by GCap, the UK's largest radio operator, that it was disposing of its shareholding in a national multiplex and closing its digital only national brands. The direction in which its new owners, Global Radio, will proceed is not yet confirmed. Although there has been strong support for the DAB listening platform, particularly from the BBC as well as other commercial radio operators, further adverse headlines will not increase confidence amongst manufacturers, retailers or potential purchasers.

Digital television

As part of the UK conversion to digital, Digital Switchover is planned for GB between 2008 and 2012, for Northern Ireland in 2012 and, on current indications, for the Republic of Ireland in 2012, which will provide greater access to multi-channel television. Increases in the penetration and viewing of multi-channel television will increase the level of competition for television advertising revenue and this could have an adverse effect on the Group's business, financial condition and results of operation.

Broadband and telephony services

The market in which UTV Internet operates is extremely competitive. UTV Internet's main competitors are BT, eircom, Sky, Vodafone, Orange, Talk Talk and Virgin Media. UTV Internet will have to continue to develop and enhance its products and services (as it plans to do) to maintain its competitive position in the internet market. If it does not, its competitors will increase market share at the expense of UTV Internet, which is likely to have an adverse effect on the Group's business, financial condition and results of operations.

The telecommunications market continues to experience consolidation as companies are acquired by competitors. This results in a smaller number of larger operators in the internet market. There can be no assurance that UTV Internet will be able to continue to compete on the scale of these larger operators and may have to consider alternative growth strategies.

UTV Internet's continuing success depends on its ability to provide products and services that meet changing customer and technological requirements. The telecommunications industry is characterised by rapidly changing technology, intense competition and frequent introduction of new products and services. There can be no assurance that UTV Internet will successfully identify new product and service opportunities, bring new products and services to market in a timely manner, if at all, or keep current in the face of technological and other innovations and improvements offered by its competitors.

UTV Internet relies on BT's and eircom's networks to deliver its products and services. Any breakdown or disruption in these networks may have an adverse effect on the Group's business, financial condition and results of operations. In addition, as UTV Internet's underlying costs are set by BT and eircom, its profitability will be directly affected by any change in these underlying wholesale prices.

Technology and technological changes

The Group's operations will be dependent on the efficient and uninterrupted operation of its advanced IT systems. By their nature, such systems are vulnerable to damage or interruption from power loss, telecommunications failures, sabotage, vandalism or similar misconduct. The same will be true of third party service and software providers on which the Group will depend. Any such damage or interruption could have an adverse effect (which may be material) on the Group's business, financial condition and results of operations.

In order to compete in a challenging environment, the Group will need to be able to adapt quickly to continuing changes in technologies and evolving industry standards. Digital and interactive radio and television are examples of areas of likely continued and rapid technological change. The introduction of additional new products in the broadcasting industry and other media industries, evolving customer demands for more interactive program offerings and other unforeseen technological advances could attract new competitors into the Group's markets or allow current competitors to increase their market share at the Group's expense if the Group itself fails to develop in these areas. Any inability to invest in and adapt to new technologies could adversely affect the Group's business, financial condition and results of operations.

Key individuals

The Group's operations will depend on the efforts and abilities of all of its staff, including certain key employees and its executive management and other skilled and experienced off-air personnel, as well as its on-air talent. Competition to recruit and retain such individuals is intense in the radio and television business. There can be no assurance that the Group will be able to continue to retain any or all of these individuals in the future. The departure of some or all of such individuals could have an adverse effect on the Group's business, financial condition and results of operations if suitable replacements could not be recruited.

Reputational risks

In common with other businesses which provide services to, or interact with, the public, the Group may, from time to time, face public liability or other civil actions arising out of its operations. Actions of this kind have the potential to have an adverse effect on a particular station's, or even the Group's, business, the principal risks being largely reputational. The Directors are not aware of any such actions that have resulted in significant or lasting damage to a radio or television station in the Group.

Defined benefit pension schemes

The Group operates two defined benefit pension schemes in the UK. As at 31 December 2007, they had an aggregate deficit of £1.86m (2006: £3.98m). There can be no guarantee that this deficit will not increase. The schemes face a number of financial and other risks that may result in a scheme deficit including diminution in the value of the schemes' equity and bond investments, increased life expectancy of scheme members and the introduction of new scheme valuation requirements as a result of the Pensions Act 2004. If any of these risks materialise, increased cash funding may be required from the Group to restore the schemes to surplus. Such further funding requirements may have a material adverse effected on the Group's financial position.

GENERAL RISKS

A number of factors outside the control of the Group may impact on its performance and the price of Ordinary Shares, including investor sentiment and local and international stock market conditions. Investors should recognise the inherent potential volatility in stock market conditions and that the price of Ordinary Shares may fall as well as rise.

Share price volatility and liquidity

The price at which the Rights Issue Shares are quoted and the price which investors may realise for their Rights Issue Shares will be influenced by a large number of factors, some of which are specific to UTV and its operations and some of which may affect quoted companies generally. These factors could include the performance of UTV Media, large purchases or sales of Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

Furthermore, UTV Media's share price may fall in response to market appraisal of its current strategy or if the Group's operating results and/or prospects from time to time are below the prior expectations of market analysts and investors.

Possible issue of additional shares

In addition to the Rights Issue, UTV Media may offer additional shares in the future which may adversely affect the market price of the Ordinary Shares then in issue. UTV Media has no current plans for further share issues in the next 12 months for working capital purposes. It is possible that UTV Media may decide to offer additional shares in UTV Media in the longer term in connection with options granted or potential acquisition opportunities. An additional offering of shares by UTV Media, significant sales of shares by major Shareholders, or the public perception that an offering may occur, could have an adverse effect on the market price of UTV Media's Ordinary Shares.

Change in tax status

Any change in the tax status of the Group or any change in relevant taxation legislation in the United Kingdom or the Republic of Ireland could affect the ability of UTV to provide returns to Shareholders.

Dividends

Dividend growth in the Rights Issue Shares will, amongst other things, rely on underlying growth in the Group's businesses and, in particular, the dividend policy mentioned in Part 1 of this document should not be construed as a dividend forecast. While UTV Media intends to maintain its current dividend policy, there can be no assurance that UTV Media will be able to maintain its ability to pay dividends in the future. Future dividends to be received by the Shareholders will depend on the performance of the Group, and its continuing profitability. Under the Acts, UTV Media will only be entitled to pay dividends to the extent that it has distributable reserves available for this purpose. The Board has recommended a final dividend of 8.30p per Ordinary Share which will be payable on 11 June 2008 to all Shareholders on the register at 25 March 2008.

General economic climate

Factors such as inflation, currency fluctuation, interest rates, taxation rates, supply and demand of capital and industrial disruption have an impact on business costs and commodity prices and stock market prices. The Group's operations, business and profitability can be affected by these factors, which are beyond the control of the Group.

RISKS RELATING TO THE RIGHTS ISSUE

An active trading market for the Nil Paid Rights may not develop

The Nil Paid Rights will be admitted to trading on the London Stock Exchange and the Irish Stock Exchange. There can be no assurance that an active trading market in the Nil Paid Rights will develop. In addition, because the trading price of the Nil Paid Rights depends on the trading price of the Existing Ordinary Shares, the volatility of the Existing Ordinary Shares will magnify the volatility of the Nil Paid Rights.

The share price of the Existing Ordinary Shares may be negatively affected if Shareholders do not take up their rights

If Shareholders do not take up a material amount of their Nil Paid Rights and instead sell them in the market, nil paid, the share price of the Existing Ordinary Shares might be negatively affected and the Nil Paid Rights might become worthless.

Dilution of ownership of Ordinary Shares

To the extent that a Qualifying Shareholder does not take up his or her rights under the Rights Issue, his or her proportionate ownership and voting interest in UTV will be reduced and his or her percentage shareholding in UTV Media's increased share capital will be proportionately reduced after the completion of the Rights Issue. Even if an existing Shareholder elects to sell his or her unexercised Nil Paid Rights, the consideration he or she receives may not be sufficient to compensate him or her fully for the dilution of his or her percentage ownership of UTV Media's share capital that may be caused as a result of the Rights Issue.

PART 3

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of Rights Issue	4 June 2008
Publication of prospectus and Forms of Proxy	4 June 2008
Expected date for payment of proposed UTV final dividend for financial year ended 31 December 2007	11 June 2008
Record Date for entitlement to the Rights Issue	Close of business on 17 June 2008
Latest time and date for receipt of Forms of Proxy	12.00 p.m. on 18 June 2008
General Meeting	**12.00 p.m. on 20 June 2008**
Despatch of Provisional Allotment Letters (to Qualifying non-CREST Shareholders only)	20 June 2008
Dealings in Rights Issue Shares, nil paid, commence on the London Stock Exchange and the Irish Stock Exchange	**8.00 a.m. on 23 June 2008**
Existing Ordinary Shares marked "ex-rights" by the London Stock Exchange and the Irish Stock Exchange	8.00 a.m. on 23 June 2008
Nil Paid Rights credited to stock accounts in CREST (Qualifying CREST Shareholders only)	as soon as practicable after 8.00 a.m. on 23 June 2008
Nil Paid Rights and Fully Paid Rights enabled in CREST	as soon as practicable after 8.00 a.m. on 23 June 2008
Recommended latest time for requesting withdrawal of Nil Paid Rights or Fully Paid Rights from CREST (i.e. if your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them to certificated form)	4.30 p.m. on 7 July 2008
Latest time and date for depositing renounced Provisional Allotment Letters, nil paid or fully paid, into CREST or for dematerialising Nil Paid Rights into a CREST stock account	3.00 p.m. on 8 July 2008
Latest time and date for splitting Provisional Allotment Letters, nil paid or fully paid	3.00 p.m. on 9 July 2008
Latest time and date for acceptance of payment in full for and registration of renounced Provisional Allotment Letters	**11.00 a.m. on 14 July 2008**
Dealings to commence in Rights Issue Shares, fully paid, on the London Stock Exchange and the Irish Stock Exchange	8.00 a.m. on 15 July 2008
Rights Issue Shares credited to CREST stock accounts (uncertificated Shareholders only)	8.00 a.m. on 15 July 2008
Despatch of definitive share certificates for Rights Issue Shares (certificated Shareholders only)	22 July 2008

References to times in this document are to London time unless otherwise stated.

The dates set out in the expected timetable of principal events above and mentioned throughout this document and the accompanying documents may be adjusted by the Company (in consultation with the Joint Sponsors), in which event details of the new dates will be notified to the UKLA, the London Stock Exchange, the Irish Stock Exchange and, where appropriate, to Shareholders.

If you have any queries on the procedure for acceptance and payment, you should contact the UTV Shareholder Helpline (operated by Computershare) on 00 353 1 447 5524 which is open from 9.00 a.m. to 5.00 p.m. on any business day (London time). Please note that Computershare cannot provide financial advice on the merits of the Rights Issue or as to whether or not you should take up your entitlement and that calls may be monitored or recorded.

RIGHTS ISSUE STATISTICS

Rights Issue Price (price per Rights Issue Share)	130 pence
Basis of Rights Issue	2 Rights Issue Shares for every 3 Existing Ordinary Shares
Gross proceeds of the Rights Issue (before expenses)	£49.9 million
Estimated expenses of the Rights Issue and the refinancing of the Group's debt facilities	£3.2 million
Number of Ordinary Shares in issue at the date of this document	57,541,517
Number of Rights Issue Shares to be provisionally allotted pursuant to the Rights Issue	38,361,011
Number of Ordinary Shares in issue immediately following the Rights Issue	95,902,528
Rights Issue Shares as a percentage of enlarged issued Ordinary Share capital of the Company immediately following the Rights Issue	40%

DIRECTORS AND ADVISERS

Directors	J B McGuckian (*Chairman*) J McCann (*Group Chief Executive*) P O'Brien (*Group Finance Director*) S Taunton (*Managing Director UTV Radio*) J R Downey (*Group Commercial Director*) R E Bailie (*Non-Executive Director*) K Lagan (*Non-Executive Director*) H Kirkpatrick (*Non-Executive Director*)
Registered Office	Ormeau Road Belfast BT7 1EB
Company Secretary	P O'Brien
Joint Sponsor, Financial Adviser and Joint Underwriter	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Joint Sponsor	Goodbody Corporate Finance Ballsbridge Park Ballsbridge Dublin 4 Ireland
Joint Underwriter	Goodbody Stockbrokers Ballsbridge Park Ballsbridge Dublin 4 Ireland
Solicitors to the Joint Sponsors, Financial Adviser and Joint Underwriters	Nabarro LLP Lacon House 84 Theobald's Road London WC1X 8RW
Registered Auditors and Reporting Accountants	Ernst & Young LLP 16 Bedford Street Belfast BT2 7DT
Registrars, Transfer Office and Receiving Agent	Computershare Investor Services (Ireland) Limited Heron House Corrig Road Sandyford Industrial Estate Dublin 18 Ireland
Solicitors to the Company in the UK	Travers Smith 10 Snow Hill London EC1A 2AL
Solicitors to the Company in the Republic of Ireland	Arthur Cox Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland

GENERAL INFORMATION

Numis, which is regulated in the United Kingdom by the Financial Services Authority, is acting for the Company and for no one else in connection with the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis or for providing advice in relation to the Rights Issue and/or the contents of this document.

Goodbody Corporate Finance, which is regulated in the Republic of Ireland by the Financial Regulator, is acting for the Company and no one else in connection with the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Goodbody Corporate Finance or for providing advice in relation to the Rights Issue and/or the contents of this document.

Goodbody Stockbrokers, which is regulated in the Republic of Ireland by the Financial Regulator, is acting for the Company and no one else in connection with the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Goodbody Stockbrokers or for providing advice in relation to the Rights Issue and/or the contents of this document.

Numis and Goodbody Stockbrokers may engage in trading activity for the purpose of hedging their commitments under the Underwriting Agreement. Such activity may include purchases and sales of securities of the Company (including Existing Ordinary Shares, Nil Paid Rights and Fully Paid Rights) and related other securities and instruments.

Notice of a General Meeting of the Company to be held at the offices of Travers Smith, 10 Snow Hill, London EC1A 2AL at 12.00 p.m. on 20 June 2008 is set out at the end of this document. The Form of Proxy for use at the General Meeting accompanies this document and, to be valid, should be completed and returned in accordance with the instructions set out thereon as soon as possible but, in any event, so as to reach the Company's registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland not later than 12.00 p.m. on 18 June 2008. Completion and posting of the Form of Proxy does not prevent a Shareholder from attending and voting in person at the General Meeting.

Subject to the passing of the Resolutions at the General Meeting and the Rights Issue otherwise becoming unconditional, Provisional Allotment Letters are expected to be sent to Qualifying non-CREST Shareholders (other than certain Overseas Shareholders) on 20 June 2008 following the General Meeting. Qualifying CREST Shareholders will not receive a Provisional Allotment Letter. Qualifying CREST Shareholders (other than certain Overseas Shareholders) are expected to receive a credit to their CREST stock accounts in respect of the Nil Paid Rights to which they are entitled as soon as reasonably practicable after 8.00 a.m. on 23 June 2008. The Nil Paid Rights so credited are expected to be enabled for settlement by Euroclear after Admission has become effective. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Rights Issue.

This document does not constitute an offer to sell or the solicitation of an offer to acquire the Rights Issue Shares or to take up entitlements to Nil Paid Rights in any jurisdiction in which such an offer or solicitation is unlawful. None of the Existing Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights, the Rights Issue Shares or the Provisional Allotment Letters have been or will be registered under the United States Securities Act of 1933 (as amended) or under the applicable securities laws of any state or other jurisdiction of the United States and will not qualify for distribution under any of the relevant securities laws of any of the Excluded Jurisdictions. Accordingly, unless a relevant exemption from such requirements is available, none of the Existing Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights, the Rights Issue Shares or the Provisional Allotment Letters may, subject to certain exceptions, be offered, sold, resold, taken up, exercised, renounced, transferred or delivered, directly or indirectly, in or into the United States or any Excluded Jurisdiction or in any country, territory or possession where to do so may contravene local securities laws or regulations. Shareholders who believe that they, or persons on whose behalf they hold Existing Ordinary Shares, are eligible for an exemption from such requirements should refer to Part 7 of this document to determine whether and, if so, how they may participate in the Rights Issue. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document or the Provisional Allotment Letter in or into a jurisdiction outside the United Kingdom or the Republic of Ireland should read paragraph 6 of Part 7 of this document.

Any reproduction or distribution of this document and its accompanying documents in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than in considering an acquisition of the Rights Issue Shares offered hereby, is prohibited. Each offeree of the Rights Issue Shares, by accepting delivery of this document, agrees to the foregoing.

No person has been authorised to give any information or to make any representations other than those contained in this document and, if given or made, such information or representation must not be relied on as having been authorised by the Company, the Joint Sponsors or the Joint Underwriters. Subject to FSMA, the Listing Rules, the Prospectus Rules, the Disclosure and Transparency Rules, the London Stock Exchange or the Irish Stock Exchange or by law or by any appropriate regulatory body, neither the delivery of this document nor any subscription or acquisition made under it shall, in any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this document or that the information in it is correct as at any subsequent date.

Unless otherwise indicated, financial information in respect of the Group in this document has been prepared under International Financial Reporting Standards.

The contents of this document should not be construed as legal, financial or tax advice. Each prospective investor should consult its own solicitor, financial adviser or tax adviser for legal, financial or tax advice.

Capitalised terms have the meaning ascribed to them in Part 12 of this document.

The contents of the Company's website or any website directly or indirectly linked to the Company's website do not form part of this document.

Forward Looking Statements

This document contains information that will be updated by the Company as required by the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules. It includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "projects", "assumes", "expects", "intends", "may", "will", "would" or "should", or in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Group's and the Directors' intentions, beliefs or current expectations concerning, among other things, the Group's result of operations, financial condition, liquidity, prospects, growth strategies and the industries in which the Group operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including without limitation: conditions in the markets, market position of the Company, earnings, financial position, cash flows, return on capital, anticipated investments and capital expenditures, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. None of these statements made in this statement in any way obviates the requirements of the Company to comply with the Prospectus Rules, the Disclosure and Transparency Rules, the Listing Rules or FSMA.

PART 4

LETTER FROM THE CHAIRMAN OF UTV MEDIA PLC

UTV MEDIA PLC

(Incorporated in Northern Ireland under the Companies (Northern Ireland) Order 1986, with Number NI65086)

Directors:
J B McGuckian (*Chairman*)
J McCann (*Group Chief Executive*)
P O'Brien (*Group Finance Director*)
S Taunton (*Managing Director UTV Radio*)
J R Downey (*Group Commercial Director*)
R E Bailie (*Non-Executive Director*)
K Lagan (*Non-Executive Director*)
H Kirkpatrick (*Non-Executive Director*)

Registered Office:
Ormeau Road
Belfast
BT7 1EB

To Qualifying Shareholders (in respect of the Rights Issue), Shareholders (in respect of the General Meeting) and (for information purposes only) participants in the Share Option Schemes

4 June 2008

Dear Shareholder

Proposed Rights Issue of 38,361,011 new Ordinary Shares and Notice of General Meeting

1. INTRODUCTION

UTV announced today that it proposes, subject to the passing of the Resolutions, to raise approximately £46.7 million (net of expenses) by the issue of 38,361,011 Rights Issue Shares by way of a Rights Issue. The Rights Issue will be undertaken on the basis of 2 Rights Issue Shares for every 3 Existing Ordinary Shares held at the Record Date at the Rights Issue Price of 130 pence per Rights Issue Share.

The purpose of this document is to set out the background to and reasons for the Rights Issue and to explain why your Board considers the Rights Issue to be in the best interests of the Company and Shareholders as a whole. This document also provides details on how you can take up your entitlement under the Rights Issue. A General Meeting has been convened for 12.00 p.m. on 20 June 2008 at the offices of Travers Smith, 10 Snow Hill, London EC1A 2AL, at which Shareholders will be asked to consider the resolutions necessary to approve and implement the Rights Issue. A notice of General Meeting is set out at the end of this document.

Other than in relation to an aggregate of 662,237 Rights Issue Shares in respect of which all of the Directors have irrevocably undertaken to take up the rights to which they are beneficially entitled under the terms of the Rights Issue, the Rights Issue has been fully underwritten by the Joint Underwriters pursuant to the terms of the Underwriting Agreement. A summary of the key terms of the Underwriting Agreement is contained at paragraph 18 of Part 10 of this document.

The Rights Issue Price of 130 pence per Rights Issue Share represents a discount of approximately 39.0% to the middle-market price per Existing Ordinary Share of 213 pence on 3 June 2008, the last dealing day before the announcement of the Rights Issue. The Rights Issue is conditional upon, *inter alia*, the passing by Shareholders of the Resolutions to increase the authorised share capital of the Company, to authorise the allotment of the Rights Issue Shares and to disapply pre-emption rights under Article 99 of the Order in relation to such allotment.

The Rights Issue Shares when fully paid, will rank *pari passu* with the Existing Ordinary Shares, including the right to all future dividends and other distributions declared, made or paid but, for the avoidance of doubt, will have no right to the final dividend declared relating to the financial year ended 31 December 2007.

Applications have been made to the UKLA for the Rights Issue Shares to be admitted, nil paid, to the Official List and to the Irish Stock Exchange for admission to the Irish Official List. Applications have been made to the London Stock Exchange for the Rights Issue Shares to be admitted, nil paid, to trading on the London Stock Exchange's main market for listed securities and to the Irish Stock Exchange for the Rights Issues Shares to be admitted, nil paid, to trading on its regulated market. Admission is expected to occur and dealings to commence in the Rights Issue Shares, nil paid, on 23 June 2008. The latest time and date for payment in full under the Rights Issue is 11.00 a.m. on 14 July 2008.

2. BACKGROUND TO THE GROUP

UTV is a media group incorporated in Northern Ireland, which owns radio, television and multimedia assets in Great Britain and Ireland. The Group's assets in Ireland include UTV Limited, the Channel 3 licence holder for Northern Ireland, seven local radio stations, and UTV Internet, which provides telephone and broadband services. In Great Britain, the Group owns talkSPORT, the national radio sports station and 16 ILRs. UTV Media is listed on the Official List and the Irish Official List.

UTV Limited was formed in November 1958 after the appointment by the Independent Television Authority as programme contractor for Northern Ireland. UTV Limited was incorporated as Ulster Television Limited on 17 February 1959 and on 31 October 1959, UTV Limited went "on the air". UTV Limited has held the Independent Television Licence for Northern Ireland ever since. It was the first indigenous television broadcaster in Ireland and is now available throughout Northern Ireland and in 80% of homes in the Republic of Ireland. UTV Limited is one of the four holders of the 15 ITV franchises, along with Channel Television, SMG plc (which owns two) and ITV plc (which owns eleven).

UTV has diversified considerably from its ITV franchise and its radio divisions now constitute the largest proportion of the Group's turnover and profit. It started by purchasing a number of radio stations in the Republic of Ireland and acquiring stakes in stations in Great Britain. In 2005, UTV Limited acquired TWG, with ownership of the national talkSPORT licence, as well as 17 ILRs and broadcasting facilities, which it rebranded, along with its radio stations in Ireland, as UTV Radio. In 2005, UTV acquired the Independent Broadcasting Corporation (trading as LMFM) in the Republic of Ireland and also launched its first radio station in Northern Ireland, U105, which broadcasts to Belfast and the surrounding area. In April 2008, UTV acquired FM104, the leading commercial radio station in Dublin.

UTV owns the internet service provider UTV Internet, through which it provides broadband and dial-up internet and telephony packages in Great Britain and Ireland. In February 2008, UTV acquired Tibus, a leading all Ireland web development company which specialises in providing online services for clients across a broad range of business sectors and central and local government.

3. BACKGROUND TO AND REASONS FOR THE RIGHTS ISSUE AND USE OF NET PROCEEDS

UTV has grown significantly in recent years from a standalone television company to a multimedia business providing television, radio and internet services in both the UK and the Republic of Ireland. This diversification of the Group's business interests has been achieved both through organic growth as well as through a number of acquisitions, including TWG and FM104 described above. These acquisitions have been funded primarily through debt facilities made available from the Group's principal banks, which throughout this time have been, and continue to be, strongly supportive of the Group.

While the Board continues to be confident about the prospects for long term growth of the Group, it is mindful of the need to balance risk with prudence in the context of uncertain market conditions. Since the date the FM104 Circular was issued, financial market conditions have become considerably more uncertain due to the continuing tightening of global credit markets. While the Board had originally intended to begin the process of refinancing its existing debt facilities during summer 2008, it has now decided to accelerate the refinancing process given the prevailing and potentially worsening financial market conditions. It is in this context that the Directors have reviewed the balance sheet structure of the Group, and taking into account the significantly increased cost of debt available in current markets, the Directors have concluded that it is in the best interests of the Group and of Shareholders as a whole to include an equity issue as part of this refinancing in order reduce the overall gearing level of the Group. The Group has also put in place the New Five Year Facilities which together with the net proceeds of the Rights Issue receivable by the Company, will strengthen the Group's balance sheet and enable it to continue its strategy of developing a diversified multimedia business.

The net proceeds of the Rights Issue receivable by the Company (expected to be approximately £46.7m) will be used to reduce the Group's financial indebtedness.

4. CURRENT TRADING AND PROSPECTS

On 16 May 2008, UTV announced its first Interim Management Statement covering the period from the beginning of the Group's financial year, 1 January 2008 to 16 May 2008 and incorporating the Trading Period. The information below is extracted from this Interim Management Statement.

The Group achieved revenue growth of 7% in the Trading Period. Excluding the impact of the FM104 and Tibus acquisitions, which completed during the Trading Period, like for like growth was 4%. Underlying growth was driven by the performance of the Group's radio businesses and the Directors believe that this revenue growth will be maintained for the remainder of the first half of 2008. The Group delivered its budgeted operating profit for the Trading Period.

Radio GB

Overall the GB radio division increased revenues by 7% compared to the overall market which is understood to have grown by 4% during this period.

talkSPORT performed extremely well with revenue growth of 19%, demonstrating the continued strong demand for the product. This level of growth is expected to be maintained for the remainder of the six months ending 30 June 2008. Revenue in ILRs was down by 3% against a broadly flat local radio market.

talk107, UTV's start up speech station in Edinburgh, is performing in line with budget expectations. The launch date for talkRADIO, UTV's second national speech station due to launch on the second national multiplex, is likely to be delayed to allow for completion of the transmission infrastructure. As a result of this delay, losses associated with this investment in 2008 are likely to be relatively modest.

Television

The television division is performing broadly in line with the network, recording a 3% decline in revenues compared to a 3% decline in the ITV1 network.

Radio Ireland

The Irish radio division experienced growth of 32%, with sterling translation exchange gains and acquisitions accounting for 15% and 9% of the growth, respectively. Like for like growth of 8% was underpinned by strong national agency revenues. U105, UTV's start up station in Belfast, is performing in line with budget expectations.

New Media

The new media division benefited from the acquisition of Tibus in February 2008, growing revenues by 12%. Revenues on a like for like basis decreased by 4%, but this was offset by improving margins.

Recent corporate activity

On 13 February 2008, the Group announced the acquisition of Tibus, a leading all Ireland web development company, which is being integrated into UTV's new media division. Tibus specialises in providing online services for clients across a broad range of business sectors as well as central and local government. The Group currently provides web development, design, hosting and interactivity to a largely retail customer base, and broadband and telephony services to the residential market. Tibus' expertise will extend these services to commercial and institutional customers. The online presence of the Group's television and radio stations will be enhanced by the acquisition of Tibus and will facilitate greater integration of media across online and broadcast platforms.

At the general meeting on 7 April 2008, Shareholders approved the acquisition of FM104, the leading commercial radio station in Dublin and one of the most listened to stations in that city. Completion of the acquisition took place on 10 April 2008. This acquisition has significantly enhanced the Group's presence in the critical and highly competitive Dublin radio market and represents a further significant step in the implementation of its stated strategy of building a network of leading radio stations in Ireland's key urban areas.

On 15 May 2008, the Group disposed of its loss-making station, Wave 102, in Dundee for a modest consideration.

Summary and outlook

The Group overall has had a strong start to the year. The Directors anticipate that the revenue performance and trends experienced in the Trading Period will be maintained for the remainder of the first half of 2008. Expectations for the year as a whole are unchanged from those indicated at UTV's results announcement on 13 March 2008.

Since the date of the announcement of the Interim Management Statement, trading has been in line with the Directors' expectations.

5. NEW FIVE YEAR FACILITIES AGREEMENT

In conjunction with the Rights Issue, the Group has put in place new debt facilities by way of the New Five Year Facilities Agreement which comprises a five year, £95m and £50m debt facility with the Bank of Ireland as arranger, facility agent and lender. Approximately £54.3m and £28.5m of this facility has been syndicated to a group of three banks, comprising Barclays Bank, Allied Irish Bank and Ulster Bank. Subject to Admission, the New Five Year Facilities will provide debt funding and working capital facilities for five years following the date of drawdown and, together with the net proceeds of the Rights Issue receivable by the Company, will partly be used to refinance the Group's existing facilities.

Further details of the New Five Year Facilities Agreement are set out in paragraph 18 of Part 10 of this document.

6. PRINCIPAL TERMS OF THE RIGHTS ISSUE

The Company proposes to raise approximately £46.7m (net of expenses) by the issue of 38,361,011 Rights Issue Shares at the Rights Issue Price of 130 pence per Rights Issue Share, payable in full on acceptance, to all Qualifying Shareholders (other than certain Overseas Shareholders) on the following basis:

2 Rights Issue Shares for every 3 Existing Ordinary Shares

held and registered in their name at the close of business on the Record Date and in proportion for any other number of Existing Ordinary Shares then held. Fractional entitlements will not be allotted to any Qualifying Shareholders but will be aggregated and sold for the benefit of the Company. Where necessary, therefore, entitlements to Rights Issue Shares will be rounded down to the nearest whole number. The Rights Issue Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares (but, for the avoidance of doubt, will have no right to the final dividend declared relating to the financial year ended 31 December 2007).

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue, as will holdings under different designations and in different accounts.

If a Qualifying Shareholder does not take up the offer of Rights Issue Shares pursuant to the Rights Issue, his or her shareholding will be diluted by approximately 40% as a result of the Rights Issue.

The Rights Issue is conditional on, amongst other things:

- the passing without amendment of the Resolutions at the General Meeting;
- Admission becoming effective by not later than 8.00 a.m. on 15 July 2008 (or such later time and/or date as the Joint Underwriters and the Company may agree, being not later than 8.00 a.m. on 29 July 2008);
- the New Five Year Facilities Agreement becoming unconditional in all respects (save for any condition relating to the Underwriting Agreement becoming unconditional); and

- the Underwriting Agreement not being terminated prior to Admission and being otherwise unconditional in all respects (save for the condition relating to Admission).

Application has been made for Admission of the Rights Issue Shares and applications will be made for the Nil Paid Rights and the Fully Paid Rights to be admitted to CREST. It is expected that the Nil Paid Rights and the Fully Paid Rights will be enabled for settlement in, and admitted to, CREST, as soon as practicable after Admission of the Rights Issue Shares, nil paid, has become effective on 23 June 2008. It is expected that Provisional Allotment Letters in respect of the Rights Issue Shares will, subject to the Resolutions being passed, be despatched to Qualifying non-CREST Shareholders (other than certain Overseas Shareholders) only following the General Meeting to be held on 20 June 2008 and that Admission will become effective and dealings in the Rights Issue Shares, nil paid, will commence on the London Stock Exchange and the Irish Stock Exchange at 8.00 a.m. on 23 June 2008. Qualifying CREST Shareholders (other than certain Overseas Shareholders) are expected to receive a credit to their CREST stock accounts in respect of the Nil Paid Rights to which they are entitled as soon as reasonably practicable after 8.00 a.m. on 23 June 2008. Qualifying CREST Shareholders will not receive a Provisional Allotment Letter. If for any reason Provisional Allotment Letters are posted later than 20 June 2008, the times and dates referred to in this document will be revised and the times and dates so revised will be announced through a Regulatory Information Service.

The latest time and date for acceptance and payment in full under the Rights Issue is 11.00 a.m. on 14 July 2008.

The full terms and conditions of the Rights Issue, including the procedure for acceptance and payment and procedure in respect of rights not taken up, are set out in Part 7 of this document and for Qualifying non-CREST Shareholders only will be included in the Provisional Allotment Letter. The attention of Overseas Shareholders is drawn to paragraph 6 of Part 7 of this document.

7. DIRECTORS' INTERESTS AND IRREVOCABLE UNDERTAKINGS

The Directors have each irrevocably undertaken to vote in favour of the Resolutions and to take up their respective entitlements to their Rights Issue Shares in full, comprising in aggregate 662,237 Rights Issue Shares. Following the Rights Issue, the Directors will beneficially own, in aggregate, approximately 1.7% of the issued Ordinary Share capital of the Company, as enlarged by the Rights Issue.

8. WORKING CAPITAL

The Company is of the opinion that, having regard to the New Five Year Facilities available to the Group and the net proceeds of the Rights Issue receivable by the Company, the working capital of the Group is sufficient for its present requirements, that is for at least 12 months following the date of this document.

9. SHARE OPTION AND INCENTIVE SCHEMES

The number of Ordinary Shares which are subject to any outstanding options under the Share Option Schemes, the price at which Ordinary Shares may be acquired or options exercised and/or the performance conditions (if any) attaching to such options may, and where required shall, be adjusted by the Board (or the Remuneration Committee of the Board if appropriate) in such manner as they determine necessary to take account of the Rights Issue.

Any such adjustments shall be made in accordance with the rules of the relevant scheme, and where required by the rules of the relevant scheme, such adjustments shall be made subject to confirmation by the auditors of the Company that the proposed adjustments are, in their opinion, fair and reasonable. Subject to such confirmation, the Company will communicate details of any adjustments to participants in the Share Option Schemes in due course.

10. OVERSEAS SHAREHOLDERS

The attention of Shareholders who have registered addresses outside the United Kingdom or the Republic of Ireland, or who are citizens or residents of countries other than the United Kingdom or the Republic of Ireland, or who are holding Existing Ordinary Shares for the benefit of such persons, is drawn to the section titled "Overseas Shareholders" in paragraph 6 of Part 7 of this document, which sets out the restrictions applicable to such persons.

This document has been sent to all Shareholders on the register of members of the Company at the close of business on 3 June 2008. However, this document does not constitute an offer to sell or the solicitation of an offer to purchase securities in the United States or any of the Excluded Jurisdictions.

11. INFORMATION ON THE RIGHTS ISSUE SHARES

The Rights Issue Shares, which will be issued pursuant to the Acts and the Articles, will be sterling denominated Ordinary Shares with the ISIN number GB00B244WQ16.

The Rights Issue Shares will be in registered form. Subject to the provisions of the CREST Regulations, the Directors will permit the holding of such Rights Issue Shares in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where Rights Issue Shares are held in certificated form, share certificates will be sent to the registered members by first class post. Where Rights Issue Shares are held in CREST, the relevant stock account of the registered members will be credited. Computershare, the Company's registrar, has responsibility for maintaining the Company's register of members.

Rights Issue Shares will, when issued, be credited as fully paid and rank *pari passu* in all respects with the Existing Ordinary Shares (but, for the avoidance of doubt, will have no right to the final dividend declared relating to the financial year ended 31 December 2007).

The rights attaching to the Rights Issue Shares to be issued, including any limitations to those rights and procedures for the exercise of those rights, are outlined in paragraph 4 of Part 10 of this document.

12. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

An application has been made to the UKLA for the Rights Issue Shares to be admitted to the Official List and to the London Stock Exchange for the Rights Issue Shares to be admitted to trading on the London Stock Exchange's market for listed securities. An application has been made to the Irish Stock Exchange for the Rights Issue Shares to be admitted to the Irish Official List and to trading on its regulated market. It is expected that Admission will become effective and that dealings in the Rights Issue Shares, nil paid, will commence at 8.00 a.m. on 23 June 2008.

No application is currently intended to be made for the Existing Ordinary Shares or the Rights Issue Shares to be admitted to listing or dealt with on any other exchange.

The results of the Rights Issue are expected to be announced on a Regulatory Information Service on or around 15 July 2008.

13. GENERAL MEETING

Set out at the end of this document is a notice convening a General Meeting, to be held at the offices of Travers Smith at 10 Snow Hill, London EC1A 2AL at 12.00 p.m. on 20 June 2008. The full text of the notice of meeting is set out in Part 13 of this document.

At the General Meeting, the Resolutions will be proposed to:

- increase the authorised share capital of the Company to allow for the issue of the Rights Issue Shares and to provide appropriate headroom following completion of the Rights Issue;
- grant the Directors authority, pursuant to Article 90 of the Order, to allot relevant securities up to a maximum aggregate nominal amount equal to £3,614,699.55 in connection with the Rights Issue and to provide the Directors with the customary authority to allot additional Ordinary Shares following the Rights Issue; and
- disapply the statutory pre-emption procedure set out in Article 99 of the Order.

The Directors have no current plans to allot shares pursuant to this authority other than in connection with the Rights Issue. The Resolutions are required in order to effect the Rights Issue and the Rights Issue is conditional upon them being passed at the General Meeting.

14. ACTION TO BE TAKEN

In respect of the General Meeting

A Form of Proxy is enclosed for use by Shareholders at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, Shareholders are asked to complete, sign and return the Form of Proxy to the Company's registrars, Computershare, at Heron House, Corrig

Road, Sandyford Industrial Estate, Dublin 18, Ireland as soon as possible but in any event so as to arrive no later than 12.00 p.m. on 18 June 2008. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they wish to do so.

In respect of the Rights Issue

No action is required at present in respect of the Rights Issue. If the Resolutions are passed at the General Meeting, then subject to the Underwriting Agreement not being or having been terminated in accordance with its terms, it is intended that:

- Provisional Allotment Letters giving details of the entitlements of Qualifying non-CREST Shareholders will be posted to such Shareholders (other than certain Overseas Shareholders) on 20 June 2008; and
- Stock accounts of Qualifying CREST Shareholders (other than certain Overseas Shareholders) will be credited with the entitlements of such Shareholders to Nil Paid Rights as soon as practicable after 8.00 a.m. on 23 June 2008.

If, once a Qualifying non-CREST Shareholder has received a Provisional Allotment Letter, he wishes to take up his entitlement in whole or in part, he should lodge his Provisional Allotment Letter in accordance with the instructions printed on it, together with a remittance for the full amount payable on acceptance, by post or by hand with Computershare, at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 Ireland during normal business hours, so as to arrive no later than the latest time and date for acceptance set out in the Provisional Allotment Letter, which is 11.00 a.m. on 14 July 2008. The Nil Paid Rights or Fully Paid Rights represented by a Provisional Allotment Letter may be converted into uncertificated form, that is, deposited into CREST. Similarly, Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST.

If a Shareholder sells or otherwise transfers all his Existing Ordinary Shares before the Record Date, he will not be entitled to participate in the Rights Issue. However, the purchaser or transferee of his Existing Ordinary Shares may be entitled to participate in the Rights Issue in his place. In this case, such Shareholder should send this document together, if he is a non-CREST Shareholder, with the Provisional Allotment Letter duly renounced on Form X on page 4 of the Provisional Allotment Letter, to the purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was made, for delivery to the purchaser or transferee. **Such documents should not, however, be distributed, forwarded to or transmitted in, or into, the United States or any Excluded Jurisdictions or any jurisdiction in which to do so would be in contravention of the laws and/or regulations of that jurisdiction.**

No Provisional Allotment Letter will be posted to a Qualifying CREST Shareholder. Such a Shareholder will receive a credit to his appropriate stock account in CREST in respect of the Nil Paid Rights to which he is entitled.

The latest time for acceptance under the Rights Issue will be 11.00 a.m. on 14 July 2008, unless otherwise announced by the Company to a Regulatory Information Service. The procedure for acceptance and payment depends on whether, at the relevant time, the Nil Paid Rights or Fully Paid Rights in respect of which action is to be taken are in certificated form (that is, are represented by a Provisional Allotment Letter) or are in uncertificated form (that is, are in CREST). Further details of how to accept the offer and methods of payment are set out in Part 7 of this document.

Qualifying CREST Shareholders should note that they will not receive any further written communication from the Company and, accordingly, such Shareholders should retain this document throughout the period of the Rights Issue. Details of the action which a Qualifying CREST Shareholder should take if he wishes to transfer his Nil Paid Rights are set out in paragraph 2 of Part 7 of this document.

CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Rights Issue.

The attention of Overseas Shareholders is drawn to paragraph 6 of Part 7 of this document.

If you are in any doubt as to what action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, accountant or other independent financial adviser, authorised under FSMA if you are in the United Kingdom or, if you are in the Republic of Ireland, authorised or exempted under the Investment Intermediaries Act 1995 of Ireland

or the Stock Exchange Act 1995 of Ireland or, if you are in neither the United Kingdom nor the Republic of Ireland, from another appropriately authorised independent professional adviser.

15. TAXATION

Information on taxation in relation to the United Kingdom and the Republic of Ireland with regard to the Rights Issue is set out in paragraph 17 of Part 10 of this document. This information is intended as a general guide only to the current UK and Republic of Ireland tax legislation and current practice of the relevant tax authorities. **If you are in any doubt as to your taxation position, you should contact your independent professional adviser immediately.**

16. FURTHER INFORMATION

Your attention is drawn to the further information set out in the remainder of this document relating to the Group and the Rights Issue. In particular, your attention is drawn to the Risk Factors in Part 2 of this document. You are advised to read the whole of this document and the documents incorporated by reference rather than relying on the summary information set out in this letter.

The dates set out in the expected timetable of principal events above and mentioned throughout this document and the Provisional Allotment Letter may be adjusted by the Company, in which event details of the new dates will be notified to the UKLA, the London Stock Exchange and the Irish Stock Exchange and, where appropriate, to Shareholders.

17. RECOMMENDATION

The Board considers that the Rights Issue and the Resolutions to be proposed at the General Meeting are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions set out in the notice of General Meeting at the end of this document, as they have irrevocably undertaken to do in respect of their own beneficial holdings amounting in aggregate to 993,360 Existing Ordinary Shares representing approximately 1.7% of the Existing Ordinary Shares.

Yours sincerely

J B McGuckian
Chairman

PART 5

INFORMATION ON THE GROUP

1. HISTORY AND OVERVIEW OF THE GROUP

UTV Media, incorporated in Northern Ireland, is the holding company of a media group which owns radio, television and multimedia assets in Great Britain and Ireland. The Group's assets in Ireland include UTV Limited, the Channel 3 licence holder for Northern Ireland, seven local radio stations and UTV Internet, which provides telephone and broadband services. In Great Britain, the Group owns talkSPORT, the national radio sports station, and 16 ILRs. UTV Media is listed on the Official List and the Irish Official List.

UTV Limited was formed in November 1958 after the appointment by the Independent Television Authority as programme contractor for Northern Ireland. UTV Limited was incorporated as Ulster Television Limited on 17 February 1959 and on 31 October 1959, UTV Limited went "on the air". UTV Limited has held the Independent Television Licence for Northern Ireland ever since.

UTV Limited was the first indigenous television broadcaster in Ireland and is now available throughout Northern Ireland and in 80% of homes in the Republic of Ireland. UTV Limited is one of the four holders of the 15 ITV franchises, along with Channel Television, SMG (which owns two) and ITV plc (which owns eleven).

UTV has diversified considerably from its ITV franchise and radio now constitutes the largest proportion of the Group's turnover and profit. It started by purchasing a number of radio stations in the Republic of Ireland and acquiring stakes in stations in Great Britain. In 2005, UTV acquired TWG, with ownership of 17 radio stations and broadcasting facilities, which it rebranded, along with its radio stations in Ireland, as UTV Radio. In 2005, UTV also acquired the Independent Broadcasting Corporation (trading as LMFM) in the Republic of Ireland and launched its first radio station in Northern Ireland, U105, which broadcasts to Belfast and the surrounding area. In April 2008, UTV acquired FM104, the leading commercial radio station in Dublin.

UTV owns the internet service provider UTV Internet, through which it provides broadband and dial-up internet and telephony packages in Great Britain and Ireland. In February 2008, UTV acquired Tibus, a leading all Ireland web development company which specialises in providing online services for clients across a broad range of business sectors and central and local government.

As highlighted above, the Group grew significantly in recent years from a stand alone television company to a multimedia business providing television, radio and internet services in both Great Britain and Ireland. This expansion initially resulted in an extensive corporate structure which did not best serve the commercial needs of the Group's business and thus, in 2007, a corporate reorganisation was implemented which resulted in a group structure more closely aligned to internal management and reporting functions. The reorganisation, completed on 12 October 2007, resulted in the creation of a new parent company for the Group, UTV Media, and was effected by way of a scheme of arrangement under Article 418 of the Order.

2. THE GROUP'S BUSINESS

UTV Radio (GB) became one of the larger radio groups in the UK in 2005 through the acquisition of TWG, which was the largest transaction in the Group's history. The Group's position in Irish radio was strengthened through the acquisition of LMFM covering Dundalk and Drogheda, the winning of the new licence for the greater Belfast area and the acquisition of FM104 in Dublin. These developments significantly broadened the revenue base of the Group, both across media and geographically, and provided solid foundations for future growth.

In the last two years, turnover has increased by 25%, whilst the Group now employs approximately 1,000 staff – more than double the figure in 2004. In 2006, for the first time, total sales generated by radio exceeded that of television, with radio accounting for 54% of total sales, television 37% and new media 9%. In addition, 48% of operating profits were earned from radio with 47% derived from television and 5% from new media. In 2007, Group revenue increased by 2% when compared to 2006, with 56% of the revenue generated by radio, 36% by television and 8% by new media. In terms of operating profit in 2007, 56% was generated by radio, 39% by television and 5% from new media. These figures reflect the development in the Group's strategy away from its focus on television and towards a diversified UK and Republic of Ireland multimedia business.

Television

UTV Limited is the ITV franchise holder for Northern Ireland and is receivable in 80% of homes in the Republic of Ireland through cable and terrestrial overspill. In Northern Ireland the peak-time audience share in 2007 of 32% was substantially ahead of the ITV network share of 25%, was 52% more than BBC1 Northern Ireland which had 21% and was more than three times that of the nearest commercial competitor, Channel 4, which had 9%.

UTV's audience share has been substantially maintained in a fast developing multi-channel environment where differentiation of the offering is key. The strategy is to portray UTV as the local channel serving the audience by bringing them the best in network programmes supported by high quality local programmes. This strategy has served the station well with minimal audience erosion during the last five years.

The Group's primary focus for its television business is on audience delivery and the conversion of that audience into advertising revenue. Advertising is sold nationally by ITV's sales teams in London and locally by UTV's sales teams in Belfast and Dublin, which allows the Group to benefit from being part of a large sales house with ready access to national and multinational clients. With more than half of the advertising revenue generated from the Belfast and Dublin offices, UTV senior management maintain close contact with both clients and agencies linked to those offices to ensure the value of the UTV sales proposition is fully communicated.

The Group is insulated to a certain extent from weakening in the advertising market in the UK as television advertising revenue derived from Ireland is not subject to the Contract Rights Renewal (CRR) undertaking. Nevertheless, with one fixed inventory of airtime, the pricing of that airtime at network level has an effect on the pricing in Ireland. Stronger demand from Ireland for the airtime has helped to mitigate the downturn in the market in Great Britain and it is believed that this local demand will be further enhanced now that the sales operation in Dublin and Belfast has been brought under the direct control of UTV.

However, even despite recent strong ratings performance in Ireland, UTV is not immune to the overall impact of declining audience ratings in ITV. In 2007, the Group's television advertising revenue declined by 2%; nonetheless this was an outperformance of the ITV network and UTV achieved a record share of ITV1's advertising revenue of 2.87%.

The new digital age offers both a challenge and an opportunity. The Group's strategy is to remain platform neutral and UTV is currently available on terrestrial, cable and satellite. The challenge for the station as it moves to analogue switch-off in Northern Ireland, which is planned for 2012, is to provide differentiation within the multitude of channels available to viewers. UTV plans to meet this challenge by embracing new technologies, by continuing to invest in the development of the Group's employees and infrastructure and by maintaining the emphasis on regionality.

Radio GB

Radio GB became a separate division of UTV following the acquisition of TWG in 2005. TWG comprised talkSPORT, the UK's number one commercial speech radio station, 17 independent radio stations and stakes in five of the UK's 14 digital radio multiplexes. UTV has rebranded TWG as UTV Radio (GB) Limited. The Radio GB business segment comprises the companies acquired with TWG and also now includes Juice FM in Liverpool which UTV bought outright in September 2005, First Radio Sales which UTV acquired a 50% shareholding of in September 2005 and talk107, an all speech radio station in Edinburgh, which was launched on 14 February 2006. Two ILRs, Q96.3FM and Wave 102, were sold by the Group in September 2006 and May 2008 respectively.

talkSPORT

talkSPORT is the only dedicated national commercial sports and speech-based radio station. Based in London, it broadcasts to the UK providing sports talk, live commentaries, phone-in discussion and talk shows. It is transmitted on 1089 and 1053 kHz across the UK and digitally via: DAB Digital Radio, Freeview, Sky, Virgin Media and Tiscali TV. talkSPORT is also streamed online, although due to rights restrictions on live coverage, some events are not available online.

UTV's strategy is to invest in programming, appointing talented new presenters and through the acquisition of rights to major tournaments such as the 2007 Rugby World Cup and enhanced coverage of Champions' League football. In August 2007, talkSPORT became the first national commercial radio station to broadcast Premiership football, ending the BBC's 80 year hold on exclusive rights to top flight domestic football. By 31 December 2007, talkSPORT's audience had grown by 10% year on year to 2.45m adults (2006: 2.24m) which for the second year running was the fastest growth of any national analogue station, including BBC services.

The integration of talkSPORT is the Group's key success story. 2007 was a year of significant success for talkSPORT with record audience and revenue performance, which further built on the growth which the 2006 FIFA World Cup stimulated. Revenue grew by 12% on a like for like basis to £21.4m (2006: £19.1m) even against the very strong comparative of 18% growth in the previous 12 months.

This revenue success was achieved through the delivery of higher audiences, offering attractive demographics to advertisers. It can be difficult to target younger men via media outlets, and this is something that talkSPORT delivers on a national scale. A third of the audience is aged 16-34, 76% of listeners are male and 54% are in the more affluent ABC1 socio-demographic subgroup, affording male-led brands efficiency when advertising on talkSPORT.

	Listenership (%)		
	Male	*ABC1*	*16-34 Yrs*
talkSPORT	76	54	33
BBC Radio 5 Live	72	67	24
Total Radio	49	55	30
Sky Sports	69	54	24
Total TV	45	46	23

Source: RAJAR March 2008 and BARB March 2008

In maximising talkSPORT's audience, the Group's strategy has been to differentiate the output from that of the BBC. The opportunity for audience growth lies in the fact that talkSPORT can, and should, be opinionated in its speech output. Under UTV's ownership, talkSPORT has recruited outspoken presenters such as George Galloway, Jon Gaunt, Terry Christian and, more recently Ian Wright and Ronnie Irani, further strengthening the portfolio of long standing presenters such as Alan Brazil and Mike Parry. The Directors plan to continue to invest in high quality presenters and effective qualitative and quantitative audience research to further grow the talkSPORT audience.

Local Radio

The Group has deployed significant management resource and financial investment in ILRs. Trading conditions for local radio remained challenging in 2007 and on a like for like basis, UTV's local radio advertising revenue was broadly flat year on year, which was in line with local radio revenues across the UK.

While total listeners were down by 2.2% to 1.37m at 31 March 2008 (2007: 1.39m), the share of listening across the ILRs' transmission areas was up by 1.3% to 7.9%. By contrast, listeners to all commercial local radio in the UK reduced by 1.4% and share of listening was also 3.5% lower than the previous year.

In the second half of 2007, substantial market research and the implementation of the results of music testing across the Group's FM ILR portfolio was completed. This allowed for a test campaign of marketing during the third quarter in four of the Group's ILR regions, namely Liverpool, Swansea, Wolverhampton and Bradford. In these four markets an impressive increase of 14% in listenership was recorded from the previous quarter, giving encouragement to the plans to promote more actively each of the Group's FM services in 2008.

In February 2008, Ofcom announced a number of changes to the way in which local radio is delivered, particularly for smaller ILRs. As a result, UTV expects to be able to network better quality programming in some parts of the day, allowing for better utilisation of resources for local news and information at key breakfast and drivetime periods.

Digital Radio

While strongly committed to the AM and FM broadcast platforms, UTV is also at the leading edge of development of digital radio services. talkSPORT is carried on Sky, Freeview, Virgin Media, DAB, Worldspace and the internet and has taken part in European and UK tests of DRM (Digital Radio Mondial) to ensure that the output is available to the maximum number of listeners, with the best quality reception. UTV is the largest operator of DAB multiplexes in London with stakes in two of the three licences and also operates multiplexes in Bradford and Huddersfield, Stoke-on-Trent, Aberdeen, Central Scotland and South Wales.

The Group expects to launch a new digital all talk radio channel in 2008, representing a second national speech channel for the Group. talkRADIO, which is 100% owned by UTV Media, will be available on the second UK digital multiplex which Ofcom awarded to 4 Digital Group, of which the Group is a 10% shareholder, on 6 July 2007.

Radio Ireland

In Ireland, UTV has stations in Cork, Limerick, Dublin, Louth, Meath, Dundalk/Drogheda and Belfast. The radio station for Belfast and the surrounding area, U105, was as a result of a new licence awarded to UTV by Ofcom and went on air on 14 November 2005. The other stations were acquired by UTV through acquisitions in the period 2001 to 2008.

The Group's strategy is to build and maintain a network of market-leading stations in Ireland's key urban areas, thereby providing an attractive advertising platform both locally and also nationally. These UTV regions account for 65% of the adult population in Ireland and within these regions, 34% of adults listen each week to UTV-sold stations. Listenership data was published by the Joint National Listenership Research (JNLR) and Radio Joint Audience Research (RAJAR) showing:

	Listenership Reach and Share (%)		
	Weekly Reach	*Market Share*	*Share at Acquisition*
Cork	68	52.2	50
Limerick	83	43.6	31
Dublin			
– Q102	16	6.6	5
– FM104	29	12.4	12.4
Dundalk/Drogheda	48	34.2	31
Belfast	12	5.4	N/A

Source: JNLR March 2008 and RAJAR March 2008

Each of the radio stations in Ireland offers quality programming tailored to the listening needs of audiences in their local areas. The output is broadly based with a mix of music, news, sport and other speech-based programming. The knowledge and expertise of local management teams is supported by extensive research programmes which facilitates management in continuously evaluating the output and adapting it to emerging listening trends. UTV differentiates the services by positioning them as having a strong local focus and by ensuring that each station is perceived as being an integral part of the communities in which it broadcasts. This is achieved not only through the on-air offering of local news, sport, current affairs and specialist programming but also through the off-air activities such as involvement in charity and community events.

The audiences which this strategy delivers are sold locally by dedicated sales teams and nationally by the wholly-owned sales house, Broadcast Media Sales (BMS), which also sells airtime for two independently owned radio stations, Galway Bay FM, the leading radio station in Galway, and Beat FM, a regional station broadcasting in the south-east of Ireland. BMS therefore can offer advertisers both targeted marketing to local consumers and also the opportunity to address the national audience of the two thirds of adults to whom UTV stations broadcast in Ireland. In 2007, this audience in primetime was greater than either RTE's 2FM or the independent Today FM's national services. This listenership, combined with a strong Irish economy, enabled the radio stations in Ireland to achieve like for like revenue growth of 4% in 2007. The FM104 Acquisition is expected to further strengthen the performance of the Group's Irish radio business going forward. FM104 is the leading commercial radio station in Dublin and is one of the most listened to radio stations in the city.

Map of UTV Group Radio Stations

- GROUP ILR STATIONS
- MINORITY HOLDINGS
- INDEPENDENTLY OWNED STATIONS SOLD BY GROUP

Ireland

1. Q102
2. 96FM
3. 103FM
4. Live95FM
5. LMFM
6. U105 FM
7. FM104
8. Galway Bay FM
9. Beat FM

Great Britain

1. talkSPORT
2. talk107
3. Radio Wave
4. The Pulse
5. Pure Classic Gold
6. Tower FM
7. Wish FM
8. Imagine FM
9. Juice FM
10. Wire FM
11. Dee FM (22.1%)
12. Peak 107FM
13. Signal 1
14. Signal 2
15. The Wolf
16. Valleys Radio
17. 96.4 The Wave
18. Swansea Sound

New Media

UTV Internet is an established provider of residential and business internet services throughout Ireland, offering a range of products including:

- Internet access-dialup, flat rate and broadband
- Web design, development and integration
- Web hosting-virtual, co-located and dedicated
- Domain name registration services

UTV Internet develops and maintains the u.tv website including all of the other websites in the Group. The u.tv website provides a means of local programme support and up-to-date content. All of the sites offer interactivity with consumers through polls, votes, emails and competitions. UTV also promotes online feedback opportunities, contact details, previews and reviews. The web design and development team constructed and launched the new talkSPORT.net website to further enhance the revenue generating capabilities of the national radio channel.

UTV Talk was successfully launched in August 2004 and is aimed at residential customers throughout Ireland. The first telecoms offering of its type in the UK or Ireland, UTV Talk offers free evening and weekend calls from anywhere in Ireland to anywhere in Ireland or the UK. The product facilitates a single bill for consumers for line, calls and any internet services charges as one monthly amount.

On 13 February 2008, UTV acquired the entire issued share capital of Tibus, a leading all Ireland web development company. Tibus specialises in providing online services for clients across a broad range of business sectors and central and local government. Tibus' expertise will extend the existing services offered by the Group to commercial and institutional customers and will further develop the online presence of UTV's television and radio stations, which should facilitate increased integration of media across online and broadcast platforms.

3. MARKET OVERVIEW

Television

The UK television industry has a diverse range of providers, which Ofcom divides into four major categories: platform operators (BskyB, Virgin Media), publicly-funded broadcasters (BBC), commercial analogue channels (ITV, Channel 4 and Five) and commercial multichannels (including the content revenues from vertically-integrated platform operators).

In 2006 industry revenues were £10.8bn, up £1.4% on 2005. The largest element of this was the platform operators, with revenues of £4.0bn, representing 37% of the total. The next largest proportion, 25%, came from commercial analogue channels, with revenues of £2.7bn. Publicly funded broadcasters generated £2.6bn, representing 24% of the total. Finally, the rapidly-growing commercial multichannels segment rose to £1.4bn, up 11.9% on 2005, representing 13% of industry revenues.

UTV's closest competitors are the BBC in Northern Ireland and RTE in the Republic of Ireland and all of the commercial channels which broadcast in Ireland. In 2007, the viewership figures for Northern Ireland and Great Britain were as follows:

Source: BARB

UTV has a strong association with ITV plc, which owns the eleven regional Channel 3 licences in England and Wales that account for approximately 91% of ITV1 advertising revenues. ITV sells UTV's GB national airtime to advertisers through media buyers, and consequently controls approximately 48% UTV's television revenue. In addition, ITV has control over the programme buying and scheduling for the ITV network, which comprises all the Channel 3 licensees, including UTV.[1] As the network schedules comprise over 90% of UTV's programme schedule, ITV ultimately has a significant level of control over UTV's viewership figures.

ITV plc was formed in 2003 through the merger of Carlton and Granada, which was approved by the Competition Commission after the implementation of the Contract Rights Renewal (CRR) mechanism. CRR was intended to protect the advertising community against the market power held by ITV by putting in place a number of rights that advertisers and media buyers have when buying advertising time from Carlton/Granada. In particular, CRR gives advertisers and media buyers the right to renew their contracts on a rolling annual basis, adjusted for changes in ITV's audiences, with

1 *Source: ITV*

no reduction in the discounts they receive. This allows the advertisers and media buyers to reduce the amount they are required to commit should ITV's audience shrink.

The OFT and Ofcom formally launched a review of the CRR undertakings on 30 January 2008. This review is expected to last around a year during which the OFT and Ofcom will consider whether a change to the undertakings may be warranted. There can be no guarantee that any adjustment to the CRR system will have either a beneficial or detrimental impact on the Group's business, financial condition, results of operations or prospects as a whole.

The increase of other advertising media over the last few years, particularly through the internet and multichannel television, has reduced ITV's audience and consequently its advertising revenues. In 2005, ITV Network's net advertising revenue (NAR) was £1.62bn out of a total UK Television advertising market of £3.57bn (45.2%), compared with £1.70bn out of £2.99bn (56.8%) in 2001[2]. By 2007, ITV's NAR fell to £1.37bn, reflecting the weaker advertising markets that have affected many media stocks since 2007.

Radio in GB

The UK commercial radio industry generates its revenue through advertising and sponsorship, and is consequently highly dependent upon commercial audience figures.

In 2007, commercial listening comprised a 41.1% share of the UK radio audience, compared to the BBC with 56.8%. This compares to 46.7% and 51.5% respectively in 2000, with BBC's increase in audience share driven in particular by the performance of Radio 2, which increased its share from 13% to 16.5% over this period. The share of listening to national channels on a digital platform has risen to 6.5% in 2008 from nil in 2000, giving digital listening to national channels a higher audience share than 5Live or Classic FM, highlighting the potential growth in digital radio.[3]

Radio audience share, 2000-07 (%)

	2000	*2007*	*2000-07 CAGR*	*Change*
BBC national	40.4	47.0	2.2	6.6
BBC local/regional	11.1	9.9	(1.6)	(1.2)
Commercial national	8.0	10.7	4.2	2.7
Commercial local/regional	38.7	30.3	(3.4)	(8.4)
other	1.9	2.1	1.4	0.2
Total	100.0	100.0		(0.4)

Source: RAJAR 2000-07

UTV's key competitors are the three major radio station operators, Bauer, Global Radio and GMG, who between them own the majority of commercial radio stations in the UK. On 31 March 2008, it was announced that Global Radio had reached an agreement to acquire GCap thereby adding radio brands such as Classic FM, Capital 95.8FM and Xfm to the suite of radio brands acquired with Chrysalis Group PLC in July 2007, which included the Heart, Galaxy and LBC radio brands. Prior to the acquisitions of GCap by Global Radio and Emap by Bauer, GCap, Emap, Global Radio and GMG already accounted for 74.8% of total commercial radio listenership in the UK. UTV was the fifth largest player, with 7.0% of the commercial audience in the UK through talkSPORT and its network of ILRs. SMG was the next largest, with 3.8% of the commercial audience in the UK through the national AM and London-based FM Virgin Radio stations.[4]

2 *Source: Ofcom*
3 *Source: Group M*
4 *Source: RAJAR June 2007*

Commercial national audience share, 2000-07 (%)

	2000	*2007*	*2000-07 CAGR*	*Change*
Classic FM	4.2	4.2	0.0	0.0
talkSPORT	1.4	1.9	4.5	0.5
Virgin	1.7	0.8	(10.2)	(0.9)
Atlantic/Digital	0.7	7.7	40.9	7.0
Total	8.0	14.6		6.6

Source: RAJAR 2000-07

Bauer

Bauer is a broadly-based media company which runs consumer magazines, radio and business to business operations predominantly in the UK but also internationally. Bauer provides information to the automotive, music, lifestyle, health, construction, retail and media verticals through the publication of over 50 lifestyle and specialist consumer magazines, 42 local and eight national commercial radio stations, seven digital TV channels and over 400 B2B events internationally.[5]

Global Radio, formerly Chrysalis and GCap

Following the announcement on 31 March 2008 of the acquisition of GCap, one of the UK's largest commercial radio groups with approximately 15m listeners on air[6], Global Radio added GCap's portfolio of radio brands, including Classic FM, Capital 95.8FM and Xfm, to Chrysalis' radio operations, which Global Radio had previously acquired on 31 July 2007. Prior to the acquisition of GCap, Global Radio was the third largest radio operator in the UK with analogue radio stations that broadcast under the Heart, Galaxy and LBC brands.

GMG

Guardian Media Group ("GMG") is a broad multimedia business. Its portfolio includes national, regional and local newspapers, radio stations, magazines and websites. GMG is wholly owned by the Scott Trust and its flagship title is the Guardian Newspaper. It operates a number of radio brands throughout the UK. The recent acquisitions of Saga and Century have been added to GMG's existing radio brands, Smooth and Real Radio, which operate in key markets in England, Scotland and Wales.[7]

SMG

SMG has grown from its roots as the ITV television franchise in central Scotland to become a more broadly-based media group. Its television division now incorporates STV, SMG Productions, Ginger Productions and SMG Solutions. SMG's radio division, Virgin Radio, broadcasts on FM in London and nationally on AM. SMG's cinema advertising division consists of Pearl & Dean.[8]

Radio in Ireland

Commercial radio only commenced in Ireland in the late 1980s and has developed rapidly to a situation in 2007 where it has a larger market share, 62.9%, than the state broadcaster RTE.

The key competitor in the Irish radio market is Communicorp which owns or has an interest in 98FM, Spin, Eastcoast and the national Newstalk. On 16 July 2007 it was announced that, subject to the approval of the Competition Authority and the BCI, Communicorp agreed to acquire Today FM, FM104 and Highland Radio from Bauer. Approval was received on 7 December 2007, subject to the disposal of FM104, which was acquired by UTV in April 2008.

5 *Source: Emap*
6 *Source: Global Radio RNS announcement, 31 March 2008.*
7 *Source: GMG*
8 *Source: SMG*

Apart from RTE, the Irish radio groups operate separately from a sales perspective and through Independent Radio Sales which is the central sales and marketing office representing 16 of the smaller commercial stations across Ireland.

4. GROWTH STRATEGY

The strategy for UTV is to build and maintain a network of market leading stations in GB and Ireland, thereby providing an attractive advertising platform both locally and also nationally.

The key focus going forward is audience numbers through its television and radio divisions and the generation of increasing advertising revenue from that increased audience. UTV delivers high quality, locally focused programming and the plan is to continue to invest in outstanding presenters and effective qualitative and quantitative audience research to further increase the viewer and listener numbers. The Group will also invest in the development of its employees and infrastructure to ensure a smooth migration to digital transmission.

In new media, the Group's focus is to ensure that it continues to offer innovative and advanced technological products at a competitive price, with a view to ensuring customer growth in a highly competitive market.

With respect to future acquisitions, management will give due consideration to any future proposition based on the potential shareholder value that it would bring to the Group.

5. SELECTED FINANCIAL INFORMATION

The summary financial information on UTV set out below is extracted, without material adjustment, from pages 32 to 35 of UTV's 2005 annual report and accounts, pages 37 to 40 of UTV's 2006 annual report and accounts and pages 45 to 48 of UTV's 2007 annual report and accounts. You should read the whole of this document and not rely on this summarised information.

	Year ended 31 December		
	2007	*2006*	*2005*
	£'000	*£'000*	*£'000*
Profit and Loss			
Revenue	**115,573**	**113,583**	**92,741**
Gross profit	**25,764**	**24,615**	**24,087**
Impairment of intangible assets (exceptional cost)	—	(14,877)	—
Operating profit before tax and finance costs	25,764	9,738	24,807
Share of results of associates	244	211	109
Non-operating exceptional costs	(955)	(5,833)	(1,235)
Profit before tax and finance costs	25,053	4,116	23,681
Net finance costs	(7,414)	(8,021)	(4,503)
Foreign exchange	97	—	413
Net profit/(loss) before tax	**17,736**	**(3,905)**	**19,591**
Cash Flow			
Net cash flows from operating activities	24,143	25,146	22,130
Net cash flows from investing activities	(1,473)	(1,252)	(111,124)
Net cash flows from financing activities	(20,471)	(22,239)	87,650
Cash increase/(decrease)	**2,199**	**1,655**	**(1,344)**
Net foreign exchange differences	141	(34)	(87)
Cash and cash equivalents at the start of the year	**7,897**	**6,276**	**7,707**
Cash and cash equivalents at the end of the year	**10,237**	**7,897**	**6,276**
Balance sheet			
Current assets	39,563	37,708	36,669
Non-current assets	217,638	217,068	225,128
Total assets	**257,201**	**254,776**	**261,797**
Current liabilities	(37,610)	(38,830)	(41,455)
Non-current liabilities	(148,223)	(161,408)	(172,077)
Total liabilities	**(185,833)**	**(200,238)**	**(213,532)**
Net assets	**71,368**	**54,538**	**48,265**

6. CURRENT TRADING AND PROSPECTS

On 16 May 2008, UTV announced its first Interim Management Statement covering the period from the beginning of the Group's financial year, 1 January 2008 to 16 May 2008 and incorporating the Trading Period. The information below is extracted from this Interim Management Statement.

The Group achieved revenue growth of 7% in the Trading Period. Excluding the impact of the FM104 and Tibus acquisitions, which completed during the Trading Period, the like for like growth was 4%. Underlying growth was driven by the performance of the Group's radio businesses and the Directors believe that this revenue growth will be maintained for the remainder of the first half of 2008. The Group delivered its budgeted operating profit for the Trading Period.

Radio GB

Overall the GB radio division increased revenues by 7% compared to the overall market which is understood to have grown by 4% during this period.

talkSPORT performed extremely well with revenue growth of 19%, demonstrating the continued strong demand for the product. This level of growth is expected to be maintained for the remainder of the six months ending 30 June 2008. Revenue in IRLs was down by 3% against a broadly flat local radio market.

talk107, UTV's start up speech station in Edinburgh, is performing in line with budget expectations. The launch date for talkRADIO, UTV's second national speech station due to launch on the second national multiplex, is likely to be delayed to allow for completion of the transmission infrastructure. As a result of this delay, losses associated with this investment in 2008 are likely to be relatively modest.

Television

The television division is performing broadly in line with the network, recording a 3% decline in revenues compared to a 3% decline in the ITV1 network.

Radio Ireland

The Irish radio division experienced growth of 32%, with sterling translation exchange gains and acquisitions accounting for 15% and 9% of the growth, respectively. Like for like growth of 8% was underpinned by strong national agency revenues. U105, UTV's start up station in Belfast, is performing in line with budget expectations.

New Media

The new media division benefited from the acquisition of Tibus in February 2008, growing revenues by 12%. Revenues on a like for like basis decreased by 4%, but this was offset by improving margins.

Recent corporate activity

On 13 February 2008, the Group announced the acquisition of Tibus, a leading all Ireland web development company, which is being integrated into UTV's new media division. Tibus specialises in providing online services for clients across a broad range of business sectors as well as central and local government. The Group currently provides web development, design, hosting and interactivity to a largely retail customer base, and broadband and telephony services to the residential market. Tibus' expertise will extend these services to commercial and institutional customers. The online presence of the Group's television and radio stations will be enhanced by the acquisition of Tibus and will facilitate greater integration of media across online and broadcast platforms.

At the general meeting on 7 April 2008, Shareholders approved the acquisition of FM104, the leading commercial radio station in Dublin and one of the most listened to stations in that city. Completion of the acquisition took place on 10 April 2008. This acquisition has significantly enhanced the Group's presence in the critical and highly competitive Dublin radio market and represents a further significant step in the implementation of its stated strategy of building a network of leading radio stations in Ireland's key urban areas.

On 15 May 2008, the Group disposed of its loss-making station, Wave 102, in Dundee for a modest consideration.

Summary and outlook

The Group overall has had a strong start to the year. The Directors anticipate that the revenue performance and trends experienced in the Trading Period will be maintained for the remainder of the first half of 2008. Expectations for the year as a whole are unchanged from those indicated at UTV's results announcement on 13 March 2008.

Since the date of the announcement of the Interim Management Statement, trading has been in line with the Director's expectations.

7. DIVIDEND POLICY

The Directors recommended a final dividend for the year to 31 December 2007 of 8.30p (2006: 8.00p) which represented a 4% increase over the prior year's final dividend, making a total dividend for 2007 of 13.50p (2006: 13.00p), an increase of 4% over the same period. The final dividend will be paid on 11 June 2008 to all Shareholders who were on the register of members of the Company at the close of business on 25 March 2008. The Rights Issue Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, save that they will not participate in the final dividend for the year to 31 December 2007 referred to above.

Following completion of the Rights Issue, UTV intends to continue its current dividend policy.

8. DIRECTORS

The Board consists of the following individuals:

J B McGuckian (Non-executive Chairman)

Mr McGuckian is an industrialist with a wide range of industrial and commercial experience. He is a director of Cooneen Textiles Limited, Irish Continental Group plc and Dale Farm Limited.

He was until recently Chairman of AIB Group (UK) plc and a director of Allied Irish Banks, plc. His other directorships cover enterprises in Ireland, the UK and the USA. He has previously acted as the Chairman of the International Fund for Ireland, the Chairman of the Industrial Development Board for Northern Ireland and as Senior Pro-Chancellor and Chairman of the Senate of the Queen's University of Belfast. Mr McGuckian was appointed to the Board on 3 July 1970.

J McCann (Group Chief Executive)

Mr McCann joined UTV in 1983 as Financial Controller/Company Secretary. He became General Manager in 1989, was appointed to the Board in 1992 and became Managing Director (now Group Chief Executive) on 1 October 1999.

P O'Brien (Group Finance Director)

Mr O'Brien joined UTV on 4 September 2006 as Group Finance Director (Designate) and was appointed to the Board as Group Finance Director and Company Secretary of UTV on 18 December 2006. Prior to joining UTV, he spent over four years working with IWP International plc as Group Finance Director and earlier as Group Financial Controller. He also has over 10 years' experience in senior finance roles in the IT industry with Compaq Computer Corporation, Digital Equipment Corporation and an indigenous Irish software services company, IT Alliance Group.

S Taunton (Managing Director UTV Radio (GB))

Mr Taunton joined UTV on 2 March 2000 when UTV acquired UTV Internet Limited and became Business Development Director. He was appointed as Managing Director of UTV Radio (GB) Limited on 4 July 2005 and was appointed to the Board on 25 November 2005.

J R Downey (Group Commercial Director)

Mr Downey joined UTV in 1998 as Financial Controller having previously held a number of senior posts with Viridian Group PLC. On 17 September 1999 he was appointed as Company Secretary and on 24 November 2000 was appointed to the Board as Finance Director, and subsequently became Group Finance Director. On 18 December 2006, Mr Downey was appointed as Group Commercial Director.

R E Bailie (Non-executive Director)

Mr Bailie is Chairman of W & G Baird (Holdings) Limited and was until recently a member of the Court and Chairman of the Audit Committee of the Bank of Ireland. He is also a graduate of the Harvard School of Business. Among his business interests are a number of other directorships and he was until recently a member of the Court of the Bank of England and until 31 December 2002 was the Chairman of the Northern Ireland Tourist Board. Mr Bailie was appointed to the Board on 18 September 1996.

K Lagan (Non-executive Director)

Mr Lagan is the Chairman and Chief Executive of Lagan Group of Companies. He was until recently a member of the board of the University of Ulster Foundation and his previous directorships also include Belfast International Airport and Belfast Harbour Commissioners. Mr Lagan was appointed to the Board on 17 April 2003.

H Kirkpatrick (Non-executive Director)

Miss Kirkpatrick is a Fellow of the Institute of Chartered Accountants in Ireland and a member of the Chartered Institute of Marketing. She works in the Corporate Finance division of Invest Northern Ireland and is a non-executive director of Kingspan Group plc. Miss Kirkpatrick is also a non-executive director of CAUSE Limited and Chairperson of Crumlin Together Limited. She was formerly a board member of the International Fund for Ireland, a director of the Enterprise Equity Venture Capital Group and a non-executive director of NI-CO (Northern Ireland Public Sector Enterprises Ltd). Miss Kirkpatrick was appointed to the Board on 29 August 2007.

Further information regarding the Directors is set out in Part 10 of this document.

9. CORPORATE GOVERNANCE

The Board places great emphasis on sound corporate governance and complies with the relevant requirements of the Combined Code. The Board meets at least nine times a year, reviewing trading performance, ensuring adequate funding, setting and monitoring strategy, examining major acquisition possibilities, formulating policy on key issues and reporting to the shareholders. The Board has a formal schedule of matters specifically reserved to it for decision. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed by the Company Secretary to all Directors in advance of Board meetings.

The Combined Code recommends that the board of directors of a UK listed public company should include a balance of executive and non-executive directors, such that no individual or small group of individuals can dominate the board's decision-taking. The Combined Code further recommends that at least half of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent (or, for smaller companies including UTV, at least two such independent non-executive directors), and that one non-executive director should be nominated as the senior independent director. Currently, the Board (excluding the Chairman) comprises three non-executive Directors who the Board consider to be independent and four executive Directors. K Lagan is the designated senior independent director.

R Bailie has been a director for over nine years. However, the Board considers that he continues to be independent in character and judgment and that there are no relationships to which he is party or other considerations which are likely to affect or could appear to affect his judgment.

The Board has established an audit committee, remuneration committee and a nomination committee with the following roles within the Group:

Audit Committee

The audit committee is chaired by H Kirkpatrick and its other members are R E Bailie and K Lagan. It normally meets not less than four times a year. The audit committee provides a forum for reporting by UTV's external and internal auditors. General Meetings are also attended, by invitation, by the Group Chief Executive, the Group Financial Director, the Group Internal Auditor and representatives of the external auditors. The audit committee is responsible for reviewing a wide range of matters including the half year and annual financial statements before their submission to the Board and monitoring the controls which are in force to ensure the integrity of the information reported to shareholders. The audit committee advises the Board on appointment of external auditors and on their remuneration both for audit and non-audit work, and discusses the nature, scope and results of the audit with the external auditors. The audit committee keeps under review the cost effectiveness and the independence and objectivity of the external auditors and reviews the Internal Audit function.

Remuneration Committee

The remuneration committee is chaired by K Lagan and its other members are R E Bailie and H Kirkpatrick. It is responsible for making recommendations to the Board, within agreed terms of reference, on the Group's framework of executive remuneration and its cost. The Board approves the remuneration policy each year and considers whether the policy should be put to the shareholders at the annual general meeting. The remuneration committee determines the contract terms, remuneration and other benefits for each of the executive Directors, including performance related bonus schemes, pension rights and compensation payments. It also considers the remuneration of senior management within the Group. The Board itself determines the remuneration of the Chairman and non-executive

Directors. The remuneration committee is advised as required by a leading firm of remuneration consultants.

Nomination Committee

The nomination committee is chaired by J B McGuckian and its other members are R E Bailie, K Lagan and H Kirkpatrick. It is responsible for proposing candidates for appointment to the Board, having regard to the balance and structure of the Board. In so doing it considers the skills, knowledge, experience and time commitments of any proposed candidates. It has the power to employ the services of such advisers and to take such soundings within and outside the Group as it deems necessary to fulfil its responsibilities. All Directors are subject to re-election at least every three years.

10. UTV EMPLOYEE SHARE SCHEMES

UTV operates the following two employee share schemes under which options and conditional share awards over Ordinary Shares are currently subsisting:

The Share Option Plan

Options over (in aggregate) 806,949 Ordinary Shares currently subsist under the Share Option Plan (the "Options"). These Options are fully vested and have a range of exercise prices between 197p to 273p per Ordinary Share. The Options are currently exercisable and in the ordinary course will cease to be exercisable on 28 April 2009.

The Performance Share Plan

Awards over (in aggregate) 1,158,522 Ordinary Shares currently subsist under the Performance Share Plan (the "Awards"). These Awards were granted on a nil cost basis in 2006, 2007 and 2008 respectively and are not currently vested. In the ordinary course, the Awards will vest in three years from the date of grant, subject to the satisfaction of performance conditions.

11. FURTHER INFORMATION

Investors should carefully consider the additional information set out in the other parts of this document and, in particular, the risk factors set out in Part 2 of this document.

PART 6

OPERATING AND FINANCIAL REVIEW OF THE GROUP

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from UTV's audited statutory accounts for the financial years ending 31 December 2005, 2006 and 2007, as incorporated herein pursuant to Part 11 of the document. The financial information in paragraph 4 of this Part 6 has been extracted from UTV management accounts as at 30 April 2008 and has not been audited.

1. FINANCE RESULTS

	2007 *£'000*	*2006* *£'000*	*2005* *£'000*
Revenue	**115,573**	**113,583**	**92,741**
Group operating profit (including share of results of associates)	26,008	24,826	24,916
Exceptional costs	(955)	(20,710)	(1,235)
Net finance costs	(7,414)	(8,021)	(4,503)
Foreign exchange	97	—	413
Net Profit/(loss) before tax	**17,736**	**(3,905)**	**19,591**
Tax on ordinary activities	(4,262)	(3,611)	(5,101)
Exceptional tax credit	1,376	20,186	—
Profit for the year attributable to shareholders	**14,850**	**12,670**	**14,490**
Dividend paid	(7,216)	(6,964)	(6,395)
Retained earnings	**7,634**	**5,706**	**8,095**
Diluted adjusted earnings per share	**26.12p**	**23.08p**	**27.14p**
Net cash flow generation(1)	**8,632**	**8,613**	**8,033**

(1) Cash flow from operations in 2007 excluded the proceeds from the share placing which raised £5.3m and the £1.1m deposit paid to Communicorp on signing the FM104 Acquisition agreement. In 2005, cash flow excludes acquisition expenditure.

The key financial metrics utilised by the Group to evaluate performance are revenue, operating profit before exceptional items, pre-tax profit, adjusted earnings per share and net cash flow generation.

1.1 Comparison of Group financial results for the year ended 31 December 2007 with those for the year ended 31 December 2006

In 2007, the Group's ability to outperform the wider market and the success of its strategy of investing in radio was amply demonstrated in the results which show diluted adjusted earnings per share up by 13% to 26.12p (2006: 23.08p). In challenging market conditions, the radio division improved operating profits by 21%, representing 56% of Group operating profits, while the New Media division grew operating profits by 30%. These two divisions contributed an additional £2.8m of operating profit to the Group compared to the previous year, more than offsetting a £1.6m fall in operating profit from the television division and resulting in a 5% improvement in the Group operating profit before exceptional items.

Operating profit, including associates, before exceptional items and incorporating radio start-up losses of £2.4m (2006: £2.6m), was up by £1.2m to £26.0m (2006: £24.8m). Of this amount, radio contributed £14.5m (2006: £12.0m), television £10.1m (2006: £11.7m) and New Media £1.4m (2006: £1.1m).

With a reduced net interest charge of £7.4m (2006: £8.0m) and foreign exchange gains of £0.1m (2006: £0.0m), Group profit before exceptional items was up by 11% to £18.7m (2006: £16.8m).

Exceptional items

Net exceptional gains in 2007 were £0.4m (2006: £0.5m loss). This consisted of a £1.4m gain due to a reduction on the net deferred tax liability as a result of a change in the future UK corporation tax rate to 28%, aborted transaction costs of £0.4m, corporate restructuring costs of £1.2m and a profit realised on disposal of investments of £0.6m.

Financing costs

The reduction in net financing cost to £7.4m (2006: £8.0m) reflects a reduction in the average net debt throughout 2007.

Taxation

The tax charge on operating activities for the year of £4.3m (2006: £3.6m) represents an effective tax rate of 22.8% (2006: 21.5%). The effective rate reflects profits from the UK operations at the UK corporation tax rate of 30% and profits in the Republic of Ireland operations at the Republic of Ireland corporation tax rate of 12.5%.

The exceptional tax gain in the UK is detailed under the exceptional items heading above and reflects a reduced corporation tax rate of 28%, effective from 1 April 2008.

The Group's cash tax outflow of £0.4m is significantly reduced compared to the 2006 figure of £2.4m. This is mainly due to the utilisation of losses brought forward in the GB Radio operations and a tax rebate in respect of prior years.

Dividend

The total dividend paid in 2007 amounted to 13.50p per share, representing an increase of 4% on the 2006 total dividend of 13.00p.

The dividend cover in 2007 was 1.93 times (2006: 1.78 times).

Earnings per share

Diluted adjusted earnings per share were up 13% to 26.12p (2006: 23.08p) reflecting the continued ability of the Group to outperform the wider market and its successful strategy of investing in radio.

1.2 Comparison of Group financial results for the year ended 31 December 2006 with those for the year ended 31 December 2005

In 2006, the Group outperformed its peer groups in what was a challenging year for the media industry as a whole. In addition to meeting the broader challenges of network and market revenue declines in UK television and radio, the company also completed the successful integration of TWG, which was acquired in June 2005. This resulted in total radio operating profit, even after allowing for start-up losses at two new radio stations (U105 in Belfast and talk107 in Edinburgh), exceeding that of television for the first time. The radio division generated £61.7m (2005: £38.9m) of revenue in the period, 54% of Group turnover.

Operating profit, including associates, before exceptional items but after radio start-up losses of £2.6m (2005: £0.9m), was broadly flat at £24.8m (2005: £24.9m). Increases of £3.3m and £0.3m in radio and new media operating profits to £12.0m (2005: £8.7m) and £1.1m (2005: £0.8m) respectively, substantially offset a £3.7m reduction in television operating profit to £11.7m (2005: £15.4m).

With a net interest charge of £8.0m (2005: £4.5m), and no foreign exchange gains (2005: £0.4m), Group profit before exceptional items and taxation was down by £4.0m to £16.8m (2005: £20.8m).

Exceptional items

The Group conducted an impairment review of the carrying value of its intangible assets and this resulted in an exceptional charge of £20.2m, reflecting market conditions in the GB radio market. The Group also accrued exceptional costs of £0.5m relating to aborted transactions.

In 2005, following the acquisition of TWG the staff structure within the Group was reviewed and the fundamental rationalisation resulted in redundancy costs and other related costs.

The exceptional tax gain of £20.2m relates to:

– a £4.0m release from the deferred tax liability as a result of the impairment charge; plus

– prior year tax losses now being available against future years' earnings in UTV Radio (GB) and brought into the Group's balance sheet as a deferred tax asset of £16.2m.

When TWG was acquired in 2005, the full amount of tax losses carried forward was not recognised in the Group balance sheet until it was clear that these losses would be available to the Group going forward. An agreement was reached with HMRC during 2006 that these losses would be available to certain Group companies going forward and therefore the net amount of these losses is recognised as a deferred tax asset of £16.2m on the Group balance sheet.

Financing costs

The net financing cost of £8.0m (2005: £4.5m) mainly reflects the full year financing cost of TWG, which was acquired in June 2005, and resulted in the Group renegotiating its banking facilities to a £140m facility. In the prior year, the Group held financing at this level for just over 6 months, while prior to June 2005 it held a facility of less than £37m.

Taxation

The tax charge on operating activities for the year of £3.6m (2005: £5.1m) represents an effective tax rate of 21.5% (2005: 26%). The effective rate reflects profits from the UK operations at the UK corporation tax rate of 30% and profits in the Republic of Ireland operations at the Republic of Ireland corporation tax rate of 12.5%

The Group's cash tax outflow of £2.4m is significantly reduced when compared to the 2005 figure of £4.3m and this is mainly due to the utilisation of losses brought forward in UTV Radio (GB).

The exceptional tax gain is detailed under the exceptional items heading above.

Dividend

The total dividend paid in 2006 amounted to 13.00p per share, representing an increase of 4% on the 2005 total dividend of 12.50p.

The dividend cover in 2006 was 1.78 times (2005: 2.17 times).

Earnings per share

Diluted earnings per share adjusted for exceptional items were down 15% at 23.08p (2005: 27.14p) reflecting predominately the higher financing costs of the business due to its higher gearing net of a reduction in tax charges as a result of the utilisation of tax losses carried forward against the profits in certain Group companies.

2. BUSINESS SEGMENTS

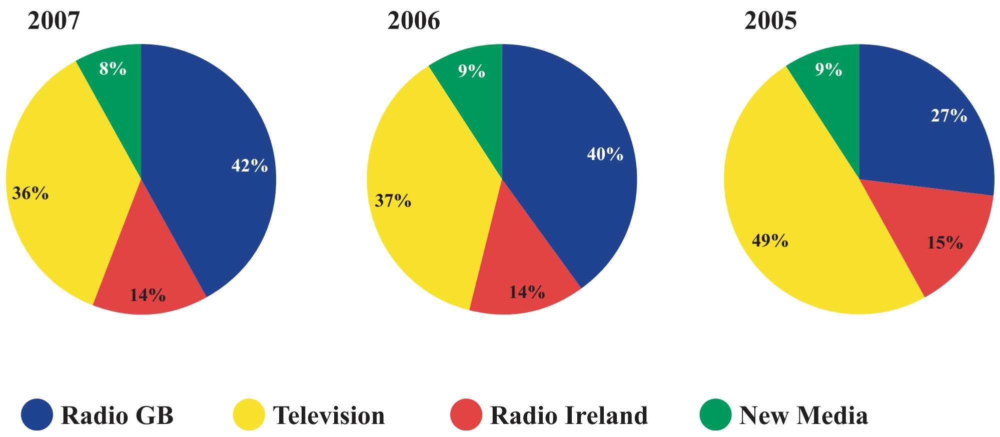
The following tables show revenue, operating profit and net profit from continuing operations generated by UTV's four divisions in the three years ended 31 December 2005, 2006 and 2007.

2.1 Revenue

The table and chart below detail the Group's revenue by business segment, showing the year on year growth/(decline) and the percentage of Group total.

	2007 £'000	*2006 £'000*	*2005 £'000*
Radio GB	47,914	45,741	25,112
Radio Ireland	16,587	15,937	13,738
Television	41,278	42,410	45,752
New Media	9,794	9,495	8,139
Group	**115,573**	**113,583**	**92,741**

Analysis of UTV Revenue by business segment

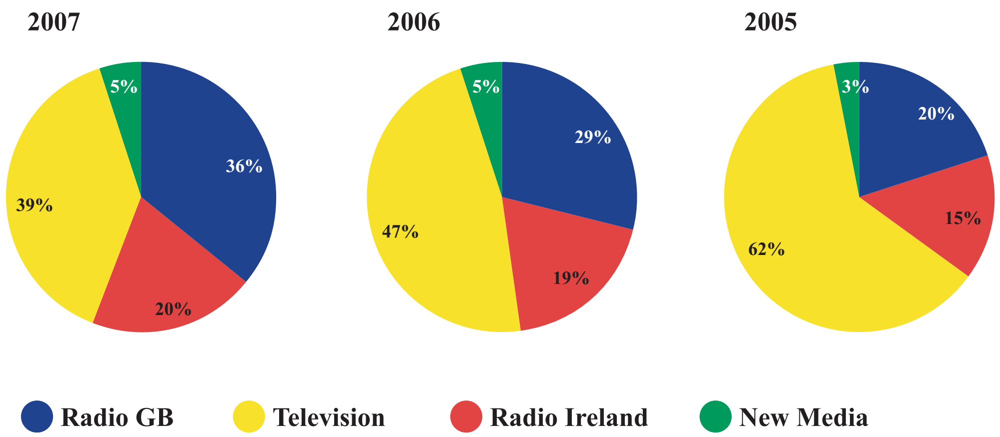


In 2002, television accounted for virtually the entire turnover of UTV. In 2005, following the acquisition of TWG and LMFM, television accounted for 49% of the Group turnover. In 2006, television revenue accounted for 37% of total Group turnover and in 2007 it represented 36%.

2.2 Operating profit (including share of results of associate and before exceptional items)

	2007 *£'000*	*2006* *£'000*	*2005* *£'000*
Radio GB	9,310	7,122	4,908
Radio Ireland	5,229	4,907	3,845
Television	10,101	11,741	15,359
New Media	1,368	1,056	804
Group	**26,008**	**24,826**	**24,916**

Analysis of UTV operating profit (before exceptional items) by business segment



The analysis of Group operating profit is following a similar trend as Group revenue with the radio sector making an increasingly significant contribution to the overall Group profits. 2006 radio operating profits bear the start up losses of the new licences awarded to UTV in the last two years.

– Radio GB includes start up losses of £1.7m in 2007 (2006: £1.7m, 2005 £0.1m) in respect of the radio station in Edinburgh

– Radio Ireland includes start up losses of £0.7m in 2007 (2006: £0.9m, 2005: £0.8m) in respect of the radio station in Belfast

2.3 Comparison of operating performance by business segment for the year ended 31 December 2007 with that for the year ended 31 December 2006

Revenue analysis by business segment

	2007 *£'000*	*2006* *£'000*	*Increase/ (decrease)* *£'000*	*%* *Change*
Radio GB	47,914	45,741	2,173	4.7
Radio Ireland	16,587	15,937	650	4.1
Television	41,278	42,410	(1,132)	(2.7)
New Media	9,794	9,495	299	3.1
Group	**115,573**	**113,583**	**1,990**	**1.8**

Group revenue has increased by 2% or £2m when compared to 2006. 2007 has seen growth in the Group's radio and new media segments compensating for a decline in television revenues.

Operating profit analysis by business segment

	2007 *£'000*	*2006* *£'000*	*Increase/ (decrease)* *£'000*	*%* *Change*
Radio GB	9,310	7,122	2,188	30.7
Radio Ireland	5,229	4,907	322	6.6
Television	10,101	11,741	(1,640)	(13.9)
New Media	1,368	1,056	312	29.5
Group	**26,008**	**24,826**	**1,182**	**4.7**

Operating profit before exceptional items has grown by £1.2m (5%) to £26.0m (2006: £24.8m). The operating profit performance reflects very strong profit growth of £2.2m (31%) in GB radio, Ireland radio growth of £0.3m (7%) and new media growth of £0.3m (30%) offset by a £1.6m (14%) decline in television operating profit.

Television

ITV1's programme schedule delivered slightly more commercial impacts for advertisers in 2007 but, despite this, its share of commercial impacts was down by 3%. Contract Rights Renewal, therefore, again impacted upon ITV1's advertising revenue leading to a 4% fall. UTV outperformed ITV1 with a 2% reduction in television advertising revenue, resulting in a record 2.87% share. Total television revenue fell from £42.4m in 2006 to £41.3m in 2007, translating into a 14% fall in television operating profit to £10.1m (2006: £11.7m).

Radio GB

Despite challenging trading conditions in the media sector in 2007, total revenues for the Radio GB operations were up by 5% to £47.9m (2006: £45.7m). During this period, the UK commercial radio sector grew by approximately 3%. The Group's continued policy of investing in programming and people has been key to this outperformance.

talkSPORT

2007 proved to be a year of significant success for talkSPORT, with record audience and revenue performance, building further on the growth which the 2006 FIFA World Cup stimulated. Revenue grew by 12% on a like for like basis to £21.4m (2006: £19.1m) even against the very strong comparative of 18% growth in the previous twelve months. This revenue success was achieved through the delivery of higher audiences offering attractive demographics to advertisers. It can often be difficult to target younger men via media outlets, something that talkSPORT delivers on a national scale. A third of the Group's audience is aged 15-34, 79% of listeners are male and 53% are in the more affluent ABC1 socio-demographic subgroup, affording male led brands efficiency when advertising on talkSPORT. By year end, talkSPORT's audience had grown by 10% year on year to 2.45m (2006: 2.24m) which for the second year running was the fastest growth of any national analogue station, including BBC services.

Local Radio

Trading conditions for local radio remained challenging in 2007. On a like for like basis, advertising revenue in the Group's local stations was broadly flat year on year.

Local audience figures have been broadly stable year on year with total listeners up by 1% to 1.39m (2006: 1.37m) and the Group's share of listening across the Group's transmission areas remaining flat at 7.7%. By contrast, listeners to all commercial local radio in the UK reduced by 5% and share of listening was also 5% lower than the previous year.

In the second half of 2007, substantial market research and the implementation of the results of music testing across the Group's FM ILR portfolio was completed. This allowed for a test campaign of marketing during the third quarter in four of the Group's regions, namely Liverpool, Swansea, Wolverhampton and Bradford. In these four markets the Group recorded an impressive increase of 14% in listenership from the previous quarter, giving encouragement to the Group's plans to promote more actively each of the Group's FM services in 2008.

The digital radio businesses continue to perform well. With nearly seven million DAB radios having now been sold in the UK, the Group's multiplex businesses across England, Scotland and Wales are well placed for additional consumption of services on digital. The Group's participation as a 10% shareholder in the 4Digital national digital multiplex and the connected launch of talkRADIO will also strengthen their position in this market.

Radio Ireland

Stations in Cork, Limerick and Dundalk/Drogheda were undisputed leaders in their areas with respective listenership shares of 52.2%, 43.6% and 34.2% respectively. In the much more fragmented Dublin marketplace, the Q102 station improved its share marginally from 6.2% to 6.6% during the year, but in its target demographic of 35 to 44 year olds its share increased substantially from 9% to 12.4%.

The acquisition of FM104 (completed in April 2008), the leading commercial radio station in Dublin with a listenership share of 12.4%, will significantly enhance the Group's position in that market. The new station in Belfast, U105, also continued to improve both its market share and, more importantly for a new station, its reach, the latter increasing by 25% during the year.

New Media

In 2007 revenue increased by 3%. Growth would have been higher except for the termination of one particular sub-contract, but with very narrow margins on that contract, operating profit growth was sustained at 30%, contributing £1.4m (2006: £1.1m) to group profitability.

2.4 Comparison of operating performance by business segment for the year ended 31 December 2006 with that for the year ended 31 December 2005

Revenue analysis by business segment

	2006 *£'000*	*2005* *£'000*	*Increase/ (decrease)* *£'000*	*%* *Change*
Radio GB	45,741	25,112	20,629	82.1
Radio Ireland	15,937	13,738	2,199	16.0
Television	42,410	45,752	(3,342)	(7.3)
New Media	9,495	8,139	1,356	16.7
Group	**113,583**	**92,741**	**20,842**	**22.4**

Group revenue increased by 22% or £20.8m when compared to 2005.

2006 saw solid growth in the radio and new media segments compensating for a decline in television revenues. 2006 represents a full twelve months trading for Radio GB, whereas 2005 represents approximately seven months due to the acquisition of TWG completing on 6 June 2005.

Operating profit analysis by business segment

	2006 *£'000*	*2005* *£'000*	*Increase/ (decrease)* *£'000*	*%* *Change*
Radio GB	7,122	4,908	2,214	45.1
Radio Ireland	4,907	3,845	1,062	27.6
Television	11,741	15,359	(3,618)	(23.6)
New Media	1,056	804	252	31.3
Group	**24,826**	**24,916**	**(90)**	**(0.4)**

Operating profit before exceptional items was broadly flat at £24.8m (2005: £24.9m). The operating profit performance is reflective of excellent profit growth in the GB and Ireland radio and new media divisions offset by a £3.7m reduction in television operating profit.

Television

In 2006 total television revenue was down by 7% driven by a decline in advertising revenue of 9% which compared to a 12% fall in ITV network revenue.

The television advertising market was weak throughout 2006. The leading commercial channel ITV1, continued to suffer from declining audience ratings which impacted unduly upon advertising revenue through the mechanism of the Contract Rights Renewal (CRR) undertaking. For the year as a whole, ITV network advertising revenue was down by 12% The impact of CRR on the advertising revenue from GB was mitigated by the strong ratings performance in Ireland, but UTV was not immune to the overall effect on the market resulting in the advertising revenue decline of 9%. Nevertheless, this was a significant outperformance of the network and the company achieved another record share of ITV1's advertising revenue of 2.82% With the television revenue down by 7%, the television operating profits before exceptional items were £11.7m (2005: £15.4m).

Radio GB

In Great Britain the like for like radio revenue increased by 6% compared to a market decline of 5%

2006 marked the first full year of ownership of talkSPORT and the 17 ILR stations and digital assets which constitute UTV Radio (GB). During this year the assets of Radio GB were successfully integrated into the Group and a programme to improve the overall performance of talkSPORT and the local radio stations was embarked upon.

Total revenues for the Radio GB operations were £45.7m (2005: £25.1m), making this the largest business unit within the Group. During this period, UK commercial radio operators experienced difficult trading conditions, with total market revenues having declined by 5% in the full year. In contrast, the UTV stations substantially out performed the peers, recording annual like for like growth of 6%

The Radio GB stations recorded profits of £8.8m (2005: £5.0m) before charging start-up losses of £1.7m (2005: £0.1m) in respect of the new radio station in Edinburgh.

talkSPORT

talkSPORT's annual revenue grew on a like for like basis by 18% to £19.1m (2005: £16.2m), despite the depressed conditions of the UK radio marketplace. Much of this growth was achieved through demonstrating to advertisers the benefits of the talkSPORT audience profile. The position as a licensed broadcaster of the FIFA World Cup further supported this and resulted in additional sponsorship and promotional opportunities. These additional revenues were invested in the marketing of the station, which in turn led to further audience growth in 2006. By year end, talkSPORT had grown its audience by 2.8% to 2.24m adults (2005: 2.18m).

Local Radio
UTV's local GB radio stations recorded a 1.6% decrease in revenue over the previous year against the market fall of 5%

Audience in these stations, which were acquired as part of TWG, has dropped by 11% since 2000 due to historical underinvestment in audience research, facilities and staff. The Group undertook bespoke audience and music testing in each of these stations and has implemented a recovery plan based on its findings. The final quarter of 2006 reported the first growth in listening hours, up by 3.9%.

On 14 February 2006, UTV launched talk107, the first local speech station in the UK outside of London. The station has sustained operating losses of £1.7m, which reflect the nature of speech-based services which find it initially more difficult than music stations to attract listeners.

- **Radio Ireland**

The radio stations in Ireland continued to perform strongly, with like-for-like advertising revenue up by 12%, underpinned by a very strong Republic of Ireland economy. Within this, national advertising growth at 18% reflected the ability to offer larger advertisers the opportunity to market their products to the key urban areas. Operating profit from the Irish radio stations was up by 26% to £5.8m (2005: £4.6m) before charging start-up losses of £0.9m (2005: £0.8m) in respect of the Belfast station.

UTV's stations in Cork, Limerick, and Dundalk/Drogheda maintained their dominance in their license areas with year end market shares of 52%, 47% and 37% respectively. The station in the competitive Dublin market, Q102, recorded a 6% market share and moved into profitability for the first time while the new station in Belfast, U105, achieved a creditable reach of 72,000 listeners after its first full year in operation.

These UTV regions account for 65% of the adult population of Ireland and within these regions, 34% of adults listen each week to UTV sold stations.

- **New Media**

The New Media division saw a 17% increase in turnover to £9.5m (2005: £8.1m) with broadband and telephony services continuing to be the main drivers of this growth. Operating profits from this division were up by 31% to £1.1m (2005: £0.8m), after writing off customer acquisition costs, as a result of a focus on improved profitability.

3. CASH FLOWS

	2007 *£'000*	*2006* *£'000*	*2005* *£'000*
EBIT(1)	26,008	24,826	24,916
Depreciation and amortisation	1,829	1,939	1,746
EBITDA	27,837	26,765	26,662
Capital expenditure (net)	(1,186)	(1,913)	(1,812)
Working capital movement	(1,280)	971	1,020
Exceptional costs	(1,723)	—	(1,105)
Free cash flow	23,648	25,823	24,765
Net financing costs	(7,100)	(7,613)	(6,126)
Tax	(417)	(2,379)	(4,338)
Dividends paid to equity shareholders	(7,216)	(6,964)	(6,395)
Other cash flows	(283)	(254)	127
Net cash flow(2)	**8,632**	**8,613**	**8,033**

(1) Earnings before interest, taxation, exceptional items and including income from associates.

(2) Cash flow from operations in 2007 excludes the proceeds from the share placing which raised £5.3m and the £1.1m deposit paid to Communicorp on signing of the FM104 Acquisition agreement. In 2005, cash flow excludes acquisition expenditure.

3.1 Year ended 31 December 2007 compared to year ended 31 December 2006

The Group net operating cash flows show an increase of £0.1m to £8.7m (2006: £8.6m). The main movements are:

– increased EBITDA of £1.1m;

– reduced spending on capital of £0.7m;

– increased working capital and exceptional cash flow of £3.9m driven mainly by holding company restructuring costs, aborted transaction costs and a reduction in trade creditor balances;

– a reduction in net finance costs of £0.5m due to reduced levels of net debt in 2007; and

– a reduction in tax outflow by £2.0m due to a tax refund in respect of prior years and utilisation of tax losses carried forward in Radio GB.

3.2 Year ended 31 December 2006 compared to year ended 31 December 2005

The Group net operating cash flows show an increase of £0.6m to £8.6m (2005: £8.0m). The main movements are:

– a financing cost increase of £1.5m, reflecting the full year impact in 2006 of increased debt levels post the acquisition of TWG;

– an increase in dividend payment of £0.6m;

– no exceptional cash outflow in 2006; and

– a reduction in tax outflow of £1.9m due to the utilisation of losses brought forward as a result of TWG acquisition.

4. BANK COVENANTS

4.1 At 31 December 2007, the Group had:

– reduced net debt to £107.2m (2006: £117.6m);

– a net debt: EBITDA ratio of 3.82 times (2006: 4.41 times); and

– an EBITDA: interest cover of 4.01 times (2006: 3.55 times).

The above ratios are calculated based on banking covenant requirements as defined in the facilities documentation. The EBITDA is adjusted for the LTIP charge of £0.4m (2006: £0.0m) and net interest excludes the charge relating to deferred financing costs of £0.4m (2006: £0.4m).

4.2 At 31 December 2006 the Group had:

– reduced net debt to £117.6m (2005: £126.2m);

– a net debt: EBITDA ratio of 4.41 times (2005: 4.37 times); and

– an EBITDA: interest cover of 3.55 times (2005: 6.96 times).

The above ratios are calculated based on banking covenant requirements of the bank facilities entered into on 6 May 2005 and re-negotiated on 28 November 2006. In each case the EBITDA for 2006 is calculated after adjusting for £0.2m of pre-launch costs for talk107 and in 2005 EBITDA is calculated after adjusting for pre-launch costs of £0.5m relating to U105 and £0.1m relating to talk107. The interest excludes the charge relating to deferred financing costs of £0.4m in 2006 and £0.3m in 2005.

5. CAPITALISATION AND INDEBTEDNESS

5.1 The following table sets out the gross indebtedness of the Group as at 30 April 2008, the Group's committed borrowing facilities available at 30 April 2008 and the capitalisation of the Group at 30 April 2008. Group borrowings and borrowing facilities denominated in currencies other than sterling have been translated at the prevailing exchange rates on 30 April 2008.

	Indebtedness as at 30 April 2008 £'000	*Group committed borrowing facilities available as at 30 April 2008 £'000*
Current debt instruments		
Term Loan GBP	(7,300)	(7,300)
Term Loan EUR	(3,169)	(3,169)
Bi-Lateral Term Loan GBP	(300)	(300)
Total current debt instruments	(10,769)	(10,769)
Non current debt instruments		
Revolving credit facilities GBP	(14,000)	(30,000)
Revolving credit facilities EUR	(3,962)	(3,962)
Term Loan GBP	(69,750)	(69,750)
Term Loan EUR	(19,808)	(19,808)
Bi-Lateral Term Loan GBP	(2,500)	(2,500)
Bi-Lateral Term Loan EUR	(37,715)	(37,715)
Bank overdrafts	0	(3,000)
Total non-current and current debt instruments		(177,504)
Total gross indebtedness	(158,504)	

Note: there is no contingent indebtedness in the Group.

	Capitalisation as at 30 April 2008 £'000
Shareholder equity	
Share capital	8,086
Capital redemption reserve	50
Treasury shares	(998)
Foreign currency reserve	3,650
Cash flow hedge reserve	1,089
	11,877

Since 31 December 2007, the Group's capitalisation has increased by £2.23m, as a result of the acquisition of shares to satisfy share options (classed as treasury shares), movements in the euro to sterling foreign exchange rate and an increase in the value of the cash flow hedge contracts.

The £90.5m 4 year amortising term loan facility "A" is repayable by one instalment of £6.15m on 29 December 2006 and six instalments of £3.65m in June and December each year till 31 December 2009. A final amount of £62.45m is due to be repaid or refinanced on 30 June 2010.

The £30m revolving credit facility is available to the Group for the period until 30 June 2010 when any amounts outstanding will be repaid or refinanced. A commitment fee of 45% of the applicable margin will be payable quarterly on any undrawn portion of facility "B".

The €35m 4 year amortising term loan facility "C" is repayable by instalments of €2m on 29 December 2006, followed by six instalments of €2m in June and December each year till 31 December 2009. A final amount of €21m is due to be repaid or refinanced on 30 June 2010.

The €5m revolving credit facility is available to the Group for the period until 30 June 2010 when any amounts drawn will be repaid or refinanced. A commitment fee of 45% per annum of the applicable margin will be payable quarterly on any undrawn portion of facility "D".

In 2005 an interest rate swap was purchased fixing the interest costs of approximately 50% of the £140m facilities at 4.56% plus the applicable margin to match the repayment profile of the original facilities. Following the review of the facilities on 28 November 2006 this was retained and now represents approximately 55% of the amended £120.5m facility. The remainder of the loan has an interest rate charge of the relevant LIBOR period plus the applicable margin.

In December 2006 an interest rate swap fixing the interest costs of 65% of the €35m facility "C" at 3.83% plus the applicable margin was purchased to match the repayment profile of the euro facility "C". The remainder of the loan has an interest rate charge of the relevant LIBOR period plus the applicable margin.

The £1.5m bi-lateral term loan balance (£475,000 as at 31 December 2007) outstanding is repayable quarterly in 1 payment of £175,000 on 31 March 2008 and 2 payments of £150,000 in June and September 2008. Interest is payable at the relevant LIBOR period plus the applicable margin.

In February 2006 the Board approved a £2.5m Bi-lateral term loan with Bank of Ireland. This loan is repayable on 30 June 2010. Interest is payable at the relevant LIBOR period plus the applicable margin.

The applicable margin on the senior debt financial liabilities ranges from 1.35% to 0.75% depending on the Net Debt to EBITDA ratio. In 2007 the applicable margin was 1.25% until 10 April 2008 and thereafter was 1.35%.

The Group's borrowing facilities are secured by:

(i) a guarantee entered into by UTV and certain subsidiary companies;

(ii) a charge over the shares of UTV Radio (GB) Limited entered into by UTV; and

(iii) a debenture-first floating charge over the undertaking, assets, rights and property of UTV.

5.2 Net Indebtedness

The Group's current and non-current financial indebtedness as at 30 April 2008 was:

		£'000
A	Cash	5,883
B	Cash equivalents	—
C	Trading securities	—
D	**Liquidity (A+B+C)**	**5,883**
E	Current bank debt	(10,769)
F	Current portion of non-current debt	—
G	Other current financial debt	—
H	**Current financial debt (E+F+G)**	**(10,769)**
I	**Non current cash/(financial indebtedness) (H-D)**	**(4,886)**
J	Non current debt	(147,735)
K	**Net cash/(financial indebtedness) before contingent indebtedness (I+J)**	**(152,621)**
L	**Contingent indebtedness including bonds issued and forward exchange contracts**	**—**
M	**Non-current financial indebtedness (J+L)**	**(147,735)**
N	**Net financial indebtedness (I+M)**	**(152,621)**

Group cash and borrowings denominated in currencies other than sterling have been translated at prevailing exchange rates at 30 April 2008.

The €47.6m Bank of Ireland bi-lateral subordinated debt facility 15 month term loan signed on 17 March 2008 and fully drawn on 10 April 2008 is repayable on 30 June 2009. Interest is charged at the relevant EURIBOR period plus the applicable margin. The applicable margin on the subordinated debt ranges from 1.75% to 0.75% depending on the net debt to EBITDA ratio. From drawdown to date this has been 1.75%.

From 30 April 2008 until 30 May 2008, UTV has not repaid or drawn down any amounts on its loan facilities.

5.3 Maturity profile of borrowings and undrawn committed borrowing facilities

The following table sets out the carrying amount, by maturity, of the Group's borrowings and undrawn committed borrowings as at 30 April 2008.

	Within 1 year £'000	*1-2 years £'000*	*2-3 years £'000*	*3-4 years £'000*	*4-5 years £'000*	*more than 5 years £'000*
Borrowings						
£77.05m Term Loan A	(7,300)	(7,300)	(62,450)	—	—	—
£30m revolving credit B	—	—	(14,000)	—	—	—
€31m Term Loan C(1)	(3,169)	(3,169)	(16,639)	—	—	—
€5m revolving Credit D(1)	—	—	(3,962)	—	—	—
£1.5m Term loan	(300)	—	—	—	—	—
£2.5m Term loan	—	—	(2,500)	—	—	—
€47.6 Bi-lateral	—	—	(37,715)	—	—	—
Undrawn committed borrowing facilities						
£30m revolving credit B	—	—	(16,000)	—	—	—
€5m revolving credit D(1)	—	—	—	—	—	—
Bank overdraft £3m	—	—	(3,000)	—	—	—

(1) These borrowings are translated at stg£:€=1.2621 being the closing rate ruling at 30 April 2008.

5.4 Treasury Management

Funding requirements

The Group currently satisfies its funding requirements from the cash generated within its business and through the use of external debt. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts. The Group's policy is that funding is reviewed in line with operational cash flow requirements and investment strategy. Repayment terms and conditions are approved by the Board in advance of acceptance of any facility.

The Group's total indebtedness is due to bank facilities and overdraft facilities as outlined above. On 28 November 2006, the existing UTV senior borrowing facilities were restructured to comprise two separate facilities of £120.5m, with UTV Limited as the principal borrower, and €40m, with UTV Radio (ROI) Limited as the principal borrower.

There are two bank overdraft facilities with a total £3m limit. These are included in the security package of the UTV senior facility.

Cash flow interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's medium term debt obligations with a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts, with between 40% and 60% of its borrowings at fixed rates of interest. To manage this mix in a cost efficient manner, the Board has authorised interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed notional principal amount. These swaps are designated to hedge underlying debt obligations. At 31 December 2007 and 30 April 2008, after taking into account the effect of interest rate swaps, 60.4% and 45% respectively (2006: 55.5%) of the Group's total borrowings utilised were at a fixed rate of interest. The 45% fixed interest rate debt is analysed as at 30 April 2008 below:

– 61% of £93.9m GBP debt is fixed at 4.56% + the applicable margin

– 23% of €81.6m of EUR debt is fixed at 3.83% + the applicable margin

The subordinated debt is at a floating three month floating EURIBOR rate.

Foreign currency risk

The Group has minimal transactional currency exposures arising from sales or purchases by an operating unit in currencies other than its functional currency. In 2007, approximately 5.6% (2006: 5.9%) of the Group's sales were denominated in currencies other than the functional currency of the operating unit making the sale, whilst almost 5.6% (2006: 6.7%) of costs were denominated in currencies other than the unit's functional currency.

As a result of significant investment operations in the Republic of Ireland, the Group's balance sheet can be affected significantly by movements in the euro/sterling exchange rates. The Group seeks to mitigate the effect of the currency risk created by the euro cash flow from the ROI operations, by creating a natural hedge with the euro denominated borrowings. The Group's senior borrowing facilities include euro borrowing comprising a €35m term loan, a €5m revolving credit facility and a subordinated bi-lateral term loan facility of €47.6m.

Credit risk

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Other financial assets of the Group comprise cash and cash equivalents which are therefore subject to minimal credit risk. Since the Group trades only with recognised third parties there is no requirement for collateral.

Group policies also restrict the counterparties with which derivative transactions can be contracted and funds may be invested to those approved by the Group Treasury Manager and approved by the Board, comprising banks and financial institutions with a high credit rating. The Group Treasury Manager ensures that exposure is spread across the number of approved financial institutions.

PART 7

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

1. DETAILS OF THE RIGHTS ISSUE

Subject to the fulfilment of the conditions set out below, the Company proposes to raise approximately £46.7m (net of expenses) by way of a Rights Issue to Qualifying Shareholders (other than certain Overseas Shareholders).

The Company proposes to offer to Qualifying Shareholders (other than certain Overseas Shareholders), by way of rights, 38,361,011 Rights Issue Shares at a price of 130 pence per Rights Issue Share (a discount of approximately 39.0% to the middle-market price per Existing Ordinary Share of 213 pence on 3 June 2008, the last dealing day before the announcement of the Rights Issue), payable in full on acceptance, on the following basis:

2 Rights Issue Shares for every 3 Existing Ordinary Shares

held by such Qualifying Shareholders on the Record Date and in proportion for any other number of Ordinary Shares then held. Entitlements to Rights Issue Shares will be rounded down to the nearest whole number. Qualifying Shareholders with fewer than 3 Existing Ordinary Shares will not be entitled to any Rights Issue Shares. Fractional entitlements to Rights Issue Shares will be aggregated and sold for the benefit of the Company. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

The Rights Issue Shares will, when issued and fully paid, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive in full all dividends and other distributions paid or made on the Ordinary Shares after their date of issue (but, for the avoidance of doubt, will have no right to the final dividend declared relating to the financial year ended 31 December 2007).

The Rights Issue is conditional, amongst other things, on:

(a) the passing of the Resolutions without amendment at the General Meeting;

(b) Admission becoming effective not later than 8.00 a.m. on 15 July 2008 (or such later time and/or date as the Joint Underwriters and the Company may agree, being not later than 8.00 a.m. on 29 July 2008);

(c) the New Five Year Facilities Agreement becoming unconditional in all respects (save for any condition relating to the Underwriting Agreement becoming unconditional); and

(d) the Underwriting Agreement not being terminated prior to Admission and being otherwise unconditional in all respects (save for the condition relating to Admission).

The Underwriting Agreement is conditional, amongst other things, upon the passing of the Resolutions. A summary of the principal terms of the Underwriting Agreement is set out in paragraph 18 of Part 10 of this document.

Application for Admission has been made in respect of the Rights Issue Shares, in nil paid and fully paid form. Provisional Allotment Letters will, subject to the Resolutions being passed, be despatched to Qualifying non-CREST Shareholders (other than certain Overseas Shareholders) only on 20 June 2008, immediately following the General Meeting. No Provisional Allotment Letter will be sent to Qualifying CREST Shareholders. Dealings in the Rights Issue Shares, nil paid, will commence at 8.00 a.m. on 23 June 2008.

The Existing Ordinary Shares are already admitted to CREST. Applications will be made for the Rights Issue Shares, in nil and fully paid form, to be admitted to CREST. Euroclear requires the Company to confirm to it that certain conditions are satisfied before Euroclear will admit any security to CREST. It is expected that these conditions will be satisfied, in respect of the Nil Paid Rights and the Fully Paid Rights on Admission. As soon as practicable after satisfaction of the conditions, the Company will confirm this to Euroclear.

If, for any reason, Provisional Allotment Letters are posted otherwise than the day after the General Meeting, the times and dates referred to in this document may be revised and the times and dates so revised will be notified to a Regulatory Information Service and, where appropriate, will be contained in the Provisional Allotment Letters.

The latest time and date for acceptance and payment in full under the Rights Issue is 11.00 a.m. on 14 July 2008.

None of the Rights Issue Shares have been marketed or are available in whole or in part to the public other than pursuant to the Rights Issue. The attention of Overseas Shareholders is drawn to paragraph 6 of Part 7.

All documents, cheques and banker's drafts posted to, or by, Qualifying Shareholders or their renouncees or agents (as appropriate) will be posted at the risk of such persons.

2. ACTION TO BE TAKEN IN RELATION TO THE RIGHTS ISSUE

2.1 Introduction

The action to be taken in respect of Rights Issue Shares depends on whether, at the relevant time, the Nil Paid Rights or Fully Paid Rights in respect of which action is to be taken are in certificated form (that is, are represented by Provisional Allotment Letters) or are in uncertificated form (that is, are in CREST).

CREST PERSONAL MEMBERS SHOULD REFER TO THEIR CREST SPONSORS, AS ONLY THEIR CREST SPONSORS WILL BE ABLE TO TAKE THE NECESSARY ACTIONS SPECIFIED BELOW TO TAKE UP THE ENTITLEMENTS OR OTHERWISE TO DEAL WITH THE NIL PAID RIGHTS OR FULLY PAID RIGHTS OF CREST PERSONAL MEMBERS.

CREST members who wish to take up their entitlements in respect of, or otherwise to deal in, Nil Paid or Fully Paid Rights held by them in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying non-CREST Shareholders are referred to the procedures in relation to Provisional Allotment Letters referred to below.

2.2 Action to be taken in relation to Nil Paid Rights represented by Provisional Allotment Letters

(a) General

Subject to the passing of the Resolutions and subject as provided for in paragraph 6 of Part 7 of this document in relation to certain Overseas Shareholders, the Provisional Allotment Letters are expected to be despatched on 20 June 2008.

The Provisional Allotment Letter will set out the holding of Existing Ordinary Shares at the Record Date on which each Qualifying non-CREST Shareholder's entitlement is based and the aggregate number of Rights Issue Shares which have been provisionally allotted to such Qualifying non-CREST Shareholder. The Provisional Allotment Letter will also set out full details regarding acceptance and payment, splitting, renunciation and registration and the procedure to be followed if a Qualifying non-CREST Shareholder wishes to dispose (whether before or after payment of the Rights Issue Price) of all or part of his entitlement or to convert all or part of his entitlement into uncertificated form.

The Provisional Allotment Letter will represent a right to subscribe for Rights Issue Shares which, if renounced by the Qualifying non-CREST Shareholder originally entitled to such shares, will become a negotiable bearer document. The Provisional Allotment Letter will be renounceable (save as required by laws of certain foreign jurisdictions) until 11.00 a.m. on 14 July 2008.

(b) Procedure for acceptance and payment

(1) Qualifying non-CREST Shareholders who wish to accept in full or part

To take up all or part of his entitlement a Qualifying non-CREST Shareholder must return his Provisional Allotment Letter in accordance with the instructions on it, together with a cheque or banker's draft, drawn in sterling on a bank or a building society in the United Kingdom of the Republic of Ireland, for the full amount payable on acceptance, by hand or by post with Computershare, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland to arrive so as to be received by no later than 11.00 a.m. on 14 July 2008. A reply paid envelope will be enclosed with the Provisional Allotment Letter for this purpose. If Qualifying non-CREST Shareholders post their Provisional Allotment Letter by first class post, they are recommended to allow at least four working days for delivery.

(2) Qualifying non-CREST Shareholders who wish to accept in part – renunciation and splitting

The Provisional Allotment Letter will be fully renounceable, subject to the terms and conditions printed on it and save as otherwise required by the laws of certain foreign jurisdictions. A Qualifying non-CREST Shareholder who wishes to renounce all (and not some only) of his Nil Paid Rights or after acceptance of the provisional allotment and payment in full, Fully Paid Rights comprised in a Provisional Allotment Letter, must complete and sign Form X on such letter and (subject to the restrictions on distribution of this document and the Provisional Allotment Letter in the US and the Excluded Jurisdictions) deliver the entire Provisional Allotment Letter to the transferee, or to the stockbroker, bank or other agent who will be acting for such Qualifying non-CREST Shareholder in the transaction. Once a Provisional Allotment Letter has been so renounced, it will become a negotiable bearer document and the Nil Paid Rights or Fully Paid Rights (as appropriate) comprised in such letter may be transferred by delivery of such letter to the transferee. The latest time for registration of renunciation is 11.00 a.m. on 14 July 2008 and after such date Rights Issue Shares will be in registered form, transferable by written instrument of transfer in the usual common form or, if they have been issued in or converted into uncertificated form, in electronic form under the CREST system.

If a Qualifying non-CREST Shareholder wishes either to have registered in his own name only some of the Rights Issue Shares to which he is entitled and to transfer the remainder or to transfer all the Nil Paid Rights or Fully Paid Rights (as appropriate) but to different persons, he may have the Provisional Allotment Letter split, for which purpose he must complete and sign Form Y on such letter and lodge it by post or by hand (during normal business hours only) with Computershare, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland by 3.00 p.m. on 9 July 2008, to be cancelled and exchanged for the split Provisional Allotment Letters required. The number of split letters required and the number of Nil Paid Rights or Fully Paid Rights (as appropriate) to be comprised in each split letter should be stated in an accompanying letter. Split Provisional Allotment Letters will be marked "Original Duly Renounced" before they are issued.

A person in whose favour an entitlement is renounced who wishes to have the Rights Issue Shares comprised in a Provisional Allotment Letter registered in his name, or his agent's name, must complete a Form Y (unless the renouncee is a CREST Member who wishes to hold such shares in uncertificated form, in which case the CREST Deposit Form must be completed – as set out in paragraph 2.2(e) below) on the Provisional Allotment Letter and lodge the entire letter by post or by hand (during normal business hours only) with Computershare, at the address quoted above, not later than the latest time for registration of renunciation which is 11.00 a.m. on 14 July 2008. Registration cannot be effected unless and until the Rights Issue Shares comprised in a Provisional Allotment Letter are fully paid.

A Qualifying non-CREST Shareholder who wishes to have all his entitlement to Rights Issue Shares registered in his name must accept and make payment for such allotment prior to the latest time for acceptance and payment in full which is 11.00 a.m. on 14 July 2008 in accordance with the provisions set out in the Provisional Allotment Letter and this document, but need take no further action. A share certificate shall be sent to such Shareholder by post by not later than 22 July 2008.

(3) Company's discretion as to rejection and validity of acceptances

Provisional Allotment Letters received after 11.00 a.m. on 14 July 2008 will be deemed to have been declined and the entitlements thereunder will lapse. However, the Company has the discretion (which shall only be exercised with the consent of the Joint Underwriters), but shall not be obliged, to accept: (i) Provisional Allotment Letters and accompanying remittances for the full amount which are received through the post not later than 11.00 a.m. on 15 July 2008, the envelope or other cover bearing a legible postmark no later than 11.00 a.m. on 14 July 2008; and (ii) applications in respect of a remittance for the full amount received prior to 11.00 a.m. on 15 July 2008 from an authorised person (as defined in FSMA) specifying the

Rights Issue Shares concerned and undertaking to lodge the relevant Provisional Allotment Letter duly completed in due course. References in this document to Rights Issue Shares having been taken up include, at the discretion of the Company and with the consent of the Joint Underwriters, rights which Qualifying non-CREST Shareholders shall be deemed to have taken up pursuant to the procedures described in this paragraph. The Company also reserves the right (which shall only be exercised with the consent of the Joint Underwriters), but shall not be obliged, to treat a Provisional Allotment Letter as valid and binding on the person by whom or on whose behalf it is lodged even if not completed or delivered in accordance with the relevant instructions or not accompanied by a valid power of attorney where required.

(4) Payments

Payment must be made for the full amount by cheque or banker's draft made payable to "Computershare re: UTV Rights" and crossed "a/c Payee Only". Cheques and banker's drafts must be drawn in sterling on a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for cheques or banker's drafts (as appropriate) to be cleared through the facilities provided by either of those companies and must bear the appropriate sort code in the top right hand corner. Third party cheques will not be accepted with the exception of building society or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque or banker's draft to such effect. Cheques and banker's drafts may be presented for payment upon receipt and return of the Provisional Allotment Letter with the appropriate remittance will constitute a warranty that the remittance will be honoured on first presentation. The Company may (with the consent of the Joint Underwriters) elect to treat as invalid acceptances in respect of which remittances are not so honoured. All payments must be made in pounds sterling. The Company reserves the right to instruct Computershare to seek special clearance of cheques and banker's drafts.

Interest will not be paid on payments received before they are due but will accrue for the benefit of the Company.

After the date specified in the Provisional Allotment Letters as the last date for registration of renunciation (which is 14 July 2008), Provisional Allotment Letters will cease to be valid for any purpose whatsoever.

All queries in connection with Provisional Allotment Letters should be addressed to Computershare, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.

(c) Dealings in Nil Paid Rights

Subject to the Rights Issue becoming wholly unconditional, dealings on the London Stock Exchange and the Irish Stock Exchange in the Nil Paid Rights are expected to commence, at 8.00 a.m. on 23 June 2008. A transfer of Nil Paid Rights may only be made, save as required by the laws of certain jurisdictions, by renunciation of the Provisional Allotment Letter or, in the case of any person in whose favour the rights have been renounced, by delivery of such letter to the transferee, up to the latest time for acceptance and payment in full stated in the Provisional Allotment Letter, which is 11.00 a.m. on 14 July 2008. Instructions for the disposal of all or part of an entitlement to subscribe for Rights Issue Shares are contained in paragraph 2.2(b) (ii) above and will also be contained in the Provisional Allotment Letter.

(d) Dealings in Fully Paid Rights

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document and (in the case of Qualifying non-CREST Shareholders) in the Provisional Allotment Letter, the Fully Paid Rights may be transferred by renunciation of the relevant Provisional Allotment Letter and lodging the same by post (or by hand during normal business hours) with Computershare at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 Ireland at any time up to

11.00 a.m. on 14 July 2008. Thereafter, the Rights Issue Shares will be registered and transferable in the usual common form or, if they have been issued in or converted into uncertificated form, in electronic form under the CREST system.

(e) *Deposit of Nil Paid Rights or Fully Paid Rights into CREST*

The Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter may be converted into uncertificated form, that is, deposited into CREST (whether such conversion arises as a result of a renunciation of those rights or otherwise). Subject as provided in the next paragraph and in the Provisional Allotment Letter, normal CREST procedures (except for the last time for stock deposits) apply in relation to any such conversion. You are recommended to refer to the CREST Manual for details of such procedures.

The procedure for depositing the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter into CREST, whether such rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address appear(s) on page 1 of the Provisional Allotment Letter or in the name of a person or persons to whom this letter has been renounced is as follows: Form X and the CREST Deposit Form (both on page 4 of the Provisional Allotment Letter) will need to be completed and the Provisional Allotment Letter deposited by the Qualifying non-CREST Shareholder or his CREST Sponsor with the CREST Courier and Sorting Service ("**CCSS**"); in addition, the normal CREST Stock Deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS and (b) only the whole of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter may be deposited into CREST. If you wish to deposit some only of the Nil Paid Rights or in Fully Paid Rights represented by the Provisional Allotment Letter into CREST, you must first apply for split Provisional Allotment Letters. If the rights represented by more than one Provisional Allotment Letter are to be deposited, the CREST Deposit Form on each letter must be completed and deposited. **The Consolidation Listing Form must not be used**.

A holder of the Nil Paid Rights represented by the Provisional Allotment Letter who is proposing to convert these rights into uncertificated form (whether following a renunciation of such rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Nil Paid Rights in CREST following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 14 July 2008. **In particular, having regard to processing times in CREST and on the part of Computershare the latest time for depositing a renounced Provisional Allotment Letter, with the CREST Deposit Form on page 4 of the Provisional Allotment Letter duly completed, with the CCSS (in order to enable the person acquiring the in Nil Paid Rights in CREST as a result of the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 14 July 2008) is 3.00 p.m. on 8 July 2008.**

(f) *CREST*

Qualifying Shareholders wishing to hold Rights Issue Shares in uncertificated form will need to apply for their Rights Issue Shares to be credited to the appropriate CREST stock account in accordance with the procedures contained in the Provisional Allotment Letter, otherwise the Rights Issue Shares will initially be issued in certificated form and be represented by definitive share certificates, which are expected to be despatched by 22 July 2008 to the registered holders, or in the case of joint holders, to the first named registered holder, at that holder's address.

(g) *Documents of title*

Provisional Allotment Letters will comprise temporary documents of title.

Definitive share certificates are to be despatched by post by 22 July 2008 at the risk of the person(s) entitled to them, to accepting Qualifying non-CREST Shareholders and renouncees or their agents or, in the case of joint holdings, to the first-named Shareholder. Following the despatch of definitive share certificates, Provisional Allotment Letters will cease to be valid for any purpose whatsoever.

Where the Rights Issue Shares comprised in a Provisional Allotment Letter have been paid for in accordance with the provisions of paragraph 2.1 above, the Provisional Allotment Letter, with the receipt at the foot of such letter duly completed, will (subject to the provisions of paragraph 2.1 above) be returned to the person making the payment who, unless he is the original allottee must have completed the paying agent's box at the foot of such letter.

After 15 July 2008 and pending the issue of definitive share certificates, instruments of transfer relating to Rights Issue Shares will be certified by Computershare against the surrender of fully paid Provisional Allotment Letters and/or, in the case of renunciations, against the delivery of fully paid registration receipt forms, duly stamped by Computershare.

2.3 Action to be taken in relation to Nil Paid Rights in CREST

(a) General

Subject to passing of the Resolutions at the General Meeting and subject as provided for in paragraph 6 of Part 7 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his entitlement to Nil Paid Rights. The CREST stock account to be credited will be an account under the participant ID and Member Account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Nil Paid Rights are provisionally allotted.

The Nil Paid Rights will constitute a separate security and can accordingly be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST.

If for any reason stock accounts of Qualifying CREST Shareholders cannot be credited by, or the Nil Paid Rights cannot be enabled on, 23 June 2008, Provisional Allotment Letters will be sent out in substitution for the Nil Paid Rights which have not been so credited or enabled and the expected timetable as set out in this document will (subject to consultation by the Company with the Joint Underwriters) be adjusted as appropriate. References to date and times in this document should be read as subject to any such adjustment. The Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

CREST members who wish to take up the entitlements in respect of, or otherwise to transfer Nil Paid Rights or Fully Paid Rights held by them in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to take up your entitlement as only your CREST sponsor will be able to take the necessary action to take up your entitlements or otherwise to deal with your Nil Paid Rights or Fully Paid Rights.

CREST MEMBERS OR CREST SPONSORED MEMBERS WHO WISH TO TAKE UP ANY PART OF THEIR ENTITLEMENTS WHICH ARE HELD FOR THE ACCOUNT OR BENEFIT OF A PERSON IN THE UNITED STATES OR ANY EXCLUDED JURISDICTION DETERMINED TO BE ELIGIBLE TO PARTICIPATE IN THE RIGHTS ISSUE IN ACCORDANCE WITH THE PROCEDURES SET FORTH IN THIS DOCUMENT AND APPLICABLE LAW WILL BE REQUIRED TO MATERIALISE SUCH PART OF THEIR ENTITLEMENTS AND WILL RECEIVE A PROVISIONAL ALLOTMENT LETTER IN RESPECT OF SUCH PART OF THEIR ENTITLEMENTS. ANY SUCH CREST MEMBERS OR, WHERE APPLICABLE, SUCH CREST SPONSOR SHOULD CONTACT COMPUTERSHARE.

(b) Procedure for acceptance and payment

(1) Many-To-Many Instructions

CREST members who wish to take up all or some of their entitlement in respect of Nil Paid Rights in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a Many-To-Many ("MTM") instruction to Euroclear which, on its settlement, will have the following effect:

(aa) the crediting of a stock account of Computershare under the participant ID and Member Account ID specified below, with the number of Nil Paid Rights to be taken up;

(bb) the creation of a settlement bank payment obligation (as defined in the CREST Manual), in accordance with the CREST RTGS payment mechanism (as defined in the CREST Manual), in favour of the RTGS settlement bank of Computershare in sterling, in respect of the full amount payable on acceptance in respect of the Nil Paid Rights referred to in sub-paragraph (aa) above; and

(cc) the crediting of a stock account of the accepting CREST member (being an account under the same participant ID and Member Account ID as the account from which the Nil Paid Rights are to be debited on settlement of the MTM instruction) of the corresponding number of Fully Paid Rights to which the CREST member is entitled on taking up his Nil Paid Rights referred to in sub-paragraph (aa) above.

(2) Contents of Many-To-Many Instructions

The MTM instruction must be properly authenticated in accordance with Euroclear's specifications and must contain in addition to the other information that is required for settlement in CREST, the following details:

- the number of Nil Paid Rights to which the acceptance relates;
- the participant ID of the accepting CREST member;
- the Member Account ID of the accepting CREST member from which the Nil Paid Rights are to be debited;
- the participant ID of Computershare, in its capacity as a CREST receiving agent. This is RA71;
- the Member Account ID of Computershare, in its capacity as a CREST receiving agent. This is UTV;
- the number of Fully Paid Rights that the CREST member is expecting to receive on settlement of the MTM instruction. This must be the same as the number of Nil Paid Rights to which the acceptance relates;
- the amount payable by means of the CREST assured payment obligation on settlement of the MTM instruction. This must be the full amount payable on acceptance in respect of the number of Nil Paid Rights which the acceptance relates;
- the intended settlement date. This must be on or before 11.00 a.m. on 14 July 2008;
- the Nil Paid Rights ISIN which is GB00B2RKH502;
- the Fully Paid Rights ISIN which is GB00B2RKHC75; and
- the Corporate Action Number for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST;
- input with standard MTM delivery instructions of 80; and
- contact name and telephone numbers in the shared notes field.

(3) Valid Acceptance

An MTM instruction complying with each of the requirements as to authentication and contents set out in sub-paragraph (2) of this paragraph 2.3(b) above will constitute a valid acceptance where either:

(aa) the MTM instruction settles by not later than 11.00 a.m. on 14 July 2008; or

(bb) (i) the MTM instruction is received by Euroclear by not later than 11.00 a.m. on 14 July 2008 and (ii) a number of Nil Paid Rights at least equal to the number of Nil Paid Rights inserted in the MTM instruction is credited to the CREST stock member account of the accepting CREST member specified in the MTM instruction at 11.00 a.m. on 14 July 2008.

An MTM instruction will be treated as having been received by Euroclear for these purposes at the time at which the instruction is processed by the Network Providers' Communications Host (as this term is defined in the CREST Manual) or Euroclear of the network provider used by the CREST member (or by the CREST personal member's CREST sponsor). This will be conclusively determined by the input time stamp applied to the MTM instruction by the Network Providers' Communications Host.

(4) Representations, Warranties and Undertakings of CREST Members

A CREST member or CREST sponsor (on behalf of a CREST sponsored member) who makes a valid acceptance in accordance with this paragraph 2.3(b) of this Part 7 represents, warrants and undertakes to the Company that he has taken (or procured in be taken), and will take (or will procure to be taken), whatever action is required (to be taken by him or by his CREST sponsor (as appropriate) to ensure that the MTM instruction concerned is capable of settlement at 11.00 a.m on 14 July 2008 and remains capable of settlement at all times after that until 2.00 p.m. on 14 July 2008 (or until such later time and date as the Company and the Joint Underwriters may determine). In particular, the CREST member or CREST sponsored member represents, warrants and undertakes that, at 11.00 a.m. on 14 July 2008 and at all times thereafter until 2.00 p.m. on 14 July 2008 (or until such later time and date as the Company and the Joint Underwriters may determine), there will be sufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account to be debited with the amount payable on acceptance to permit the MTM instruction to settle. CREST sponsored members should contact their sponsor if they are in any doubt.

(5) CREST Procedures and Timings

CREST members and CREST sponsors (on behalf of CREST sponsored members) should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of an MTM instruction and its settlement in connection with the Rights Issue. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 14 July 2008. In this connection CREST members and (where applicable) CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(6) CREST Member's Undertaking to Pay

A CREST member or CREST sponsored member, who makes a valid acceptance in accordance with the procedures set out in this paragraph 2.3 (b), (a) undertakes to pay to the Company, or procure the payment to the Company of, the amount payable on acceptance in accordance with the above procedures or in such other manner as the Company may require (it being acknowledged that, where payment is made by means of the CREST assured payment arrangements (as defined in the CREST Manual) the creation of an assured payment obligation in favour of Computershare payment bank in accordance with the CREST assured payment arrangements shall, to the extent of the obligation so created, discharge in full the obligation of the CREST member (or CREST sponsored member) to pay to the Company the amount payable on acceptance) and (b) requests that the Fully Paid Rights and/or Rights Issue Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the memorandum and articles of association of the Company.

(7) Company's discretion as to rejection and validity of acceptances

The Company may agree in their absolute sole discretion to:

(a) reject any acceptance constituted by an MTM instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in this paragraph 2.3(b) of this Part 7. Where an acceptance is made as described in this paragraph 2.3(b) of this Part 7 which is otherwise valid, and the MTM instruction concerned fails to settle by 2.00 p.m. on 14 July 2008 (or by such later time and date as the Company and the Joint Underwriters have agreed), the Company shall be entitled to assume, for the purposes of their right to reject an acceptance contained in this paragraph 2.3(b) of this Part 7 that there has been a breach of the representations, warranties and undertakings set out or referred to in this paragraph 2.3(b) of this Part 7 unless the Company is aware of any reason outside the control of the CREST member or CREST sponsor (as appropriate) concerned for MTM instruction to settle;

(b) with the agreement of the Joint Underwriters, treat as valid (and binding on the CREST member or CREST sponsored member concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 2.3(b) of this Part 7;

(c) with the agreement of the Joint Underwriters, accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, an MTM instruction and subject to such further terms and conditions as the Company may determine;

(d) with the agreement of the Joint Underwriters, treat a properly authenticated dematerialised instruction (in this subparagraph the "first instruction") as not constituting a valid acceptance if, at the time at which Computershare receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or Computershare has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(e) with the agreement of the Joint Underwriters, accept an alternative instruction or notification front a CREST member or (where applicable) a CREST sponsor extend the time for acceptance and/or settlement (if an MTM instruction or any alternative instruction or notification, if, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to take up all or part of his Nil Paid Rights by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of facilities and/or systems operated by Computershare in connection with CREST.

(c) Dealings in Nil Paid Rights

Subject to the passing of the Resolutions at the General Meeting and the Rights Issue otherwise becoming unconditional, dealings in the Nil Paid Rights on the London Stock Exchange are expected to commence at 8.00 a.m. on 23 June 2008. A transfer of Nil Paid Rights can be made by means of CREST in the same manner as any other security that is admitted to CREST. The Nil Paid Rights are expected to be disabled in CREST after close of business on 14 July 2008.

(d) Dealings in Fully Paid Rights

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document and (where appropriate) the Provisional Allotment Letter, the Fully Paid Rights may be transferred (in whole or in part) by means of CREST in the same manner as any other security that is admitted to CREST. The last date for settlement of any transfer of Fully Paid Rights in CREST is expected to be on 14 July 2008. The Fully Paid Rights are expected to be disabled in CREST after the close of CREST business on 14 July 2008.

After 14 July 2008, the Rights Issue Shares will be registered in the name(s) of the person(s) entitled to them in the Company's register of members and will be transferable in the usual way.

(e) *Withdrawal of Nil Paid Rights or Fully Paid Rights from CREST*

Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Normal CREST procedures (including timings) apply in relation to any such conversion.

The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Nil Paid Rights from CREST is 4.30 p.m. on 7 July 2008 so as to enable the person acquiring or (as appropriate) holding the Nil Paid Rights following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 14 July 2008.

(f) *Issue of Rights Issue Shares in CREST*

Fully Paid Rights in CREST are expected to be disabled in CREST after the close of CREST business on 14 July 2008 (the latest date for settlement of transfers of Fully Paid Rights in CREST). Rights Issue Shares (in definitive form) will be issued in uncertificated form to those persons registered as holding Fully Paid Rights in CREST at the close of business on that date. Computershare will instruct Euroclear to credit the appropriate stock accounts of those persons (under the same participant ID and Member Account ID that applied to the Fully Paid Rights held by those persons) with their entitlements to Rights Issue Shares with effect from the next business day (expected to be 15 July 2008).

(g) *Right to allot/issue in certificated form*

Despite any other provision of this document, the Company reserves the right to allot and/or issue any Nil Paid Rights, Fully Paid Rights or Rights Issue Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Computershare in connection with CREST.

3. PROCEDURE IN RESPECT OF THE RIGHTS NOT TAKEN UP (WHETHER CERTIFICATED OR IN CREST)

If a Qualifying Shareholder does not wish to take up his entitlement, he does not need to take any action, except that he is requested to complete and return his Form of Proxy in accordance with the instructions in Part 7 of this document. If payment in full in respect of any Rights Issue Shares (whether by the original allottee or any person in whose favour the rights have been renounced) is not received by 11.00 a.m. on 14 July 2008 in accordance with the procedure for acceptance and payment set out in this document, and, for Qualifying non-CREST Shareholders only in the Provisional Allotment Letter, the provisional allotment of Rights Issue Shares will be deemed to have been declined and will lapse. The Joint Underwriters (subject to their overriding discretion referred to in the Underwriting Agreement) will, as agents for the Company, use their reasonable endeavours to procure subscribers for all of the Rights Issue Shares not taken up by no later than 3.00 p.m. on 14 July 2008, if a price which is at least equal to the aggregate of the Rights Issue Price and the expenses of procuring such subscription (including any applicable commissions and VAT) can be obtained. Notwithstanding the above, at any time after 3.00 p.m. on 16 July 2008, the Joint Underwriters may cease to endeavour to procure any such subscribers, if in their opinion, there is no reasonable likelihood that any such subscribers can be so procured at such a price by such time, whereupon the Joint Underwriters shall be under no obligation to any person to endeavour to procure any such subscribers.

It will be a term of such subscription that any premium over the aggregate of the Rights Issue Price and the expenses of procuring subscribers (including any VAT) shall be paid (subject as provided in this paragraph 3):

(i) where the provisional allotment was, at the time of its lapsing, represented by a Provisional Allotment Letter, to the person whose name and address appeared on page 1 of the Provisional Allotment Letter; and

(ii) where the Nil Paid Rights were, at the time of their lapsing, in uncertificated form, to the person registered as the holder of such Nil Paid Rights at the time of their disablement in CREST.

Rights Issue Shares for which subscribers are procured on this basis will be re-allotted to such subscribers at the Rights Issue Price and any net proceeds (after deduction of the Rights Issue Price and expenses, including any applicable commissions and VAT thereon) will be paid (without interest) by cheque to those persons entitled (as referred to above), *pro rata* to their lapsed provisional entitlements, except that in each case individual amounts of less than three pounds (£3) will not be paid but will be aggregated and retained by the Company. Cheques for amounts due (if any) will be sent by post at the risk of the person entitled to them at his registered address provided that, where any entitlement concerned was held in CREST, the amount due will, unless the Company (in its absolute discretion) otherwise determines, be satisfied by the Company procuring the creation of an assured payment obligation in favour of the relevant CREST member's (or CREST sponsored member's) payment bank in respect of the cash amount concerned in accordance with the CREST assured payment arrangements.

The Joint Underwriters will be entitled to retain any brokerages, commissions or other benefits received in connection with these arrangements. Neither the Company, nor the Joint Underwriters, nor any persons arranging or procuring any such subscribers, shall be responsible or have any liability to any person for any loss or damage or alleged loss or damage arising from any insufficiency or alleged insufficiency of any price at which any Rights Issue Shares may be sold or from the terms, amounts, manner or timing of any such sales or subscriptions or any failure or any decision not to endeavour to procure subscribers.

If subscribers for the Rights Issue Shares not taken up are not procured on the basis described above by 3.00 p.m. on 14 July 2008, the Joint Underwriters will subscribe or procure subscribers for such Rights Issue Shares at the Rights Issue Price pursuant to the Underwriting Agreement.

4. MONEY LAUNDERING REGULATIONS 2007

It is a term of the Rights Issue that, to ensure compliance with the Money Laundering Regulations 2007 (the "Money Laundering Regulations"), Computershare may require verification to establish the identity of any person by whom or on whose behalf a Provisional Allotment Letter is lodged with payment (which requirements are referred to below as the "verification of identity requirements").

The person(s) (the "acceptor") who, by lodging a Provisional Allotment Letter with payment, as described above, accept(s) the allotment of Rights Issue Shares (the "relevant Rights Issue Shares") comprised in such Provisional Allotment Letter (being the provisional allottee or, in the case of a renunciation, the person named in Form Y on such Provisional Allotment Letter) and any agent lodging such Provisional Allotment Letter on his behalf, shall thereby be deemed to agree to provide Computershare with such information and other evidence as Computershare shall require to satisfy the verification of identity requirements. If it appears to Computershare that the acceptor is acting on behalf of some other person, verification of the identity of any person on whose behalf the acceptor appears to be acting may be required. If the Provisional Allotment Letter is submitted by and/or payment is made by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not Computershare.

If Computershare determines that the verification of identity requirements apply to any acceptor, the relevant Rights Issue Shares will be allotted to the acceptor but (notwithstanding any other term of the Rights Issue) will not be issued to him or registered in his name until the verification of identity requirements have been satisfied.

If within a reasonable period of time following a request for verification of identity, Computershare has not received evidence satisfactory to it, as aforesaid, the Company may, at its absolute discretion, elect to treat the relevant acceptance as invalid, in which event, the provisional allotment will be deemed to have been declined and will lapse. Alternatively, the Company may terminate the Qualifying Shareholder's rights in respect of the Rights Issue Shares to which such Provisional Allotment Letter relates, in which event the relevant rights will lapse. The monies payable on acceptance of the rights will be returned without interest to the drawee bank from which such monies were originally debited. Such termination will be without prejudice to the rights of the Company to take proceedings against the applicant to recover the amount by which the net proceeds of sale (if any) of the relevant Rights Issue Shares fall short of the full amount payable on acceptance under the Rights Issue in respect thereof. Alternatively, the Company may make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant Rights Issue Shares and for that purpose the Company will be authorised to act as agent of the acceptor. Any proceeds of sale of the relevant Rights Issue Shares (net of expenses of sale) which shall be issued to and registered in the name of the purchaser(s) or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the acceptor, subject to the requirements of the Money Laundering Regulations.

Return of a Provisional Allotment Letter with the appropriate remittance will constitute a warranty from the acceptor that the Money Laundering Regulations will not be breached by acceptance of such remittance. If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in your acceptance being treated as invalid or in delays in the despatch of certificates for Ordinary Shares or in crediting your CREST stock account.

The verification of identity requirements will not usually (although they may in some cases) apply if:

(a) the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or

(b) the acceptor (not being an acceptor who delivers his acceptance in person) makes payment by way of a cheque drawn on an account in the name of such acceptor; or

(c) the acceptor is an organisation required to comply with the EU Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (91/308/EEC)); or

(d) the aggregate subscription price for the relevant Rights Issue Shares is less than €15,000 (or its Pounds Sterling equivalent).

Where the verification of identity requirements apply please note the following as this will assist in satisfying the requirements. Satisfaction of these requirements may be facilitated in the following ways:

(a) if payment is made by building society cheque (not being a cheque drawn on an account of the acceptor) or banker's draft, by the building society or bank endorsing on the cheque or draft the acceptor's name and the number of an account held in the acceptor's name at such building society or bank, such endorsement being validated by a stamp and authorised signature; or

(b) if the Provisional Allotment Letter is lodged with payment by an agent which is an organisation of the kind referred to in (c) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, members of the Gulf Co-operation Council (being Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland and the United States), the agent should provide written confirmation that it has that status with the Provisional Allotment Letter(s) and written assurances that it has obtained and recorded the evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to Computershare or the relevant authority.

In order to confirm the acceptability of any written assurance referred to in (iii) above or in any other case, the acceptor should contact Computershare (telephone number 00 353 1447 5524) between 9.00 a.m. and 5.00 p.m. (London time) on any business day. Please note that calls may be monitored or recorded.

If a Provisional Allotment Letter in respect of Rights Issue Shares is lodged by hand by the acceptor in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, a full valid/passport) and evidence of his address. **Computershare is entitled in its absolute discretion to determine whether the verification of identity apply to any acceptor and whether such requirements have been satisfied.**

If you hold your Nil Paid Rights in CREST and apply to take up all or part of your entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a bank, a broker or another financial institution), then, irrespective of the value of the application, Computershare is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. Qualifying CREST Shareholders must, therefore, contact Computershare before sending any MTM or other instruction so that appropriate measures may be taken.

Submission of an MTM instruction which constitutes, or which may, on its settlement, constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to provide promptly to Computershare such information as may be specified by Computershare as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Computershare as to identity, Computershare may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay settlement of the MTM instruction. If satisfactory evidence of identity has not been provided within a reasonable time, then Computershare will not permit the MTM instructions concerned to proceed to settlement but without prejudice to the right of the company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

None of the Company, Computershare or the Joint Underwriters shall be responsible for or have any liability for loss or damage (whether actual or alleged) arising from the election by the Company to treat an acceptance in respect of Nil Paid Rights or Rights Issue Shares lodged by an applicant as invalid or to terminate the Qualifying Shareholder's rights in respect of the Rights Issue Shares to which the Provisional Allotment Letter relates or the Nil Paid Rights credited to their CREST stock account, as appropriate, or as a result of the sale of relevant Rights Issue Shares, or as a result of Computershare not having received from the acceptor evidence reasonably satisfactory to it as to the identity of the person(s) lodging the relevant Provisional Allotment Letter or making the MTM instruction, as appropriate, within a reasonable time of Computershare' request for such information.

5. TAXATION

Your attention is drawn to the section headed "United Kingdom Taxation" and "Republic of Ireland Taxation" set out in paragraph 17 of Part 10 of this document.

6. OVERSEAS SHAREHOLDERS

General

THE OFFER OF RIGHTS ISSUE SHARES TO PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, COUNTRIES OTHER THAN THE UNITED KINGDOM OR THE REPUBLIC OF IRELAND MAY BE AFFECTED BY THE LAW OR REGULATORY REQUIREMENTS OF THE RELEVANT JURISDICTION. IT IS THE RESPONSIBILITY OF ALL PERSONS (INCLUDING, WITHOUT LIMITATION, NOMINEES AND TRUSTEES) OUTSIDE THE UNITED KINGDOM AND THE REPUBLIC OF IRELAND WHO WISH TO APPLY FOR RIGHTS ISSUE SHARES TO SATISFY THEMSELVES AS TO FULL OBSERVANCE OF THE LAWS AND REGULATORY REQUIREMENTS OF THE RELEVANT TERRITORY IN CONNECTION THEREWITH, INCLUDING OBTAINING ALL NECESSARY GOVERNMENTAL OR OTHER CONSENTS, COMPLYING WITH ANY OTHER RELEVANT FORMALITIES AND PAYING ANY ISSUE, TRANSFER OR OTHER TAXES DUE IN SUCH TERRITORIES.

Overseas Shareholders who are in any doubt as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for their entitlement to Rights Issue Shares should consult their own professional advisers.

Receipt of this document and/or a PAL or the crediting of Nil Paid Rights to a CREST account does not and will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this document and/or a PAL either will not be sent or will be deemed to have been sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or a PAL and/or who receives a credit of Nil Paid Rights to a CREST account in any territory other than the United Kingdom or the Republic of Ireland may treat the same as constituting an invitation or offer which could lawfully be made to him/her, or use the PAL or deal with Nil Paid Rights or Fully Paid Rights in CREST without contravention of any registration or other legal requirements.

Accordingly, persons receiving a copy of this document and/or a PAL or whose CREST account is credited with Nil Paid Rights or Fully Paid Rights should not, in connection with the Rights Issue, distribute or send the PAL in or into, or transfer Nil Paid Rights or Fully Paid Rights to any person in or into, any jurisdiction where to do so would or might contravene local securities laws or regulations. If a PAL or a credit of Nil Paid Rights or Fully Paid Rights in CREST is received by any person in any such territory, or by his/her agent or nominee, he/she must not seek to take up the rights referred to in the PAL or in this document or renounce the PAL or transfer the Nil Paid Rights or Fully Paid Rights in CREST except under an express written agreement with the Company. Any person who does forward this document and/or a PAL into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 6.

The comments set out in this paragraph 6 are intended as a general guide only and any Qualifying Shareholder who is in doubt as to his/her eligibility to accept the offer of Rights Issue Shares should consult his/her professional adviser immediately.

UTV, with the consent of the Joint Underwriters, reserves the right to treat as invalid any acceptance or purported acceptance of the offer of Rights Issue Shares which appears to UTV or its agents to have been executed, effected or despatched in a manner which may involve a breach of the legislation of any jurisdiction or if it believes, or its agents believe, that the same may violate applicable legal or regulatory requirements or if a Qualifying Shareholder provides an address for delivery of share certificates for Rights Issue Shares, or, in the case of a credit of Rights Issue Shares in CREST such credit it is made to a CREST member of a CREST sponsored member whose registered address is in any jurisdiction outside the United Kingdom or the Republic of Ireland in which it would be unlawful to deliver such share certificates.

Notwithstanding any other provision of this document or the PAL, UTV reserves the right to permit any Qualifying Shareholder to apply for his/her entitlement to Rights Issue Shares under the Rights Issue if UTV in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question or would not result in the contravention of an applicable legal or regulatory requirements.

Those Shareholders who wish, and are permitted, to subscribe for Rights Issue Shares should note that payments must be made as described in this Part 7.

United States of America

The Rights Issue Shares have not been and will not be registered under the US Securities Act or under any relevant securities laws of any state of the United States and, subject to certain exceptions, may not be directly or indirectly offered, sold, taken up, delivered or transferred in or into the United States or to, or for the account or benefit of, a US person.

United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa

Due to restrictions under the securities laws of the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa, no copies of this document or the PALs will be sent to Qualifying Shareholders with registered addresses in any of those countries.

Accordingly, the Rights Issue is not being made by way of this document or any PAL to Qualifying Shareholders with registered addresses in, or to residents of any of the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa.

Overseas territories other than the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa

PALs will be posted to overseas Qualifying Shareholders other than those Qualifying Shareholders who have registered addresses in the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa. Such Qualifying Shareholders may, subject to the laws of their relevant jurisdiction, accept the Rights Issue in accordance with the instructions set out in this document and the PAL.

Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the United Kingdom or the Republic of Ireland should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to accept the Rights Issue.

If you are in any doubt as to your eligibility to accept the offer of Rights Issue Shares you should contact your professional adviser immediately.

Representations and Warranties relating to Overseas Shareholders

Any person accepting the Rights Issue represents and warrants to UTV and the Joint Underwriters that, except where proof has been provided to UTV's satisfaction that such person's use of the PALs will not result in the contravention of any applicable legal or regulatory requirement in any jurisdiction, (a) such person is not accepting the Rights Issue from within the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa, (b) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Rights Issue Shares, (c) such person is not acting on a non-discretionary basis for a person located within the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa or any territory referred to in (b) above at the same time the instruction to accept or renounce was given, and (d) such person is not acquiring Rights Issue Shares with a view to offer, sell, resell, transfer, deliver or distribute, directly or indirectly, any such Rights Issue Shares into the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa or any territory referred to in (b) above.

UTV may (with the consent of the Joint Underwriters) treat as invalid any acceptance or purported acceptance of the allotment of Rights Issue Shares if it (a) appears to UTV to have been executed in or despatched from the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement, (b) provides an address in the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa for delivery of definitive share certificates for Rights Issue Shares (or any jurisdiction outside the UK in which it would be unlawful to deliver such certificates), or (c) purports to exclude the warranty required by this paragraph.

The comments set out in this paragraph are intended as a guide only and persons resident in or who are citizens of, countries other than the UK or the Republic of Ireland should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

7. GOVERNING LAW

The terms and conditions of the Rights Issue as set out in this Part 7 of this document and the Provisional Allotment Letter shall be governed by, and construed in accordance with, English law. The Courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, this document or the Provisional Allotment Letter.

By taking up their entitlement to Rights Issue Shares and/or Fully Paid Rights and/or Nil Paid Rights under the Rights Issue, Qualifying Shareholders irrevocably submit to the jurisdiction of the Courts of England and Wales and waive any objection to proceedings in any court on the ground of venue or on the ground that proceedings have been brought in an inconvenient form.

8. FURTHER INFORMATION

Your attention is drawn to the Expected Timetable of Principal Events on page 15 of this document, the letter of the Chairman of UTV Media plc set out in Part 4, the Risk Factors set out in Part 2 and to the information on the Group set out in Parts 4, 5, 6 and 8, in the case of Qualifying non-CREST Shareholders only, to the terms and conditions set out in the accompanying documents.

PART 8

FINANCIAL INFORMATION RELATING TO THE GROUP

The audited reports and accounts (including audit reports) of UTV for the financial years ending 31 December 2005, 2006 and 2007 can be found on pages 30-85 of UTV Limited's (formerly UTV plc) 2005 annual reports and accounts, pages 35-89 of UTV Limited's (formerly UTV plc) 2006 annual report and accounts and pages 43-100 of UTV Media plc's 2007 annual report and accounts. The accountants' report on the historical financial information of FM104 and the historical financial information can be found on pages 19-38 of the FM104 Circular and the unaudited pro forma statement of net assets of the Group illustrating the enlarged Group following the FM104 Acquisition on pages 40-41 of the FM104 Circular and are incorporated into this document as explained in Part 11 of this document. This information has been made public and can be accessed by visiting UTV's website at http://www.utvmedia.com.

PART 9

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

The unaudited *pro forma* statement of net assets of the Group set out below has been prepared based on the accounting policies of UTV Media as at 31 December 2007 for illustrative purposes only. It illustrates the effects on the consolidated net assets of UTV Media at 31 December 2007 of the FM104 Acquisition and the proposed Rights Issue and the related change in financing on the net assets of the Group as if they had each occurred on 31 December 2007. Because of its nature, the unaudited *pro forma* statement of net assets addresses a hypothetical situation and does not therefore represent the Group's actual financial position.

Unaudited Pro Forma Statement of Net Assets of the Group as at 31 December 2007

		Adjustments			
	UTV Media Note 1 £'000	*FM104 Note 2 £'000*	*Other Notes 3 and 4 £'000*	*Net proceeds of the Rights Issue and related change in financing Note 5 £'000*	*Pro forma Net Assets of the Group £'000*
Non-current assets					
Property, plant and equipment	10,452	226	—	—	10,678
Intangible assets	189,628	—	40,202	—	229,830
Investments	498	—	—	—	498
Deferred tax asset	17,060	5	—	—	17,065
	217,638	231	40,202	—	258,071
Current assets					
Inventories	493	—	—	—	493
Trade and other receivables	27,931	1,384	(1,104)	—	28,211
Financial assets	902	23	—	—	925
Cash and short-term deposits	10,237	—	(5,169)	—	5,068
	39,563	1,407	(6,273)	—	34,697
Current Liabilities					
Trade and other payables	(25,103)	(1,024)	—	—	(26,127)
Financial liabilities	(10,391)	—	—	2,300	(8,091)
Tax payable	(1,697)	(226)	—	—	(1,923)
Provisions	(419)	—	—	—	(419)
	(37,610)	(1,250)	—	2,300	(36,560)
Total assets less current liabilities	219,591	388	33,929	2,300	256,208
Non-current liabilities					
Financial liabilities	(107,032)	—	(34,317)	44,369	(96,980)
Pension liabilities	(1,861)	—	—	—	(1,861)
Provisions	(910)	—	—	—	(910)
Deferred tax liabilities	(38,420)	—	—	—	(38,420)
	(148,223)	—	(34,317)	44,369	(138,171)
NET ASSETS	71,368	388	(388)	44,669	118,037

Notes:

1. The consolidated net assets of UTV Media have been extracted without material adjustment from the audited consolidated balance sheet of UTV Media as at 31 December 2007.

2. The combined net assets of FM104 have been extracted without material adjustment from the combined balance sheet of FM104 as at 31 October 2007 as set out on pages 19-38 of the FM104 Circular as incorporated into this document in Part 11. For the purposes of the *pro forma* statement these are adjusted to reflect the terms of the FM104 Acquisition agreement and

translate them into sterling, the reporting currency of UTV Media, as outlined in the table below and set out on pages 40-41 of the FM104 Circular as incorporated into this document in Part 11.

	Combined net assets of FM104 31 October 2007 €'000	*Assets excluded from FM104 Acquisition Note (a) €'000*	*Net assets being acquired €'000*	*To be included in Group post FM104 Acquisition Note (b) £'000*
Non-current assets				
Property, plant and equipment	306	—	306	226
Deferred tax asset	7	—	7	5
	313	—	313	231
Current assets				
Trade and other receivables	5,005	(3,130)	1,875	1,384
Financial assets	32	—	32	23
Cash and short-term deposits	1,155	(1,155)	—	—
	6,192	(4,285)	1,907	1,407
Current liabilities				
Trade and other payables	(1,410)	23	(1,387)	(1,024)
Tax payable	(307)	—	(307)	(226)
	(1,717)	23	(1,694)	(1,250)
Total assets less current liabilities	4,788	(4,262)	526	388

Notes:

(a) The FM104 Acquisition agreement to acquire FM104 states that UTV Radio (ROI) Limited, a subsidiary of UTV Media, will acquire the net assets of FM104 excluding the shares held in New 106 Limited, any cash and intercompany balances. The net assets as 31 October 2007 have thus been adjusted to exclude these amounts.

(b) The net assets being acquired have been translated at a rate of £1= €1.355 being the closing rate at 31 December 2007.

3. The consideration for FM104 is shown as £40.6m, being the agreed acquisition price of approximately €52.0m, translated at the exchange rate at 31 December 2007 of £1= €1.355, plus estimated costs of acquisition of £2.2m. An adjustment has been made to reflect payment of this consideration which is funded by:

	Notes:	*£'000*
Deposit	(a)	1,104
Cash and short-term deposits	(b)	5,169
Drawdown of loan	(c)	34,317
Total consideration		40,590

Notes:

(a) The deposit of £1.1m was paid in December 2007 and is included within Trade and other receivables in UTV Media's net assets at 31 December 2007.

(b) The cash payable as consideration is from that raised through the equity placing on 18 December 2007 and held within the cash balance in UTV Media's net assets at 31 December 2007.

(c) The drawdown of £34.3m reflects an expected draw down of €46.5m from the Acquisition Facility with the Governor and Company of the Bank of Ireland as outlined in Part 10 of this document.

4. The excess of the purchase consideration of £40,590,000 over the net assets acquired of £388,000 of £40,202,000 has been recorded as goodwill.

5. Adjustment has been made to reflect estimated funds from the Rights Issue and the related change in financing of £46,669,000 net of expenses of £3,200,000.

6. No account has been taken of the trading of the Group since 31 December 2007 or FM104 since 31 October 2007. If the Rights Issue and the related change in financing had taken place immediately before 1 January 2007, the effect on the earnings of the Group for the year ended 31 December 2007 would have been to reduce the interest charge with a related increase in taxation charge.

REPORT BY ERNST & YOUNG LLP ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

The Directors
UTV Media plc
Ormeau Road
Belfast
BT7 1EB

4 June 2008

Dear Sirs

UTV MEDIA PLC

We report on the unaudited *pro forma* statement of net assets of the Group (the "Pro Forma Financial Information") set out in Part 9 of the prospectus dated 4 June 2008 which has been prepared on the basis described in notes 1 to 6, for illustrative purposes only, to provide information about how the acquisition of Capital Radio Productions plc and Babstova plc (the "FM104 Acquisition"), the proposed Rights Issue and related change in financing might have affected the financial information presented on the basis of the accounting policies adopted by UTV Media plc in preparing the audited financial statements for the period ended 31 December 2007. This report is required by item 20.2 of Annex I of the Prospectus Directive Regulation and is given for the purposes of complying with that paragraph and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I of the Prospectus Directive Regulation consenting to its inclusion in the prospectus.

Responsibilities

It is the responsibility of the directors of UTV Media plc to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of UTV Media plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of UTV Media plc.

Our work has not been carried out in accordance with audited or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of UTV Media plc.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with item 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

Ernst & Young LLP

PART 10

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company and each of the Directors, whose names appear on page 17 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. THE COMPANY

(a) UTV Media plc was incorporated and registered in Northern Ireland on 7 June 2007 as a private company limited by shares with registered number NI65086 and with the name Beechgrove Trading Limited. On 9 August 2007, a resolution was passed to change its name to UTV Media Limited. On 21 August 2007, it re-registered as a public limited company pursuant to Article 53 of the Order and changed its name to UTV Media plc. The principal legislation under which UTV Media plc operates and under which the Rights Issue Shares will be issued is the Acts.

(b) The registered office of UTV Media plc is at Ormeau Road, Belfast, Antrim, BT71EB. The telephone number of UTV is +44 (0) 28 9032 8122. The registrars of UTV Media are Computershare Investor Services (Ireland) Limited.

(c) UTV Media plc became the holding company of the Group pursuant to the scheme of arrangement of UTV Limited, which became effective on 15 October 2007. Its principal business is acting as the holding company of the Group, whose principal business is the provision of radio, television and multimedia services in the United Kingdom and the Republic of Ireland.

(d) Ernst & Young LLP, whose address is 16 Bedford Street, Belfast BT2 7DT, have been the only auditors of UTV Media plc since its incorporation.

3. SHARE CAPITAL OF THE COMPANY

(a) On incorporation, the authorised share capital of the Company was £100,000 divided into 100,000 ordinary shares of £1.00 each, of which one was taken by the subscriber to the memorandum of association and was paid up in full. On 9 August 2007, the subscriber's ordinary share was transferred to P O'Brien. On 13 August 2007, P O'Brien subscribed for a further 3 ordinary shares of £1.00 and J McCann subscribed for 4 ordinary shares of £1.00.

(b) Pursuant to resolutions passed on 13 August 2007:

 (i) 100,000 ordinary shares of £1.00 each in the capital of the Company, being all the shares in issue and all the authorised but unissued shares in the Company, were consolidated into 25,000 ordinary shares of £4.00 each; and

 (ii) the authorised share capital was increased from £100,000 to £400,050,000 by the creation of 99,975,000 new ordinary shares of £4.00 each and 50,000 redeemable preference shares of £1.00 each.

(c) On 13 August 2007, UTV Limited subscribed for 50,000 redeemable preference shares of £1.00 each, which were fully paid.

(d) Pursuant to resolutions passed on 11 October 2007:

 (i) all of the authorised but unissued ordinary shares in the Company, comprising 99,999,998 ordinary shares of £4.00 each in the Company, were consolidated into one ordinary share of £399,999,992; and

 (ii) the one ordinary share of £399,999,992 in the Company, being all of the authorised but unissued ordinary share capital in the Company, was subdivided into 114,285,712 ordinary shares of £3.50 each.

(e) On 11 October 2007, subject to admission becoming effective, 54,801,517 ordinary shares in the Company were allotted and issued, credited as fully paid, to the shareholders of UTV Limited in connection with the scheme of arrangement of UTV Limited.

(f) Pursuant to the reduction of capital of the Company, sanctioned by the High Court of Justice in Northern Ireland, the nominal value of the ordinary shares in the Company was reduced to 5 pence. Immediately following the reduction becoming effective, the two ordinary shares held by J McCann and P O'Brien were gifted back to the Company and cancelled.

(g) On 18 December 2007, 2,740,000 Ordinary Shares in UTV Media were placed at a price of £2.00 per Ordinary Share, raising gross proceeds of £5,480,000 for the Group.

(h) On 19 December 2007, the 50,000 redeemable preference shares were redeemed and cancelled.

(i) The authorised and issued share capital of the Company as at 30 May 2008 (being the latest practicable date prior to publication of this document) is shown below. The authorised and issued share capital of the Company immediately following the Rights Issue (assuming there is no issue of Ordinary Shares on exercise of options over Ordinary Shares between 3 June 2008 (the last dealing day prior to the publication of this document) and the date on which the Rights Issue completes) is also shown below:

	Authorised		*Issued and Fully Paid*	
	£	*Number*	*£*	*Number*
As at 30 May 2008				
Ordinary Shares	5,000,000	100,000,000	2,877,075.85	57,541,517
Redeemable preference shares	50,000	50,000	—	—
Following the Rights Issue				
Ordinary Shares	7,500,000	200,000,000	4,795,126.40	95,902,528
Redeemable preference shares	50,000	50,000	—	—

(j) The nominal value of the Existing Ordinary Shares is 5 pence each. There is no issued share capital that is not fully paid up.

(k) As at 3 June 2008 (being the latest practicable date before publication of this document), the Company held 300,000 Ordinary Shares in treasury. There are no other Ordinary Shares in the Company held on behalf of the Company itself or by any of the subsidiaires of the Company.

(l) The Company has granted options to various persons under the Share Option Schemes (the details of which are set out at paragraph 10 of Part 5 of this document).

(m) Save as set out in this Part 10, there are no acquisition rights or obligations over authorised but unissued share capital and no undertakings to increase the capital of the Company.

4. THE UTV MEDIA MEMORANDUM AND ARTICLES OF ASSOCIATION

The UTV Memorandum

The UTV Media memorandum provides that UTV Media' principal objects are, among other things, to carry on the business of a holding company and to do all such other things as the directors consider will further the interests of UTV Media or to be incidental or conducive to the attainment of UTV Media's objects or all or any of them. The objects of UTV Media are set out in full in clause 4 of its memorandum of association, which is available for inspection as described at paragraph 25 below.

The UTV Articles

The UTV Media Articles which were adopted pursuant to a special resolution dated 16 May 2008, contain provisions, *inter alia*, to the following effect:

(a) **Voting rights**

Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held and any restriction on voting referred to below, every shareholder present in person at a general meeting of UTV Media shall have one vote on a show of hands and, on a poll, every shareholder present in person or by proxy shall have one vote for every ordinary share of which he is the holder.

The duly authorised representative of a corporate shareholder may exercise the same powers on behalf of that corporation as it could exercise if it were an individual shareholder.

A shareholder is not entitled to vote unless all calls due from him have been paid.

A shareholder is also not entitled to attend or vote at meetings of UTV Media in respect of any shares held by him in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 793 of the 2006 Act and, having failed to comply with such notice within the period specified in such notice (being not less than 28 days from the date of service of such notice), is served with a disenfranchisement notice. Such disenfranchisement will apply only for so long as the notice from UTV Media has not been complied with or until UTV Media has withdrawn the disenfranchisement notice, whichever is the earlier.

(b) **General meetings**

UTV Media must hold an annual general meeting each year in addition to any other general meetings held in the year. The directors can call a general meeting at any time.

At least 21 clear days' written notice must be given for every annual general meeting. For all other general meetings, not less than 14 days' written notice must be given. The notice for any general meeting must state: (i) whether the meeting is an annual general meeting or general meeting; (ii) the date, time and place of the meeting; (iii) the general nature of the business of the meeting and (iv) any intention to propose a resolution as a special or resolution. All members who are entitled to receive notice under the UTV Media Articles must be given notice.

Before a general meeting starts, there must be a quorum, being two members present in person or by proxy.

Each director can attend and speak at any general meeting.

(c) **Dividends**

Subject to the Acts, UTV Media may, by ordinary resolution, declare dividends to be paid to members of UTV Media according to their rights and interests in the profits of UTV available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the Acts, the Board may from time to time pay to the shareholders of UTV such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of UTV Media, on such dates and in respect of such periods as it thinks fit.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide, all dividends shall be apportioned and paid *pro rata* according to the amounts paid or credited as paid up (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed after a period of 12 years from the date of declaration shall be forfeited and shall revert to UTV Media.

The Board may, if authorised by an ordinary resolution, offer shareholders the right to elect to receive additional shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend.

The Board may withhold dividends payable on shares representing not less than 0.25% by number of the issued shares of any class after there has been a failure to comply with any notice under section 793 of the 2006 Act requiring the disclosure of information relating to interests in the shares concerned as referred to in paragraph (i) below.

(d) **Return of capital**

Except as provided by the rights and restrictions attached to any class of shares, the holders of UTV Media's shares will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings. A liquidator may, with the sanction of an extraordinary resolution of UTV Media and subject to the Acts and the Insolvency (Northern Ireland) Order 1989 (as amended), divide amongst the shareholders of UTV Media in specie the whole or any part of the assets of UTV Media, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine.

(e) **Transfer of shares**

The UTV Media Articles provide for shares to be held in CREST accounts, or through another system for holding shares in uncertificated form, such shares being referred to as ''Participating Securities''. Subject to such of the restrictions in the UTV Media Articles as shall be applicable, any member may transfer all or any of his shares. In the case of shares represented by a certificate (''Certificated Shares''), the transfer shall be made by an instrument of transfer in the usual form or in any other form which the Board may approve. A transfer of a Participating Security need not be in writing, but shall comply with such rules as the Board may make in relation to the transfer of such shares, a CREST transfer being acceptable under the current rules.

The instrument of transfer of a Certificated Share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee, and the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members.

The Board may, in its absolute discretion and without assigning any reason therefor, refuse to register any instrument of transfer of shares, all or any of which are not fully paid.

The Board may also refuse to register a transfer unless:

(i) in the case of a Certificated Share, the duly stamped instrument of transfer is lodged at the registered office of UTV Media or at some other place as the Board may appoint accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;

(ii) in the case of a Certificated Share, the instrument of transfer is in respect of only one class of share; and

(iii) in the case of a transfer to joint holders of a Certificated Share, the transfer is in favour of not more than four such transferees.

In the case of Participating Securities, the Board may refuse to register a transfer if the CREST Regulations allow it to do so, and must do so where such regulations so require.

The Board may also decline to register a transfer of shares if they represent not less than 0.25% by number of their class and there has been a failure to comply with a notice requiring disclosure of interests in the shares (as referred to in paragraph 3(h) below) unless the shareholder has not, and proves that no other person has, failed to supply the required information. Such refusal may continue until the failure has been remedied, but the Board shall not decline to register a transfer:

(i) in connection with a *bona fide* sale of the beneficial interest in any shares to any person who is unconnected with the shareholder and with any other person appearing to be interested in the share;

(ii) pursuant to the acceptance of an offer made to all of UTV Media's shareholders or all the shareholders of a particular class to acquire all or a proportion of the shares or the shares of a particular class; or

(iii) in consequence of a sale made through a recognised investment exchange or any stock exchange outside the United Kingdom on which UTV Media's shares are normally traded.

(f) **Variation of rights**

Subject to the Acts, all or any of the rights attached to any class of share may (unless otherwise provided by the terms of issue of shares of that class) be varied (whether or not UTV Media is being wound up) either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a resolution passed at a separate general meeting of such holders. The quorum at any such general meeting is two persons holding or representing by proxy at least one-third in nominal value of the issued shares of that class and at an adjourned meeting the quorum is one holder present in person or by proxy, whatever the amount of his shareholding. Any holder of shares of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class shall be entitled, on a poll, to one vote for every share of the class held by him. Except as mentioned above, such rights shall not be varied.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the UTV Media Articles or the conditions of issue of such shares, be deemed to be varied by the creation or issue of new shares ranking *pari passu* therewith or subsequent thereto.

(g) **Share capital and changes in capital**

Subject to and in accordance with the provisions of the Acts, UTV Media may issue redeemable shares. Without prejudice to any special rights previously conferred on the holders of any existing shares, any share may be issued with such rights or such restrictions as UTV Media shall from time to time determine by ordinary resolution.

Subject to the provisions of the UTV Media Articles and the Acts, the power of UTV Media to offer, allot and issue any unissued shares and any shares lawfully held by UTV Media or on its behalf (such as shares held in treasury) shall be exercised by the Board at such time and for such consideration and upon such terms and conditions as the Board shall determine.

UTV Media may by ordinary resolution increase its share capital, consolidate and divide its share capital into shares of a larger amount and (subject to the provisions of the Acts) subdivide its shares or any of them into shares of a smaller amount than is fixed by its memorandum of association (and so that the resolution may determine that, as between the holders of shares resulting from the subdivision, any of the shares may have any preference or advantage or be subject to any restriction as compared with the others), cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled.

Subject to the Acts, UTV Media may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any way.

Subject to the Acts and the Listing Rules and to any rights conferred on the holders of any class of shares, UTV Media may purchase all or any of its own shares of any class (including any redeemable shares).

(h) **Disclosure of interests in shares**

Section 793 of the 2006 Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests. When a shareholder receives a statutory notice of this nature, he or she has 28 days (or 14 days where the shares represent at least 0.25% of their class) to comply with it, failing which UTV Media may decide to restrict the rights relating to the relevant shares and send out a further notice to the holder (known as a "disenfranchisement notice"). The disenfranchisement notice will state that the identified shares no longer give the shareholder any right to attend or vote at a shareholders' meeting or to exercise any other right in relation to shareholders' meetings.

Once the disenfranchisement notice has been given, if the directors are satisfied that all the information required by any statutory notice has been supplied, UTV shall, within not more than seven days, withdraw the disenfranchisement notice.

The UTV Media Articles do not restrict in any way the provisions of section 793 of the 2006 Act.

(i) **Non-UK and Republic of Ireland shareholders**

Shareholders with addresses outside the United Kingdom and the Republic of Ireland are not entitled to receive notices from UTV Media unless they have given UTV Media an address within the United Kingdom or the Republic of Ireland at which such notices shall be served.

(j) **Untraced shareholders**

Subject to various notice requirements, UTV Media may sell any of a shareholder's shares in UTV Media if, during a period of 12 years, at least three dividends on such shares have become payable and no dividend has been claimed during that period in respect of such shares and UTV Media has received no communication from such shareholder.

(k) **Borrowing powers**

The Board may exercise all the powers of UTV Media to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and uncalled capital and, subject to any relevant statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of UTV Media or any third party provided that the Board shall restrict the borrowings of UTV Media and exercise all powers of control exercisable by UTV Media in relation to its subsidiaries, so as to secure (in relation to its subsidiaries so far as the Board is able) that the aggregate amount for the time being of all borrowings by the Group (excluding any money owed between members of the Group) shall not at any time without the previous sanction of an ordinary resolution of UTV Media exceed an amount equal to 5 times the adjusted capital and reserves of UTV Media.

These borrowing powers may be varied by an alteration to the UTV Media Articles which would require a special resolution of the shareholders.

(l) **Directors**

Save as mentioned below, a director shall not vote in respect of any matter in which he has, directly or indirectly, any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, UTV Media) or a duty which conflicts or may conflict with the interests of UTV Media. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A director shall (in the absence of material interests other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

(i) the giving of any guarantee, security or indemnity to him or any other person in respect of money lent to, or an obligation incurred by him or any other person at the request of or for the benefit of, UTV Media or any of its subsidiaries;

(ii) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of UTV Media or any of its subsidiaries for which he himself has assumed any responsibility in whole or in part alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning his being a participant in the underwriting or sub-underwriting of an offer of shares, debentures or other securities by UTV Media or any of its subsidiaries;

(iv) any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise, provided that he is not the holder of or beneficially interested in 1% or more of any class of the equity share capital of such company (or of any corporate third party through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstances);

(v) any arrangement for the benefit of employees of UTV Media or any of its subsidiaries which does not accord to any director any privilege or advantage not generally accorded to the employees to which such arrangement relates; and

(vi) any proposal concerning any insurance which UTV Media is empowered to purchase and/or maintain for the benefit of any of the directors or for persons who include directors, provided that for that purpose "insurance" means only insurance against liability incurred by a director in respect of any act or omission by him in the execution of the duties of his office or otherwise in relation thereto or any other insurance which UTV Media is empowered to purchase and/or maintain for, or for the benefit of any groups of persons consisting of or including, directors.

The directors shall be paid such remuneration by way of fees for their services as may be determined by the Board, save that, unless otherwise approved by ordinary resolution of UTV Media in general meeting, the aggregate amount of such fees of all directors shall not exceed £400,000 per annum. The directors shall also be entitled to be repaid by UTV Media all hotel expenses and other expenses of travelling to and from Board meetings, committee meetings, general meetings or otherwise incurred while engaged in the business of UTV. Any director who by request of the Board performs special services or goes or resides abroad for any purposes of UTV Media may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

UTV Media may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of past directors who held executive office or employment with UTV Media or any of its subsidiaries or a predecessor in business of any of them or to or for the benefit of persons who are or were related to or dependants of any such directors.

The directors of UTV Media may be indemnified against all liabilities incurred by him in defending any civil or criminal proceedings in which judgement is given in his favour or he is acquitted or in connection with any application under Article 154(3) or (4) of the Order (acquisition of shares by innocent nominee) or Article 675 of the Order (general power to grant relief in case of honest and reasonable conduct) in which relief is granted to him by the court. UTV Media may indemnify any director of UTV Media or of an associated company against all losses and liabilities which they may sustain in the execution of the duties of their office, except for liabilities incurred by the director to UTV Media or associated company of which he is director, liability to pay a fine imposed in criminal proceedings or payable to a regulatory authority by way of penalty in respect of non-compliance with any regulatory requirement, liability in defending criminal proceedings in which he is convicted or civil proceedings in which judgement is given against him, and liability in connection with any application to the court for relief from liability under Article 154(3) or (4) of the Order, which application is refused, where such conviction, judgement or refusal of relief has become final.

The directors are obliged to retire by rotation and are eligible for re-election at the third Annual general meeting after the annual general meeting at which they were elected. Any non-executive director who has held office for nine years or more is subject to re-election annually. Any director appointed by the Board holds office only until the next annual general meeting, when he is eligible for re-election.

Unless and until otherwise determined by ordinary resolution of UTV Media, the directors (other than alternate directors) shall not be less than 3 nor more than 12 in number.

(m) **Redemption**

The Ordinary Shares are not redeemable.

(n) **Electronic communication**

UTV may communicate electronically with its members in accordance with the provisions of the Companies (Northern Ireland) Order 1986 (Electronic Communications) Order (Northern Ireland) 2003 SI 2003/3 and the 2006 Act.

(o) **Limitations on Shareholdings**

The directors may by notice require the disposal within a stated time of shares held by any person they determine to have a relevant interest, being any interest in shares in UTV Media which either alone or in conjunction with any other such interest would cause UTV Media to be disqualified in relation to any licence issued under the Broadcasting Act 1990 as amended (''BA'') or cause UTV Media to fail to comply with any such licence or with section 21 of the BA. Such person will provide the directors with evidence of the disposal. Should the directors' notice not be complied with, the directors may, as agent for the shareholder, dispose of the shares on their behalf within 30 days of the expiry of the period stated on the notice, or, if later, 30 days of the expiry of any restricted period. The directors shall dispose of the shares at the best price reasonably available, but neither UTV Media nor the directors shall be liable to any shareholder for the price obtained in disposing any share under this procedure, provided the directors acted in good faith.

The above is a summary only of certain provisions of the UTV Media Articles, the full provisions of which are available for inspection as described in paragraph 25 below.

5. MANDATORY BIDS AND COMPULSORY ACQUISITION RULES RELATING TO THE RIGHTS ISSUE SHARES

(a) Mandatory bid

The City Code applies to UTV Media. Under Rule 9 of the City Code, if:

(i) a person acquires an interest in shares in UTV Media which, when taken together with shares already held by him or persons acting in concert with him, carry 30% or more of the voting rights in UTV Media; or

(ii) a person who, together with persons acting in concert with him, is interested in not less than 30% and not more than 50% of the voting rights in UTV acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested, the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares in UTV Media at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquiror or its concert parties during the previous 12 months.

(b) Compulsory Acquisition

Under section 979 of the 2006 Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90% of the shares to which such offer relates within four months of making its offer, it may then compulsorily acquire the outstanding shares not assented to the offer.

In addition, pursuant to section 979 of the 2006 Act, if an offeror acquires or agrees to acquire not less than 90% of the shares to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

6. DIRECTORS

The Directors and their principal functions are:

Directors

J B McGuckian	–	Non-executive Chairman
J McCann	–	Group Chief Executive
P O'Brien	–	Group Finance Director
S Taunton	–	Managing Director UTV Radio (GB)
J R Downey	–	Group Commercial Director
R E Bailie	–	Non-executive Director
K Lagan	–	Non-executive Director
H Kirkpatrick	–	Non-executive Director

all of Ormeau Road, Belfast, BT7 1EB.

7. INFORMATION ON THE DIRECTORS

(a) Details of the names of companies and partnerships (excluding directorships of UTV Media or of its subsidiaries and associates) of which the Directors are or have been members of the administrative, management or supervisory bodies or partners at any time in the five years preceding the date of this document are set out below:

Name	*Current Directorships and partnerships*	*Past Directorships and partnerships*
J B McGuckian	Cooneen Textiles Limited Irish Continental Group plc Kenlin Investments Limited Regatta Fashions Limited Harbour Group Limited TVC Holdings plc	AEC Sterling (UK) Holdings Limited AIB Group (UK) plc Belfast Ferries Limited Dale Farm Limited Hostt Limited Kiang Limited (Board of Trustees) Mainstay Fund Sarcon Diamond Limited Tedcastle (Derry) Limited Allied Irish Banks plc United Dairy Farmers Limited Unidare PLC
J McCann	Grand Opera House ITV Network Northern Bank Limited Northern Ireland Film Commission B.I.T.C. NI	TV3 Broadcasting Limited

Name	*Current Directorships and partnerships*	*Past Directorships and partnerships*
P O'Brien	None	OCEANUS Limited IWP International Plc IWP Ireland Limited IWP Finance Limited Burlington Toiletries International Limited Burlington Toiletries Limited CKD Limited Collection 2000 Limited Constance Carroll Cosmetics Limited Constance Carroll Holdings Limited Constance Carroll Limited Constance Carroll Overseas Limited Vivalis Limited DHL Products Limited Fine Fragrances & Cosmetics Limited IWP (Europe) Limited IWP (UK) Holdings plc IWP (UK) Limited Michael Harvey Haircare Products Limited Polbita sp Zoo 9118-9449 QuebecInc Levendal Beheer BV I.T.Alliance Group Limited 3738663 Canada Inc Brands International Limited Chester Laboratories Limited Creations Pierre & G Limited Mid Wales Packaging Limited A&AG Agencies (Canada) Inc Utility Chemical Co Limited Creative Looks Limited Burlington Trading International Limited
S Taunton	Digital Radio Development Bureau Limited Radiocentre Limited	None
J R Downey	None	None
R E Bailie	W & G Baird (Holdings) Limited Blackstaff Press Limited Corporate Document Services (CDS) Limited Graphic Plates Limited MSO Group Limited Newspress Limited Royken Limited Royken NI Limited Thanet Press Limited The Baird Group Limited Baird Property Limited	Industrial Development Board for Northern Ireland TACADE (The Advisory Council on Alcohol & Drug Education) Textflow Services NI Tourist Board Bank of England Biddles (Bookbinders) Limited Biddles Limited John Cleland & Son (Labels) Limited John Cleland & Son Limited MSO Clelland Limited W & G Baird Limited Storey Evans & Co Limited Bank of Ireland

Name	*Current Directorships and partnerships*	*Past Directorships and partnerships*
K Lagan	Antrim Asphalt Limited Armagh Asphalt Aspen Developments Limited Bay Developments Limited Bela Partnerships Limited Buoy Developments Limited Calderford Limited Calderford Property Trading Limited Charles Brand Group Limited Charles Brand Limited Clenfarne Clayware Limited Coastal Clear Water Holdings Limited Coastal Clear Water Limited Coastal Industrial Limited Corby Developments Limited Eldufgar Limited F K Piling Limited Flemings Coalmines Limited Flemings Fireclays Limited Flemings Fireclays Manufacturing Limited Irish Asphalt Limited J T Minimix Limited Kennedy Quarries Ireland Limited Kennedy Quarries (ROI) Limited Kingscourt Bricks Limited – Lagan 101 Limited Lagan 102 Limited Lagan (Alsager) Limited Lagan Asphat Limited Lagan (Barking) Limited Lagan (Barnstaple) Limited Lagan Bitumen Contracts Limited Lagan Bitumen Limited Lagan Bitumen Limited (ROI) Lagan Cement Ireland Limited Lagan Cement Limited Lagan Developments Holdings Limited Lagan Developments Limited –ROI Lagan Holdings Limited Lagan Homes Limited Lagan Hong Kong Limited Lagan International Limited Lagan (Norwich) Limited Lagan Projects Limited Lagan Ravenhill Limited Lagan Services Limited Lagan (Warrington) Limited Lagmar Developments Limited Lagmar Properties Limited Lowry Piling Ireland Limited Makdee Developments Limited Mazedawn Limited Moneycarragh Limited	Belfast Harbour Commissioners Belfast International Airport University of Ulster Foundation

Name	*Current Directorships and partnerships*	*Past Directorships and partnerships*
	Mountain House Quarries Limited Mulholland Bros (Brick and Sand) Limited Northants LLP Northants Rockingham Speedway Limited P J Lagan (Contracts) Limited Quay Developments Limited Rivendale Stone Limited – NI Ravendale Stone Limited – ROI Roadmix Limited – NI Roadmix Limited – ROI Ruskin Developments Limited SCSA Limited Silentpride Limited Spruce Enterprises Limited Stanwell Properties Limited Wellmere Limited Whitemountain (Civils) Limited Whitemountain Aggregates Limited Whitemountain Quarries Limited	
H Kirkpatrick	Kingspan Group plc CAUSE (NI) Limited Crumlin Together Limited	Brook Design Hardware Limited Capita Management Consultants Limited Enterprise Equity (Ireland) Limited Enterprise Equity (Northern Ireland) Limited Enterprise Equity Investment Fund Limited International Fund for Ireland Irish Truck Rentals Limited Northern Ireland Public Sector Enterprises Limited

(b) None of the Directors:

(i) has any convictions in relation to fraudulent offences for at least the previous five years; or

(ii) has been declared bankrupt or been a director or member of the administrative, management or supervisory body of a company or a senior manager of a company at the time of any receivership, compulsory liquidation or creditors' voluntary liquidation for at least the previous five years; or

(iii) has been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company for at least the previous five years.

8. DIRECTORS' AND OTHERS' INTERESTS

(a) Set out below are the beneficial interests of the Directors in Ordinary Shares. The interests have been determined at 3 June 2008 (being the last practicable date prior to the publication of this document). The table does not reflect the extent to which any Directors may have additional beneficial interests by virtue of their participation in the UTV Employee Share Schemes. The interests of the Directors in this regard are set out in paragraph 8(b) below.

Director	*Number of Existing Ordinary Shares*	*Percentage of Existing Ordinary Shares*	*Number of Ordinary Shares post Rights Issue*	*Percentage of Ordinary Shares post Rights Issue*
J B McGuckian	43,170	0.08	71,950	0.08
J McCann	218,579	0.38	364,298	0.38
P O'Brien	100,000	0.17	166,666	0.17
S Taunton	150,037	0.26	250,061	0.26
J R Downey	104,842	0.18	174,736	0.18
R E Bailie	254,526	0.44	424,210	0.44
K Lagan	117,815	0.20	196,358	0.20
H Kirkpatrick	4,391	0.01	7,318	0.01

J McCann, P O'Brien, S Taunton and J R Downey are included as potential beneficiaries under the UTV Employee Benefit Trust and are deemed to be interested in the shares held by this trust.

(b) As at 3 June 2008 (being the latest practicable date prior to the publication of this document) the following Directors held the following options and awards over Ordinary Shares under the UTV Employee Share Schemes. For further details please refer to paragraph 14 of Part 10 of this document.

Name	*Scheme*	*Date of Grant*	*Exercise Price (Pence)*	*Exercise Period*	*Number of Shares*
J McCann	Share Option Plan	29 April 1999	197	1 April 2003 to 28 April 2009	274,339
	Share Option Plan	29 March 2001	273	1 April 2003 to 28 April 2009	95,470
	Performance Share Plan	29 June 2006	Nil	6 months from the date the award is vested(1)	105,655
	Performance Share Plan	23 April 2007	Nil	6 months from the date the award is vested(1)	89,443
	Performance Share Plan	26 March 2008	Nil	6 months from the date the award is vested(1)	156,894
P O Brien	Performance Share Plan	23 April 2007	Nil	6 months from the date the award is vested(1)	41,191
	Performance Share Plan	26 March 2008	Nil	6 months from the date the award is vested(1)	72,563
S Taunton	Performance Share Plan	29 June 2006	Nil	6 months from the date the award is vested(1)	44,381
	Performance Share Plan	23 April 2007	Nil	6 months from the date the award is vested(1)	47,075
	Performance Share Plan	26 March 2008	Nil	6 months from the date the award is vested(1)	98,058
J R Downey	Share Option Plan	29 April 1999	197	1 April 2003 to 28 April 2009	81,218
	Performance Share Plan	29 June 2006	Nil	6 months from the date the award is vested(1)	44,381
	Performance Share Plan	23 April 2007	Nil	6 months from the date the award is vested(1)	37,660
	Performance Share Plan	26 March 2008	Nil	6 months from the date the award is vested(1)	66,680

(1) Awards will normally only vest on or after the third anniversary of the date of grant provided the performance criteria are satisfied.

The interests disclosed in this paragraph 8(b) are based upon the interests of the Directors in the ordinary share capital of UTV Media which (i) have been notified by each Director to UTV Media pursuant to Article 332 or Article 336 of the Order or pursuant to Chapter 3 of the Disclosure and Transparency Rules before 3 June 2008 (being the latest practicable date prior to the publication of this document), or (ii) were required to be entered in the register referred to in Article 333 of the Order, or (iii) are interests of a connected person (within the meaning of

Article 354 of the Order) of a Director which would, if the connected person were a director, be required to be disclosed under (i) or (ii), and the existence of which is known to or could with reasonable diligence be ascertained by that Director.

(c) In addition to the interests of Directors disclosed in paragraphs 8 (a) and (b) above, as at 24 May 2008 (being the latest practicable date prior to the publication of this document) UTV Media is aware that the following persons were interested, directly or indirectly, in 3% or more of the issued share capital of UTV Media:

Name	*Existing Ordinary Shares*	*Percentage of Existing Ordinary Shares*	*Number of Ordinary Shares post Rights Issue assuming full take up of Rights Issue Shares*	*Percentage of Ordinary Shares post Rights Issue*
Milestone Trust Limited	4,625,000	8.04	7,708,333	8.04
Allied Irish Bank plc	5,224,117	9.08	8,706,861	9.08
F&C Asset Management	3,933,347	6.84	6,555,578	6.84
Fidelity Asset Management Limited	3,150,347	5.47	5,250,578	5.47
Legal & General Investment Management	3,062,359	5.32	5,103,931	5.32

(d) UTV Media's significant shareholders have identical voting rights to all other shareholders.

(e) UTV is not aware of any person who, following the Rights Issue, will directly or indirectly, jointly or severally, own or exercise or could exercise control over UTV.

(f) No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of UTV Media or the Group, and which were effected by UTV Media or any member of the Group (i) during the current or immediately preceding financial year, or (ii) during an earlier financial year and which remain in any respect outstanding or unperformed.

(g) There are no outstanding loans or guarantees granted or provided by UTV Media or any of its subsidiaries for the benefit of any Director.

(h) There are no potential conflicts of interest between any duties owed by the Directors to UTV Media and their private interests and/or other duties.

9. DIRECTORS' SERVICE AGREEMENTS

Set out below are summaries of the executive Directors' existing service contracts and the non-executive directors' existing letters of appointment with UTV Media:

(a) The following executive Directors have service agreements with UTV Media:

Directors	*Date of service agreement*	*Basic salary*	*Notice period*
J McCann	16 October 2007	£400,000	12 months from the Company/ 6 months from the Director
P O'Brien	22 June 2006	£185,000	12 months from the Company/ 6 months from the Director
S Taunton	1 July 2006	£250,000	12 months from the Company/ 6 months from the Director
J R Downey	16 October 2007	£170,000	12 months from the Company/ 6 months from the Director

Bonuses are payable to the executive Directors based on achievement of pre-determined performance targets. Bonuses are capped at 80% of basic salaries at the year end.

(b) Under the terms of their appointments as non-executive Directors of UTV Media, J B McGuckian is entitled to an annual fee of £85,000 and R E Bailie, K Lagan and H Kirkpatrick are each entitled to an annual fee of £32,000.

10. SUMMARY OF REMUNERATION AND BENEFITS

A summary of the amount of remuneration paid to the Directors (including any contingent or deferred compensation) and benefits in kind for the financial year ended 31 December 2007 is set out in the table below. The Directors are categorised in their positions as at 31 December 2007 for these purposes.

	Salary/fees £	*Bonus* £	*Benefits* £	*Total* £
Chairman				
J B McGuckian	82,000	—	33,055[1]	115,055
Executive Directors				
J McCann	390,000	200,000	33,743	623,743
P O'Brien	180,000	92,500	16,419	288,919
S Taunton	225,000	125,000	14,884	364,884
J R Downey	165,000	85,000	18,403	268,403
Non-executive Directors				
R E Bailie	30,000	—	—	30,000
K Lagan	30,000	—	—	30,000
H Kirkpatrick	10,346[2]	—	—	10,346

(1) The benefits for the Chairman consist of a car, fuel and necessary business equipment. Benefits for the executive Directors comprise a car, fuel, private healthcare and necessary business equipment.

(2) H Kirkpatrick remuneration is from 29 August 2007 when she was appointed to the Board.

11. PENSION ARRANGEMENTS

The Group operates two defined benefit pension schemes; one is operated in Northern Ireland and the other operates in England. The Group also operates a number of defined contribution schemes in Northern Ireland, the Republic of Ireland and Great Britain.

The aggregate amount set aside by the Group to provide pension, retirement or similar benefits in relation to Directors in the financial year ended 31 December 2007 was £278,000.

12. IRREVOCABLE UNDERTAKINGS

12.1 Irrevocable undertakings to vote in favour of the Resolutions have been given by the following Shareholders in respect of the Ordinary Shares held by them:

Shareholder	*Number of Existing Ordinary Shares*	*Percentage of Existing Ordinary Shares in issue*
J B McGuckian	43,170	0.08
J McCann	218,579	0.38
P O'Brien	100,000	0.17
S Taunton	150,037	0.26
J R Downey	104,842	0.18
R E Bailie	254,526	0.44
K Lagan	117,815	0.20
H Kirkpatrick	4,391	0.01

12.2 Irrevocable undertakings to take up their rights pursuant to the Rights Issue have been received from the following Directors:

Director	*Number of Existing Ordinary Shares*	*Rights Issue entitlement*	*Rights Issue Shares irrevocably undertaken to be taken up pursuant to the Rights Issue*
J B McGuckian	43,170	28,780	28,780
J McCann	218,579	145,719	145,719
P O'Brien	100,000	66,666	66,666
S Taunton	150,037	100,024	100,024
J R Downey	104,842	69,894	69,894
R E Bailie	254,526	169,684	169,684
K Lagan	117,815	78,543	78,543
H Kirkpatrick	4,391	2,927	2,927

13. EMPLOYEES

(a) The average number of employees of the Group analysed by category of activity and geographical location during each of the last three financial years ended 31 December were as follows:

	2007 Number	*2006 Number*	*2005 Number*
Radio GB	442	447	435
Radio Ireland	222	224	222
Television	221	221	229
New Media	44	42	43
Group	**929**	**934**	**929**

As at 30 April 2008 (the latest practicable date prior to the publication of this document) the number of employees of the Group was 1,012.

(b) In the financial year ended 31 December 2007, the average number of contractors/temporary employees working for the Group was 177.

14. EMPLOYEE SHARE SCHEMES

For further details regarding the Share Option Plan and the Performance Share Plan respectively please refer to paragraph 10 of Part 5 of this document.

15. SUBSIDIARY AND OTHER UNDERTAKINGS

UTV has the following significant subsidiaries and subsidiary undertakings which UTV considers will be likely to have a significant effect on the assessment of UTV's assets and liabilities, financial position or profits and losses or will be the holders of radio licences or principal contracts within the Group. Unless otherwise stated, each of the following subsidiary undertakings is wholly owned, either by UTV, UTV Limited or by one of their subsidiaries:

Name	*Nature of business*	*Country of Incorporation*	*Proportion of share capital held (%)*	*Issued share capital*
UTV Limited	Channel 3 television service for Northern Ireland	Northern Ireland	100	54,801,518 ords
UTV Internet Limited	Internet service provider	Northern Ireland	100	10,0000 ords
UTV Radio (ROI) Limited	Holding company	Republic of Ireland	100	1 ord

Name	*Nature of business*	*Country of Incorporation*	*Proportion of share capital held (%)*	*Issued share capital*
County Media Limited	Holding company	Republic of Ireland	100	104,140 A+B shares and 301,437 preference shares
Capital Radio Productions plc	Commercial Radio	Republic of Ireland	100	493,802 ords
Babstova plc	Holding company	Republic of Ireland	100	417,372 ords 3,419,519 preference shares
Radio County Sound Limited	Commercial radio	Republic of Ireland	100	406,494 A+B shares
Shawnee Limited	Sales agency	Republic of Ireland	100	100 A shares
Cork Media Enterprises Limited	Commercial radio	Republic of Ireland	100	289,583 A+B shares
Treaty Radio Limited	Commercial radio	Republic of Ireland	100	45,816 ords
City Broadcasting Limited	Commercial radio	Republic of Ireland	100	15,563 ords
Independent Broadcasting Corporation Limited	Commercial radio	Republic of Ireland	100	600 ords
UTV Radio (GB) Limited	Holding company	England	100	83,536,000 A Ords 18,410 B ords
talkSPORT Limited	Commercial radio	England	100	47,245 ords
Pulse FM Limited	Non-trading	England	100	600,000 ords
Signal Radio Limited	Non-trading	England	100	587,499 ords
Imagine FM Limited	Non-trading	England	100	600,000 ords
Swansea Sound Limited	Non-trading	England	100	3,134,876 ords
Valley Radio Limited	Non-trading	England	100	600,000 ords
Radiowave (Blackpool) Limited	Non-trading	England	100	600,000 ords
Allied Radio Limited	Holding company	Scotland	100	137,528,410 ords
talk107 Limited	Non-trading	Scotland	100	1 ord
102.4 Wish Limited	Non-trading	England	100	600,000 ords
Wire FM (1997) Limited	Commercial radio	England	79.1	550,000 ords
Switchdigital (Scotland) Limited	Commercial radio	Scotland	92	100 ords
Switchdigital (England) Limited	Commercial radio	England	80.5	1,000 ords
UTV-Emap Digital (B&H) Limited	Commercial radio	England	80	100 ords
Holbeck Limited	Holding company	Northern Ireland	100	11,513 ords
The Internet Business Limited	Internet services provider	Northern Ireland	100	32,250 ords
UTV-Emap Digital Limited	Commercial radio	England	70	100 ords
Grand Central Broadcasting Limited	Non-trading	England	100	600,000 ords
Tower 107.4 FM Limited	Non-trading	England	100	600,000 ords
Wolverhampton Area Radio Limited	Non-trading	England	100	600,000 ords
Perfecttaste Limited	Non-trading	England	100	1 ord

16. PROPERTY, PLANT AND EQUIPMENT

UTV has property, plant and equipment which had a net book value of £10.5m at 31 December 2007. Included within this are three properties which have been capitalised and which have a cumulative net book value of £5.4m. These properties are:

(i) The land and buildings at the Group's headquarters on Ormeau Road, Belfast from which the Television, New Media and part of the Radio Ireland businesses are operated;

(ii) Broadcasting House in Cork; and

(iii) Radio House in Limerick.

The former two properties are owned outright by UTV while Radio House in Limerick is held as a long leasehold (500 years).

There are no other individual assets within the Group with a material value.

The properties from which the businesses in Radio GB and the remaining Radio Ireland radio stations are operated are all held under leases with 0-14 years left to run. These leases contain standard clauses with respect to dilapidation, repairs and environmental matters.

17. TAXATION

(A) UNITED KINGDOM

The following summary is intended as a general guide only and relates only to certain UK tax consequences of holding the Rights Issue Shares. It is based on current UK tax law and the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The summary is intended to apply only to shareholders who are resident and/or domiciled in the UK for UK tax purposes, who hold the Rights Issue Shares as investments and who are the beneficial owners of the Rights Issue Shares. The summary is not intended to apply to certain classes of shareholders such as dealers in securities, insurance companies or collective investment schemes. Any shareholders or prospective shareholders who are in any doubt as to their tax position regarding the acquisition, ownership and/or disposition of the Rights Issue Shares and/or who are subject to tax in a jurisdiction other than the UK or the Republic of Ireland should consult their own independent tax advisers.

(a) **Dividends**

Under current tax law UTV Media will not be required to withhold tax at source from dividend payments it makes.

(i) Individuals

An individual shareholder who is resident in the UK for tax purposes and who receives a dividend from UTV Media will generally be entitled to a tax credit which may be set off against his total income tax liability on the dividend. Such an individual shareholder's liability to income tax is calculated on the aggregate of the net dividend and the related tax credit (the "gross dividend") which will be regarded as the top slice of the individual's income. The tax credit will be equal to one-ninth of the cash dividend paid, or 10% of the gross dividend.

A UK resident shareholder who is liable to income tax at the starting or basic rate will be subject to income tax on dividends paid by UTV Media at the rate of 10% of the gross dividend so that the tax credit will satisfy in full such shareholder's liability to income tax on the dividend. If and to the extent that a UK resident individual shareholder is liable to pay income tax at the higher rate he will be subject to income tax on the gross dividend at 32.5% After taking into account the tax credit, such a shareholder will have to account for additional tax equal to 22.5% of the gross dividend (an effective tax rate of 25% of the net cash dividend received).

Shareholders who are not liable to income tax in respect of the gross dividend will not be entitled to reclaim any part of the tax credit.

(ii) Companies

A corporate shareholder resident in the UK for tax purposes will not normally be subject to corporation tax on any dividend received from UTV Media. A corporate shareholder will not be able to claim repayment of the tax credit attaching to any dividend.

(b) **Capital gains**

A disposal of Rights Issue Shares (whether nil or fully paid) by a shareholder who is either resident or (in the case of individuals) ordinarily resident in the UK for tax purposes, or is not UK resident but carries on a trade, profession or vocation in the UK through (in the case of individuals) a branch or agency or (in the case of companies) a permanent establishment, for the purposes of which the Rights Issue Shares have been used, held or acquired may, depending on the shareholder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or an allowable loss for the purposes of the taxation of capital gains. A shareholder who is an individual and who has ceased to be resident and ordinarily resident for a period of five full tax years will not be chargeable to UK capital gains on the disposal of the Rights Issue Shares unless the disposal occurs in the year he breaks his UK residency. If the individual returns to the UK within the five year period he will be subject to UK capital gains tax on the profit on the disposal in the year he returns to the UK.

(c) **UK inheritance and gift taxes**

Rights Issue Shares beneficially owned by an individual will be subject to UK inheritance tax on the death of the individual or, in certain circumstances, if the Rights Issue Shares are the subject of a gift by such individual. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Inheritance tax is not generally chargeable on gifts to individuals made more than seven years before the death of the donor. Under current UK legislation most gifts to settlements are 'chargeable events' for UK inheritance tax purposes and therefore where the value exceeds the nil rate threshold (currently £312,000) an immediate 20% charge to inheritance tax arises. UK inheritance tax is chargeable on shares situated in the UK at the time of the death or gift. Registered shares are situated where they are registered, which is generally the place where the share register is maintained and where transfer of the shares can be legally executed. As the Group's share register will be maintained in the UK, the Rights Issue Shares will be assets situated in the UK for the purposes of UK inheritance tax. Special rules also apply to close companies and to trustees of settlements who hold Rights Issue Shares bringing them within the charge to inheritance tax.

Shareholders should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any Rights Issue Shares through trust arrangements.

Shareholders should also seek professional advice in a situation where there is a potential for a double charge to UK inheritance tax and an equivalent tax in another country.

(d) **Stamp duty and stamp duty reserve tax (SDRT)**

Holders of Rights Issue Shares will be registered on the register of UTV in the UK. Persons who are a "system member" of CREST (as defined in the relevant regulations) may elect to hold their Rights Issue Shares through CREST for trading on the main market.

(i) Rights Issue Shares registered on the Group's UK share register

No liability to stamp duty or SDRT will generally arise on the issue by UTV of the Rights Issue Shares pursuant to the Rights Issue.

Stamp duty at the rate of 0.5% of the amount or value of the consideration given (rounded up to the next multiple of £5) is payable on an instrument transferring Rights Issue Shares. However, if the Finance Bill 2008 is enacted as currently drafted, stamp duty will not be chargeable on an instrument transferring Rights Issue Shares where the amount or value of the consideration given is £1,000 or less. A charge to SDRT will also arise on an agreement to transfer Rights Issue Shares (at the rate of 0.5% of the agreed amount or value of the consideration paid). The charge to SDRT will arise on the date the contract is made (or, in the case of a conditional agreement, on the date the condition is satisfied), although the liability will be cancelled and any SDRT already paid will be repaid, generally with interest, provided that an instrument is (or instruments are) executed in pursuance of the agreement and the instrument or instruments transfer all the Rights Issue Shares to which the agreement related to the person agreeing to purchase those Rights Issue Shares and the instrument or instruments is or are duly stamped within six years of the date on which the charge to SDRT arises. SDRT and UK stamp duty are usually paid by the purchaser. Higher rates may apply in certain circumstances.

(ii) Rights Issue Shares held through CREST

Under the CREST system, no stamp duty or SDRT will arise on a transfer of Rights Issue Shares into the system unless such transfer is made for a consideration in money or money's worth in which case a liability to SDRT (usually at a rate of 0.5% of the value of the consideration given) will arise. Paperless transfers of Rights Issue Shares within CREST will generally be liable to SDRT at a rate of 0.5% of the value of the consideration. CREST is obliged to collect SDRT from (usually) the purchaser of the Rights Issue Shares on relevant transactions settled within the system.

(iii) Rights Issue Shares held through Clearance Service or Depositary Receipt Arrangements

Where Rights Issue Shares are issued or transferred (a) to, or to a nominee for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty (in the case of transfer) or SDRT (in the case of transfer or an issue) will be payable at the higher rate of 1.5% of the amount or value of the consideration payable or, in certain circumstances, the value of the Rights Issue Shares (rounded up to the next £5 in the case of stamp duty). This liability for stamp duty or SDRT will strictly be accountable by the depositary or clearance service operator or their nominee, as the case may be but will, in practice, generally be reimbursed by participants in the clearance service or depositary receipt scheme. Clearance service providers may opt, provided certain conditions are satisfied, for the normal rate of stamp duty or SDRT (generally 0.5% of the consideration paid) to apply to issues or transfers of Rights Issue Shares into, and to transactions within, such services instead of the higher rate of 1.5% generally applying to issues or transfers of Rights Issue Shares into the clearance service and instead of the exemption from SDRT on transfers of Rights Issue Shares whilst in the service.

Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements. Agreements to transfer Rights Issue Shares to charities will not generally give rise to stamp duty or SDRT.

Provided certain conditions are met, there is an exemption from the charge to SDRT where shares are issued into a depositary receipt regime in place of existing shares which are cancelled.

The above comments are only intended as a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate as mentioned above or may, although not primarily liable for the tax, be required to notify and account for it.

(B) REPUBLIC OF IRELAND TAXATION

General

The following summary is intended as a general guide only and relates only to certain Republic of Ireland tax consequences of holding the Rights Issue Shares. It is based on current Republic of Ireland tax law and the current practice of the tax authorities of the Republic of Ireland, both of which are subject to change, possibly with retrospective effect. The summary is intended to apply only to shareholders who are resident in the Republic of Ireland for Republic of Ireland tax purposes, who hold the Rights Issue Shares as investments and who are the beneficial owners of the Rights Issue Shares. The summary is not intended to apply to certain classes of shareholders such as dealers in securities, insurance companies or collective investment schemes. Any shareholders or prospective shareholders who are in any doubt as to their tax position regarding the acquisition, ownership and/or disposition of the Rights Issue Shares and/or who are subject to tax in a jurisdiction other than the UK or the Republic of Ireland should consult their own independent tax advisers.

UTV have received advice that the summary below should be an accurate summary of the tax treatment in the Republic of Ireland of shareholders to which it relates on the Rights Issue becoming effective.

(a) **Dividends**

Unless exempted, Republic of Ireland resident or ordinarily resident shareholders holding less than 10% of the voting power of UTV or Republic of Ireland resident corporate shareholders holding less than 5% of the voting power of UTV will be liable to Republic of Ireland income tax or corporation tax as the case may be on the net amount of any cash dividend received in respect of the Rights Issue Shares. It is not possible to reclaim any UK tax credit associated with such a dividend.

A Republic of Ireland resident corporate shareholder which either alone or together with one or more associated companies controls directly or indirectly 5% or more of the voting power in UTV will be subject to Republic of Ireland corporation tax on the aggregate of the dividend received and the proportionate share of the underlying UK corporation tax. Relief for the underlying UK corporation tax will be available to the shareholder as credit to be set off against the Republic of Ireland corporation tax liability on the aggregate amount. Where there is any excess this may be deducted in arriving at the taxable amount, and in certain circumstances may be available as a credit to be set off against the Republic of Ireland corporation tax liability on other dividends received from outside the Republic of Ireland.

Republic of Ireland resident charities and exempt approved superannuation schemes are exempt from Republic of Ireland tax in respect of the dividends but cannot reclaim from the UK revenue authorities any tax credit attached to the dividend.

Individual shareholders who are either resident or ordinarily resident in the Republic of Ireland may also be liable to certain levies on the dividend.

(b) **Capital Gains**

Republic of Ireland resident or ordinarily resident shareholders will be liable to Republic of Ireland tax on capital gains arising on the disposal of Rights Issue Shares. The capital gain will be calculated by reference to the Euro equivalent of the purchase price and sale price based on the rates of exchange pertaining on the respective dates. Indexation relief and other reliefs and allowances may be available in computing the shareholder's liability.

The disposal of Rights Issue Shares by that person may, depending on the shareholder's individual circumstances, give rise to Republic of Ireland capital gains tax.

(c) **Capital Acquisitions Tax**

A gift or inheritance of Rights Issue Shares will only be within the charge of capital acquisitions tax if received by or from a Republic of Ireland resident or ordinarily resident person. Capital acquisitions tax is charged at a rate of 20% above a tax free threshold which is determined by the amount of the benefit and of previous benefits within the charge to capital acquisitions tax, and the relationship between the disponer and the successor or donee. Credit against any liability may be available in respect of UK taxation on the gift or the inheritance, under the relevant UK/Republic of Ireland Double Tax treaty.

(d) **Stamp duty**

No Republic of Ireland stamp duty will be payable by shareholders who are issued Rights Issue Shares under the Rights Issue. There are no stamp duty reserve taxes in the Republic of Ireland.

(C) OTHER NON-UK AND NON-REPUBLIC OF IRELAND RESIDENTS

The tax treatment of non-UK resident shareholders who are also not resident in the Republic of Ireland may differ from that described in the preceding paragraphs. In particular non-UK resident shareholders will generally not be subject to tax in the UK in respect of any gain accruing to them pursuant to their participation in the Rights Issue.

Persons who are not resident in the UK or the Republic of Ireland should consult their own tax advisers concerning their tax liabilities (in the UK or the Republic of Ireland and any other country) and whether any relief (or repayment of a tax credit) may be available to them in respect of interest or dividends paid by UTV whether under the terms of a double tax treaty between the UK and the country in which they are resident or otherwise.

18. MATERIAL CONTRACTS AND RELATED PARTY TRANSACTIONS

(a) The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the publication of this document and which are or may be material to the Group or have been entered into by any member of the Group at any time and contain a provision under which any member of the Group has any obligation or entitlement which is material to the Group at the date of this document:

(i) UTV Limited entered into a facility agreement dated 6 May 2005 (the "Facility Agreement") with a syndicate of banks led by The Governor and Company of the Bank of Ireland as arranger, facility agent and lender (the "Finance Parties").

The Facility Agreement was amended and restated on 28 November 2006, 15 October 2007 and again on 10 April 2007. The renegotiated facilities with, among others, the Company as parent and guarantor, UTV Limited as principal Sterling borrower and UTV Radio (ROI) Limited as principal Euro borrower comprise a term loan facility of £90.5m and €35m and revolving credit facilities of £30m and €5m:

(a) Facility "A" term loan of £90.5m repayable by an initial instalment of £6.15m on 31 December 2006 with instalments of £3.65m in June and December each year until the termination date of 30 June 2010 when the outstanding balance is due to be repaid in full.

(b) Facility "B" £30m revolving credit facility available until 30 June 2010 when any sums outstanding will then be due for repayment in full.

(c) Facility "C" term loan of €35m repayable by an initial instalment of €2m on 31 December 2006 with €2m instalments due in June and December each year until the termination date of 30 June 2010 when the outstanding balance is due to be repaid in full.

(d) Facility "D" €5m revolving credit facility available until 30 June 2010 when any sums outstanding will then be due for repayment in full.

Interest is payable on the amounts outstanding under these facilities at an interest rate calculated as the aggregate of: (a) LIBOR/EURIBOR; (b) a margin of 1.35% per annum (which margin may reduce to 0.75% if certain financial ratios are met); and (c) the mandatory cost (if any) to compensate the Bank for the cost of compliance with the requirements of the Bank of England and/or the Financial Services Authority or of the European Central Bank.

The Facility Agreement contains extensive representations and warranties that were given by UTV Limited on signing of the Facility Agreement and which will be repeated during the life of the Facilities by the Company. The Facility Agreement additionally contains a covenant package which imposes certain restrictions and obligations upon the Group.

There are provisions within the Facility Agreement which enable the Bank of Ireland to terminate. The relevant provisions (which include non-payment, insolvency and breach of representations and covenants) are standard for a facility agreement of this nature.

(ii) the Company, UTV Limited and UTV Radio (ROI) Limited and certain other members of the Group are party to an amendment and restatement agreement whereby the Facility Agreement will be replaced by the New Five Year Facilities Agreement with a syndicate of banks led by The Governor and Company of the Bank of Ireland (the "Lenders") whereby the Facility Agreement will be replaced by the New Five Year Facilities Agreement. Pursuant to the New Five Year Facilities Agreement, the Lenders have agreed to make available to the Company, UTV Limited and UTV Radio (ROI) Limited term loan facilities (the "Term Loans") in maximum amounts of £55m and €40m and revolving credit facilities (the "New RCF") in a maximum aggregate amount of £40m and €10m. The Term Loans may be used for refinancing certain financial indebtedness of the Group. The New RCF may be used towards the general working capital needs of the Group. The final repayment date for the New Five Year Facilities is July 2013 being five years from the date of drawdown of the New Five Year Facilities, which is expected to be on or about the date of Admission.

Interest is payable on the amounts outstanding under the New Five Year Facilities at an interest rate calculated as the aggregate of: (a) LIBOR/EURIBOR; (b) a margin of 1.85% per annum (which margin reduces in stages to 1.00% if certain financial ratios are met); and (c) the mandatory cost (if any) to compensate the Lenders for the cost of compliance with the requirements of the Bank of England and/or the Financial Services Authority or of the European Central Bank.

The New Five Year Facilities Agreement contains extensive representations and warranties given by each obligor, certain of which will be repeated during the life of the New Five Year Facilities as well as a covenant package which imposes certain restrictions and obligations upon the Group, including maintenance of certain financial ratios (net debt to EBITDA).

There are provisions within the New Five Year Facilities Agreement which enable the Lenders to terminate it. The relevant provisions (which include non-payment, insolvency and breach of representations and covenants) are standard for a facility agreement of this nature.

(iii) UTV Radio (ROI) Limited (as purchaser) and UTV Limited (as guarantor) entered into an acquisition agreement on 18 December 2007 with Communicorp Group Limited pursuant to which UTV Radio (ROI) Limited agreed to acquire the entire issued share capital of Capital Radio Productions plc and Babstova plc, being the Dublin commercial radio station FM104. The acquisition valued FM104 at €52.0m (approximately £37.1m) on a cash-free and debt-free basis, subject to certain post-completion adjustments. Pursuant to the terms of the agreement, Communicorp Group Limited gave certain warranties of a type customary for a transaction of the nature of the acquisition, including warranties in relation to title to the shares in FM104 and warranties in relation to the business of FM104. These warranties were given as of 14 July 2007 and were not repeated at the date of completion (being 10 April 2008). However, the warranties relating to the title to the shares and to the management accounts were repeated at completion. The maximum liability of Communicorp Group Limited in respect of any claims for breach of warranty and under the deed of tax covenant does not exceed €15m. No claim may be brought in respect of breach of warranty if the liability of Communicorp Group Limited in respect of such claim would be less than €100,000 and the aggregate liability of all claims for breach of warranty under the deed of tax covenant must exceed €500,000 before Communicorp Group Limited should be liable in respect of a claim. UTV Limited guaranteed the due and punctual performance and observance by UTV Radio (ROI) Limited of all of its covenants, undertakings, warranties and other obligations pursuant to the agreement. In addition, UTV Limited indemnified Communicorp Group Limited against any breach by UTV Radio (ROI) Limited of its obligations under the agreement.

(iv) The Bank of Ireland and UTV Radio (ROI) Limited entered into the Acquisition Facility on 17 March 2008 for the purposes of financing in part the FM104 Acquisition and also for UTV's ongoing funding requirements and for general corporate purposes. The Acquisition Facility is a bi-lateral facility of €47.6m term loan note with a bullet repayment at maturity on 30 June 2009, or earlier if refinancing of the facilities takes place before this date. Interest is payable at the application EURIBOR 3 month period rate plus a margin of 1.75% (which margin may reduce to 0.75% if certain financial ratios are met). The covenants contain a Net Debit/EBITDA (including new facilities) quarterly test of less than 4.95 times until December 2008 thereafter less than 4.75 times with Net Interest/ EBITDA greater than 3 times until 30 June 2009.

The Acquisition Facility contains customary representations and warranties and covenants for a facility of this type and is subject to a condition precedent concerning completion of security documentation (which is in substantially the form of that approved by UTV and/ or any Group companies and the Bank of Ireland in previous acquisitions and which UTV has confirmed it will be able to satisfy). The Acquisition Facility is also to contain customary events of default upon the occurrence of which the lender can terminate and demand repayment of all amounts outstanding under the Acquisition Facility. UTV Limited has obtained the necessary waivers and permissions from the syndicate of banks which provide the facilities to enter into the Acquisition Facility.

(v) Pursuant to the Underwriting Agreement, the Joint Sponsors have agreed to act as joint sponsors to the Rights Issue and the Joint Underwriters have each agreed on a several basis to procure subscribers for, or failing which to subscribe themselves for, 50% of the Underwritten Shares not taken up under the Rights Issue. In consideration of the services provided under the Underwriting Agreement, the Joint Underwriters will receive an aggregate commission of 3% of the aggregate value of the Underwritten Shares at the Rights Issue Price. Numis will in addition be paid a corporate finance fee of £200,000.

The commissions, fees, costs and expenses referred to above shall be paid to the Joint Underwriters whether or not they shall be called upon to subscribe or procure subscribers for any of the Underwritten Shares under the Underwriting Agreement. Out of such commission the Joint Underwriters shall pay sub-underwriting commissions to such persons (if any) as they may procure to subscribe Underwritten Shares. If the Underwriting Agreement terminates for reasons beyond the control of the Company, including for force majeure, and the Company has not breached its obligations under the Underwriting Agreement, the corporate finance fee referred to above shall be payable, together with any sub-underwriting commissions required to be paid, up to a maximum of 0.5% of the aggregate value of the Underwritten Shares. If the Underwriting Agreement is terminated for any other reason, a commission of 0.5% of the aggregate value of the Underwritten Shares will be payable in addition.

The Underwriting Agreement, which contains certain representations, warranties and indemnities by the Company in favour of the Joint Underwriters, is conditional, among other things, on (i) the announcement of the Rights Issue by not later than 7.00 a.m. on the date of the Underwriting Agreement; (ii) the Underwriting Agreement not having been terminated in accordance with its terms prior to Admission; (iii) the passing of the Resolutions to be proposed at the General Meeting; (iv) the New Five Year Facilities Agreement being entered into in a form acceptable to the Joint Underwriters and becoming unconditional in all respects (save for any condition relating to the Underwriting Agreement becoming unconditional); and (v) Admission taking place on or before 8.00 a.m. on 15 July 2008 (or such later date as the Joint Underwriters and the Company may agree).

The Joint Underwriters may terminate the Underwriting Agreement up to the time of Admission if, among other things, an event occurs which materially and adversely affects the financial position and/or prospects of the Group, or if there is a change in national or international financial, monetary, economic, fiscal, political or market conditions which in the Joint Underwriters' opinion is or may be materially prejudicial to the Company or the underwriting of the Rights Issue.

The Underwriting Agreement may not be terminated once it has become unconditional in all respects following commencement of dealings in the Rights Issue Shares, nil paid, on the London Stock Exchange and the Irish Stock Exchange.

(b) Save as disclosed in note 30 to the audited consolidated accounts of UTV for the financial year ended 31 December 2005, note 31 to the audited consolidated accounts of UTV for the financial year ended 31 December 2006 and note 30 to the audited consolidated accounts of UTV for the financial year ended 31 December 2007 (incorporated by reference in Part 11 of this document), the Group has not been a party to any related party transactions for the three years ended 31 December 2007 and the period from 1 January 2008 to 3 June 2008 (being the latest practicable date prior to publication of this document).

19. WORKING CAPITAL

The Company is of the opinion that, having regard to the New Five Year Facilities available to the Group and the net proceeds of the Rights Issue receivable by the Company, the working capital of the Group is sufficient for its present requirements, that is for at least 12 months following the date of this document.

20. SIGNIFICANT CHANGE

Save as described in paragraph 18 of this Part 10 in relation to the FM104 Acquisition, there has been no significant change in the financial or trading position of the Group since 31 December 2007, being the date to which the last audited consolidated accounts of the Group were drawn up.

21. LITIGATION

Neither UTV Media nor any member of the Group is, nor has at any time in the 12 months immediately preceding the date of this document been, involved in any governmental, legal or arbitration proceedings and UTV Media is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against UTV Media or any member of the Group, nor of any such proceedings having been pending or threatened at any time in the 12 months immediately preceding the date of this document, in each case which may have, or have had in the recent past, a significant effect on UTV Media's or the Group's financial position or profitability.

22. MARKET AND INDUSTRY DATA

Certain information, statements and statistics presented in this document are based on data and reports compiled by industry professionals or organisations. UTV Media confirms that where third party information has been used in this document, the source of such information has been identified and that the information has been accurately reproduced as so far as UTV Media is aware and has been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

23. INVESTMENTS

At 31 December 2007, UTV held a 30.2% stake in Digital Radio Group (London) Limited and a 21.7% stake in Dee 106.3 Radio Limited with a cumulative value of £198,234 (2006: £116,384, 2005: £268,619). An 8% stake in Somethin' Else Productions Limited was disposed of on 9 August 2007 for £580,000.

24. GENERAL

(a) The total costs (including fees and commissions) (exclusive of recoverable VAT) payable by UTV in connection with the Rights Issue are estimated to amount to approximately £3.2m. There are no amounts payable to financial intermediaries save as set out in paragraph 18(v) of this Part 10.

(b) Each of Numis Securities Limited, Goodbody Stockbrokers and Goodbody Corporate Finance has given and has not withdrawn its written consent to the inclusion in this document of its name in the form and context in which it is included.

(c) Ernst & Young LLP, of 16 Bedford Street, Belfast BT2 7DT, has given and not withdrawn its written consent to the inclusion in Part 9 of this document ("Unaudited pro forma statement of net assets of the Group") of its report in the form and context in which it appears.

(d) Ernst & Young LLP, of 16 Bedford Street, Belfast BT2 7DT, has given unqualified audit reports on the statutory accounts of UTV for each of the three financial years ended 31 December 2005, 2006 and 2007 and such reports did not contain a statement under Articles 245(2) or (4) of the Order.

(e) CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The UTV Media Articles will permit the holding and transfer of New Shares under CREST. The Directors have applied for the Rights Issue Shares to be admitted to CREST and it is expected that the Rights Issue Shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Admission has occurred. CREST is a voluntary system and shareholders who wish to receive and retain a share certificate will be entitled to do so.

25. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Travers Smith, 10 Snow Hill, London EC1A 2AL and at the registered office of UTV (at Ormeau Road, Belfast BT7 1EB) from the date of this document until Admission and will also be available for inspection at the General Meeting:

(a) the memorandum of association of UTV Media and the UTV Media articles of association;

(b) the audited consolidated accounts of UTV Limited for the two financial years ended 31 December 2005 and 31 December 2006 and of UTV Media for the financial year ended 31 December 2007;

(c) the accountants' report on the historical financial information and the historical financial information of FM104 at pages 19-38 and the unaudited pro forma statement of net assets of the Group illustrating the enlarged Group following the FM104 Acquisition at pages 40-41 of the FM104 Circular;

(d) the report of Ernst & Young LLP set out in Part 9 of this document;

(e) the consent letters referred to in sub-paragraphs 24(b) and 24(c) above;

(f) the service agreements and letters of appointment referred to in paragraph 10 above;

(g) the material contracts referred to in paragraph 18 above;

(h) the rules of the UTV Share Option Schemes; and

(i) this document.

Dated: 4 June 2008

PART 11

DOCUMENTS INCORPORATED BY REFERENCE

The following information, which is available free of charge on UTV'S website at http://www.utvmedia.com, from the Company's registered office at Ormeau Road, Belfast, BT7 1EB and the London offices of Travers Smith, 10 Snow Hill, London EC1A 2AL, and which has been submitted to the UKLA's Document Viewing Facility (situated at Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS telephone 020 7066 1000), is incorporated by reference to this document:

- Audited reports and accounts (including audit reports) of UTV Limited for the financial year ended 31 December 2005 which can be found on pages 30 – 85 of UTV Limited's (formerly UTV plc) 2005 annual report and accounts;
- Audited reports and accounts (including audit reports) of UTV Limited for the financial year ended 31 December 2006 which can be found on pages 35 – 89 of UTV Limited's (formerly UTV plc) 2006 annual report and accounts;
- Audited reports and accounts (including audit reports) of UTV Media plc for the financial year ended 31 December 2007 which can be found on pages 43 – 100 of UTV Media's plc's 2007 annual report and accounts; and
- Accountants' report on the historical financial information and the historical financial information of FM104 at pages 19-38 of the FM104 Circular and the unaudited pro forma statement of net assets of the Group illustrating the enlarged Group following the FM104 Acquisition at pages 40-41 of the FM104 Circular.

No information or documents incorporated by reference into each of the reference documents set out above form part of this document. Although the above information is available through UTV's website as stated above, the remaining contents of that website are not incorporated into this document.

PART 12

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"2006 Act"	Companies Act 2006
"Acts"	the Order and the 2006 Act
"Acquisition Facility"	the bi-lateral €47.6m term loan dated 17 March 2008 between UTV Radio (ROI) Limited and the Bank of Ireland
"Admission"	the admission of the Rights Issue Shares to the Official List in accordance with the Listing Rules and to trading on the London Stock Exchange's market for listed securities and to the Irish Official List and to the regulated market of the Irish Stock Exchange
"Articles"	the articles of association of the Company as further described in paragraph 4 of Part 10 of this document
"Bauer"	The Bauer Publishing Group
"Board" or "Directors"	the directors of the Company as at the date of this document, whose names are set out on page 17 of this document
"City Code"	the City Code on Takeovers and Mergers
"Combined Code"	the Combined Code on Corporate Governance
"Company" or "UTV Media"	UTV Media plc
"Computershare"	the registrars of the Company, Computershare Investor Services (Ireland) Limited
"CREST"	the relevant system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations
"CREST Courier and Sorting Service" or "CCSS"	the CREST Courier and Sorting Service established by Euroclear UK & Ireland to facilitate, *inter alia*, the deposit and withdrawal of securities
"CREST Deposit Form"	the form contained with the Provisional Allotment Letter giving instructions for the Rights Issue Shares, Nil Paid Rights or Fully Paid Rights to be deposited into CREST
"CREST Manual"	the rules governing the operation of CREST as published by Euroclear
"CREST member"	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
"CREST participant"	a person who is, in relation to CREST, a system-participant (as defined in the Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor
"CREST sponsored member"	a CREST participant admitted to CREST as a sponsored member
"CREST stock account"	a Qualifying Shareholder's CREST stock account
"DAB"	Digital Audio Broadcast
"Dealing Day"	a day on which dealings in domestic securities may take place on, and with the authority of, the London Stock Exchange
"Disclosure and Transparency Rules"	the disclosure and transparency rules of the FSA
"Digital Switchover"	the phased process in which the analogue broadcast signal for television in an area is replaced with a digital signal
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST

"Excluded Jurisdictions"	Canada, Australia, Japan, the Republic of South Africa and New Zealand
"Existing Ordinary Shares"	the 57,541,517 Ordinary Shares in issue at the date of this document
"Facility Agreement"	the facility agreement dated 6 May 2005 as amended and restated pursuant to amendment and restatement deeds/agreements dated 28 November 2006, 15 October 2007 and 10 April 2008 and made between The Governor and Company of the Bank of Ireland, UTV Media plc, UTV Limited and UTV Radio (ROI) Limited
"Financial Regulator"	the Irish Financial Services Regulatory Authority
"FM104 Acquisition"	the acquisition by UTV of Capital Radio Productions plc and Babstova plc (together, FM104)
"FM104 Circular"	the circular and notice of extraordinary general meeting dated 20 March 2008 in relation to the FM104 Acquisition
"Form of Proxy"	the form of proxy accompanying this document for use by Shareholders in respect of the General Meeting
"FSA"	the Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000
"Fully Paid Rights"	rights to acquire Rights Issue Shares, fully paid
"GB" or "Great Britain"	England, Scotland and Wales
"GCap"	GCap Media plc
"General Meeting"	the general meeting of the shareholders of the Company convened for 12.00 p.m. on 20 June 2008 the notice of which is set out at the end of this document
"Global Radio"	Global Radio UK Limited
"GMG"	Guardian Media Group
"Group" or "UTV"	the Company and its subsidiary undertakings
"HMRC"	Her Majesty's Revenue & Customs and, where relevant, any predecessor body which carried out part of its functions and references to any approved HMRC shall, where appropriate, include approval by an officer of Her Majesty's Revenue & Customs
"ILRs"	independent local radio stations
"International Financial Reporting Standards" or "IFRS"	the International Financial Reporting Standards maintained by the International Accounting Standards Board (IASB) and which are in force from time to time, as adopted by the European Union
"Ireland"	the Republic of Ireland and Northern Ireland
"Irish Official List"	the official list of the Irish Stock Exchange
"Irish Stock Exchange"	the Irish Stock Exchange Limited
"ITV"	ITV plc
"ITV Network"	all channel 3 television licences in the UK, including UTV
"Joint Sponsors"	Goodbody Corporate Finance and Numis
"Joint Underwriters"	Goodbody Stockbrokers and Numis
"LIBOR"	London Interbank Offered Rate
"Listing Rules"	the listing rules made by the UKLA for the purposes of Part VI of FSMA
"London Stock Exchange" or "LSE"	the London Stock Exchange plc
"Member Account ID"	the identification code or number attached to any member account in CREST
"New Five Year Facilities"	the £95m and €50m loans made available to UTV Media plc, UTV Limited and UTV Radio (ROI) Limited pursuant to the New Five Year Facilities Agreement

"New Five Year Facilities Agreement"	the facilities agreement originally dated 6 May 2005, as amended and restated pursuant to amendment and restatement deeds/agreements dated 28 November 2006, 15 October 2007, 10 April 2008 and 3 June May 2008, and made between, amongst others The Governor and Company of the Bank of Ireland, UTV Media plc, UTV Limited and UTV Radio (ROI) Limited
"New Media"	the Group's provider of internet based services including broadband, web design, telephony cross media content and other internet related operations
"Nil Paid Rights"	Rights Issue Shares, in nil paid form, to be provisionally allotted to Qualifying Shareholders (other than certain overseas shareholders) pursuant to the Rights Issue
"Northern Ireland"	the counties of Antrim, Armagh, Derry, Down, Fermanagh and Tyrone on the island of Ireland
"Numis"	Numis Securities Limited
"Ofcom"	the independent regulator and competition authority for the communications industries in the UK
"Official List"	the official list of the UKLA
"OFT"	the Office of Fair Trading
"Order"	the Companies (Northern Ireland) Order 1986, including any statutory modification or re-enactment thereof for the time being in force
"Ordinary Shares"	the ordinary shares of 5 pence each in the Company
"Overseas Shareholders"	holders of Ordinary Shares who have registered addresses outside the United Kingdom and the Republic of Ireland or who are citizens of, incorporated in, registered in or otherwise resident in, countries outside the United Kingdom and the Republic of Ireland
"Panel"	the Panel on Takeovers and Mergers
"participant ID"	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
"Performance Share Plan"	the UTV Performance Share Plan as approved by UTV Limited on 26 May 2006 and adopted by the Board of directors of UTV Limited on 29 June 2006 and adopted by the Board of Directors of UTV Media pursuant to the scheme of arrangement completed on 12 October 2007
"Prospectus Rules"	the prospectus rules made by the UKLA for the purposes of Part VI of FSMA
"Provisional Allotment Letter" or "PAL"	the renounceable provisional letter of allotment sent to Qualifying Shareholders (other than certain Overseas Shareholders) pursuant to the Rights Issue
"Qualifying CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares in uncertificated form
"Qualifying non-CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares in certificated form
"Qualifying Shareholders"	holders of Ordinary Shares on the register of members of the Company on the Record Date
"Radio GB"	the Group's radio operations in Great Britain
"RAJAR"	Radio Joint Audience Research Limited, the official body responsible for measuring radio audiences in the UK and jointly owned by the BBC and RadioCentre on behalf of the commercial sector
"Record Date"	the record date for the Rights Issue, being the close of business on 17 June 2008

"Resolutions"	the resolutions set out in the notice of General Meeting at the end of this document
"Rights Issue"	the issue by way of rights to Qualifying Shareholders (other than certain Overseas Shareholders) of up to 38,361,011 new Ordinary Shares on the basis of 2 Rights Issue Shares for every 3 Existing Ordinary Shares held at 130 per share on the terms described in this document
"Rights Issue Price"	130 pence per Rights Issue Share
"Rights Issue Shares"	38,361,011 new Ordinary Shares proposed to be allotted and issued by the Company pursuant to the Rights Issue
"Scheme"	the scheme of arrangement implemented by the Group in August 2007
"SDRT"	stamp duty reserve tax
"Securities Act"	the United States Securities Act of 1933, as amended
"Shareholder"	a holder of an Ordinary Share
"Share Option Plan"	the UTV plc Employee Share Option Scheme 1999 as approved by UTV in general meeting
"Share Option Schemes"	the Performance Share Plan and the Share Option Plan
"SMG"	SMG plc
"Stock account"	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
"Tibus"	The Internet Business Limited and its dormant holding company Holbeck Limited
"Trading Period"	the Group's first four month trading period of 2008 ending on 30 April 2008
"TWG"	The Wireless Group plc
"UK Listing Authority" or "UKLA"	the FSA acting in its capacity as the competent authority to the purposes of Part VI of FSMA
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies
"Underwritten Shares"	the Rights Issue Shares excluding Rights Issue Shares in respect of which certain Shareholders have irrevocably undertaken to subscribe
"Underwriting Agreement"	the conditional agreement dated 4 June 2008 between the Company, the Joint Sponsors and the Joint Underwriters described in paragraph 18 of Part 10 of this document
"uncertificated" or "in uncertificated form"	an Ordinary Share recorded on the Company's share register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"UTV Employee Benefit Trust"	a discretionary trust for the benefit of employees of UTV within the meaning of section 86 of the Inheritance Tax Act 1984
"UTV Internet"	UTV Internet Limited, a company incorporated in Northern Ireland and registered with number NI032652
"UTV Limited"	UTV Limited (formerly UTV plc), a company incorporated in Northern Ireland with registered number NI004230

PART 13

NOTICE OF GENERAL MEETING

UTV Media plc

(Incorporated in Northern Ireland under the Companies (Northern Ireland) Order 1986, with number NI65086)

NOTICE IS HEREBY GIVEN that a General Meeting of UTV Media plc (the "**Company**") will be held at 12.00 p.m. on 20 June 2008 at the offices of Travers Smith, 10 Snow Hill, London EC1A 2AL to consider and, if thought fit, pass the following resolutions:

Ordinary resolutions

1. THAT the authorised share capital of the Company be increased from £5,050,000 to £10,050,000 (representing approximately a 100% increase in the authorised share capital of the Company) by the creation of 100,000,000 ordinary shares of 5 pence each in the capital of the Company, each ranking *pari passu* in all respects with the existing ordinary shares in the capital of the Company.
2. THAT, subject to resolution 1 above and resolution 3 below being passed, the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined in Article 90 of the Companies (Northern Ireland) Order 1986 (the "Order")) up to an aggregate nominal amount of £3,614,699.55 provided that this authority shall expire at the conclusion of the next annual general meeting following the passing of this resolution, except that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired, this authority to be in substitution for all previous authorities conferred upon the directors pursuant to Article 90 of the Order but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.

Special resolutions

3. THAT, subject to and conditional upon the passing of resolutions 1 and 2 above, the Directors be and are hereby empowered, pursuant to the authority conferred upon them by the passing of resolution 2 above, to allot equity securities (as defined in Article 104 of the Order) for cash as if Article 99 of the Order did not apply to any such allotment provided that this power shall be limited to:

   (a) the allotment of equity securities in connection with a rights issue or other *pro rata* offer in favour of holders of ordinary shares in the capital of the Company where the equity securities respectively attributable to the interests of all the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of equity securities held by them subject in each case to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body; and

   (b) the allotment (other than pursuant to sub-paragraph (a) above) of equity securities for cash up to an aggregate nominal amount of £239,756 (representing approximately 5% of the issued share capital of the Company following completion of the rights issue of the Company announced on 4 June 2008),

   and shall expire at the conclusion of the next annual general meeting following the passing of this resolution except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

NOTES

1. Any member entitled to vote at the above General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend, speak and vote instead of the member. Completion and return of a Form of Proxy will not preclude a member from attending, speaking and voting at the General Meeting in person, should he subsequently decide to do so.
2. In order to be valid, any Form of Proxy and a power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power of authority, in order to be valid, must reach the Company's registrars, Computershare, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, not less than 48 hours before the time of the General Meeting or of any adjournment of the General Meeting.
3. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, Shareholders who hold their Ordinary Shares in uncertificated form must be entered on the Company's share register at 6.00 p.m. on 3 June 2008 in order to be entitled to attend and vote at the General Meeting or, in the event that the General Meeting is adjourned, Shareholders must be entered on the Company's share register no later than 48 hours before the time fixed for the adjourned General Meeting to be entitled to attend and vote at any adjourned General Meeting. Such Shareholders may only cast votes in respect of Ordinary Shares held at such time.
4. CREST members who wish to appoint a proxy or proxies though the CREST electronic proxy appointment services may do so for the General Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual. CREST personal members, sponsored CREST members and CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action for them.

   To complete a valid proxy appointment or instruction using the CREST service, the CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the Crest Manual. The message, regardless of whether it constitutes the appointment of a proxy or amendment to the instruction given to a previously appointed proxy, must, in order to the valid, be transmitted and received by the Company's Registrar 48 hours before the time fixed for the General Meeting (or adjournment thereof). The time of receipt of the instruction will be the time (as determined by the timestamp applies to the message by the CREST Applications Host) from which the Company's Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
5. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will apply to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to ensure that his CREST sponsor or voting service provider(s) take(s) the necessary action to ensure that a message is transmitted by means of the CREST system by a particular time. Crest members and, where applicable, their CREST sponsors or voting service providers(s) should refer to the sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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