



21 April 2010

STV Group plc
Chairman's AGM Statement and IMS

The following AGM Statement and trading update will be provided to shareholders by STV's Chairman Richard Findlay at the Company's Annual General Meeting, to be held at 10.30am today:

"At today's AGM, we are delighted to announce the proposed sale of Pearl & Dean Cinemas Limited to Image Limited, a company wholly owned by Thomas Anderson, a director and shareholder of Empire Cinemas Limited. This represents the final step in the Board's plan to dispose of legacy businesses which we inherited and to refocus the Group on its core media business. The disposal will be broadly neutral for STV, in terms of its expected impact on the Group's earnings in the current financial year, compared to continued ownership of Pearl & Dean. A separate RNS on the disposal has been issued to the Stock Exchange, providing more details of the transaction. A circular will be issued to shareholders as soon as practicable including details of an EGM to be held on 12 May 2010.

As stated at our Preliminary Results eight weeks ago, we have seen a strong start to 2010. During the first quarter, STV has experienced an encouraging performance in national television airtime revenues, up 17% on last year, and an improving position in the regional television airtime market, up 4%.

The total television advertising market is forecast to be up 21% in April and up 23% in May with preliminary indications for June showing 10% to 20% growth on 2009. STV is trading in line with the national market. The regional advertising market continues to recover more slowly and is forecast to be up 5% in the second quarter.

As a result of the improved advertising market, STV today confirms an acceleration of investment in High Definition, greatly enhancing the viewing experience for our audiences. Initially, this HD service will be available on digital terrestrial and digital cable services and we expect this to be in place for the 2010 World Cup.

The Group, however, remains cautious about the second half of 2010, given the uncertainty caused by the General Election and with visibility remaining very short term. STV confirms that its core business continues to trade in line with the Board's expectations for the current financial year.

We continue to see steady growth in our digital business, in line with the new KPIs outlined at our Preliminary Results. Unique users to stv.tv are continuing to grow with performance in Q1 ahead of the Q4 09 average. We continue to work towards the launch of our new service, STV Local, delivering extensive interactive digitally based services available on-line and supported by mobile platforms, which will provide local news and information on what's happening in hundreds of places across Scotland.

We are delighted that the BBC has re-commissioned our series, *Antiques Road Trip*. The first series saw tremendous success, attracting audiences of up to 2.6m in its late afternoon slot. The second series comprising 30 forty five minute episodes is already in production and due for transmission on BBC2 in September this year.

We note that the IFNC pilot process in Scotland is essentially on hold whilst the General Election proceeds. We expect more clarity on how regional news funding will evolve after the election.

There have been no changes to the status of our litigation with ITV plc/ITV Network since our results announcement in February.

The 11 new KPIs we introduced at our Preliminary Results are on track and we remain committed to delivering value for our shareholders through our focussed growth strategy. With the disposal of Pearl & Dean, we can now be completely focused on the continued growth of our core television and digital media business, STV.”

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