

# 43. ITV plc

Revenues 2012: £ 2.546 billion (€ 3.140 billion)

## Overview

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ITV is Great Britain's leading private free TV company. The company's portfolio includes various TV channels, production companies and online services.

## General Information

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### Headquarters:

The London Television Centre, Upper Ground  
London SE1 9LT, Großbritannien  
Telefon: 0044-20-7620-2000  
Telefax: 0044-20-7261-3520  
Internet: [www.itvplc.com](http://www.itvplc.com)

**Branches:** TV channels, production, distribution, licensing

**Legal form:** Public company

**Financial year:** 1/1-12/31

**Founding year:** 2003 (1934 Granada, 1985 Carlton)

Table I: Economic Performance (£ Mio.)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003*
Revenues	2,546	2,432	2,046	1,879	2,029	2,080	2,181	2,177	2,083	2,025
Profit**	520	462	408	202	211	188	375	460	325	218

\*pro Forma, Carlton und Granada

\*\*Operating EBITA

## People

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### Executives:

- Adam Crozier, CEO
- Paul Dale, Chief Technology Officer
- Andy Doyle, Group HR Director
- Mary Fagan, Group Communications and Corporate Affairs Director
- Peter Fincham, Director of Television, Channels and Online
- Andrew Garard, Group Legal Director
- Ian Griffiths, Group Finance Director
- Fru Hazlitt, Managing Director of Commercial and Online
- Kevin Lygo, Managing Director
- Simon Pitts, Director of Strategy and Transformation

## Board of Directors:

- Archie Norman, Wesfarmers Ltd.
- Adam Crozier, ITV plc
- Mike Clasper, HM Revenue & Customs
- Ian Griffiths, ITV plc
- Andy Haste, RSA Insurance Group
- Lucy Neville-Rolfe, UK Trade and Investment Strategic Group
- John Ormerod, Tribal Group plc
- Rogers Faxon, EMI Music

## History

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The history of ITV is the history of the consolidation of the private British television market. In 1954/55 independent television was introduced as an advertising-funded alternative to public service broadcaster BBC and divided up into 15 regional licenses. Similar to Germany's ARD channel, ITV had a common programme with regional windows. ITV is considered both a commercial broadcaster as well as a public service broadcaster in the sense that it has to meet requirements set up by a public regulatory body in regards to coverage, quality and a balance of news and information programmes. Up until the late 1990s two media companies ruled the roost: Granada and Carlton controlled 11 of the 15 ITV licenses. Granada was founded in 1934 to take over a chain of film theatres. One year later they went public and up until the 70s, when film theatres were turned into bingo halls, the company was one of the largest cinema operators in the country. With the introduction of ITV, Granada immediately entered the television business in North England in 1954. Granada Television still broadcasts from Manchester to this day, invented daily soap operas (Coronation Street has been running for over 40 years) and became one of the most profitable TV companies in Great Britain.

Carlton has its origins in the print industry, it was only in the mid 1980s that it switched its focus to film and TV production (post-production, special effects). In 1986 the acquisition of a 20% share of the ITV Central broadcaster marked their entry in the television market. Following the first deregulation of the TV market through Thatcher's rule, Carlton got the biggest catch with London at the new allocation of the licenses in 1991. The new channel was called Carlton Broadcasting. The next large move was complete when the remaining 80% of Central TV was acquired in 1993. An additional four ITV licenses followed until 2000. Since 1998 Carlton and Granada had cooperated in the setting up of a digital pay TV platform. Yet ONdigital was to be one of the largest flops in the history of British media: in April 2002 the recently renamed ITV Digital project was blown off - both companies had lost around half a billion GBP.

At the same time Carlton and Granada had been in equally unsuccessful negotiations for a possible merger but it would have hardly met the syndicate regulations at the time. Yet in 2002 the British government presented a significantly more liberal media law: to date TV companies within the free TV sector were permitted a maximum of 15% of all advertising bookings. On the other hand, this meant that the running of the ITV group through a large media company was off-limits. Yet this regulation was now abolished, just as the agglomeration of London into two ITV licenses for weekdays and the weekend. ITV was now ready to unite and in October the six billion GBP merger between Granada and Carlton was in motion. However, due to checks run by the regulatory body, it would take another one and a half years for ITV plc. to finally go public on 2 February 2004 on the London Stock Exchange.

## Management

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In 2010 Adam Crozier was appointed the successor of Michael Grade, CEO of ITV. Crozier was seen as a multi-talent: he had previously run the pet food department of Mars foods, the English national Football Association, Royal Mail and the Saatchi & Saatchi advertising agency. He was paid three million GBP in wages, including bonuses and share packages, for getting ITV through the recession during 2010 and 2011's accounting years.

## Business segments

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Since the merging of Granada and Carlton, ITV plc. is divided into just three areas of business (Broadcast, Granada, News) and has supreme reign of the British free TV market. After the ITV Digital dispute of 2002, the company no longer defines itself as a pay TV operator, but cooperates on the market with established providers, including Rupert Murdoch's BSkyB and cable providers such as Telewest/NTL (Virgin Media). Shares in post-production (Moving Picture Company), publishers (Carlton Books) and cinema advertising (Carlton Screen Advertising, Screenvision) are available for medium-term purchase, or have already been sold.

### TV Channels

ITV plc. currently holds 11 of the 15 regional ITV licenses for the ITV 1 analogue programme. This means that with England and Wales, ITV plc. holds the most important share of the British free TV market: the remaining ITV license areas of Scotland (Grampian TV, Scottish TV), Northern Ireland (Ulster TV) and Channel Islands (Channel TV) are clearly lower-ranking due to size and advertising sales. ITV plc. also holds 16.9 per cent in Scottish Media Group, which holds the ITV licenses for Scotland.

#### ITV 1 (analogue)

Programme profile: family-orientated full programme.

#### ITV 2 (digital)

Since the end of its own digital TV platform; ITV Digital in 2002, ITV 2 is now included in the 'Freeview' digital free TV platform programme range, as well as in the BSkyB digital pay TV package and in plenty of British cable networks. Programme profile: entertainment channel aimed at a young audience.

#### ITV3 (digital)

ITV 3 first aired in November 2004 and is also available on Freeview, Sky Digital and digital cable networks. Programme profile: repeat channel for ITV productions and spin-offs from the ITV channels.

#### ITV 4 (digital)

ITV 4 went on air in 2005 and is also available on Freeview, digital cable networks and satellite.

Programme profile: male-orientated channel, which mainly broadcasts sports and US American action and comedy series.

**CITV** has been on air since late 2006 and shares its broadcasting slot with ITV 4. CITV is a cooperation project with the GMTV breakfast programme, 75% of which is owned by ITV.

Programmed profile: programmes for kids up to nine years old.

### Production companies (ITV Production/ITV Global Content):

The ITV production branch, which stems from the former Granada Media Group, is one of the three largest European TV production companies and active in the production industry on both a national and international scale. Top programmes include soaps 'Coronation Street' and 'Emmerdale' and show like 'I'm a celebrity? get me out of here?', as well as high quality TV movies and news ('Tonight with Trevor McDonald') and culture programmes ('The South Bank Show'). Since 1998 Granada has also been producing programming for other external TV providers such as BBC, Channel 4, Channel 5 and Rupert Murdoch's Sky Television. They also have international subsidiaries in the United States (Granada Entertainment USA), Australia (Granada Australia) and Germany (Granada Produktion für Film und Fernsehen).

## **Online**

Despite the dispute with OnDigital/ITV Online six years ago, ITV is once again investing in the growing importance of the Internet. The BBC is their greatest competitor on the online market, with the [bbc.co.uk](http://bbc.co.uk) website and their iPlayer media library which pioneered Internet television. In late 2006 ITV launched their own response, online spin-off service [ITV.com](http://ITV.com). In addition to providing 1,000 hours of archive material free, it also lets users catch-up all programmes from the last 30 days and provides user generated content. Notwithstanding great growth in from 2007-2008, [ITV.com](http://ITV.com)'s 9.4 million unique users is still a long way behind the success of the BBC, even though it relaunched its 'Catch-Up' and analogue archive selection as [ITVplayer](http://ITVplayer) in 2008.

? Granada International: co-productions and international distribution of Granada-Content, ca. 60,000 hours of programming, active in 120 countries

? Granada Ventures: processing of the second rights licensing of ITV programme assets (videos, DVDs, books, merchandising)

? Granada Resources: studios and post-production facilities in London, Manchester and Leeds (having lost the studio facilities of Yorkshire Television the Leeds location was dropped in 2009 and production of local shows moved to Manchester).

? Friends Reunited: web 2.0 social networking platform, up for sale.

Cinema advertising company Carlton Screen Advertising was sold in 2008 in a bid to focus on the main business.

## **Significant Shares**

? 16.9 % of the Scottish Media Group (ITV licenses for Scottish TV and Grampian TV)

? 40 % of Independent Television News (ITN), provides news for ITV, Channel 4 and 5

? 50 % of Screenvision: cinema advertising in Central Europe and the USA

? 25 % of Mammoth Screen Limited: Distribution, integrated in Granada International)

? 51% of Jaffe/Braunstein Entertainment LLC (US-American television production company, integrated in Granada Entertainment USA)

? 100 % of Silverback Production (independent Scandinavian production company, since 2008)

? 25 % of Crackit Productions (independent British production company, since 2008)

? 25 % of Carbon Media (independent British production company, since 2009)

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