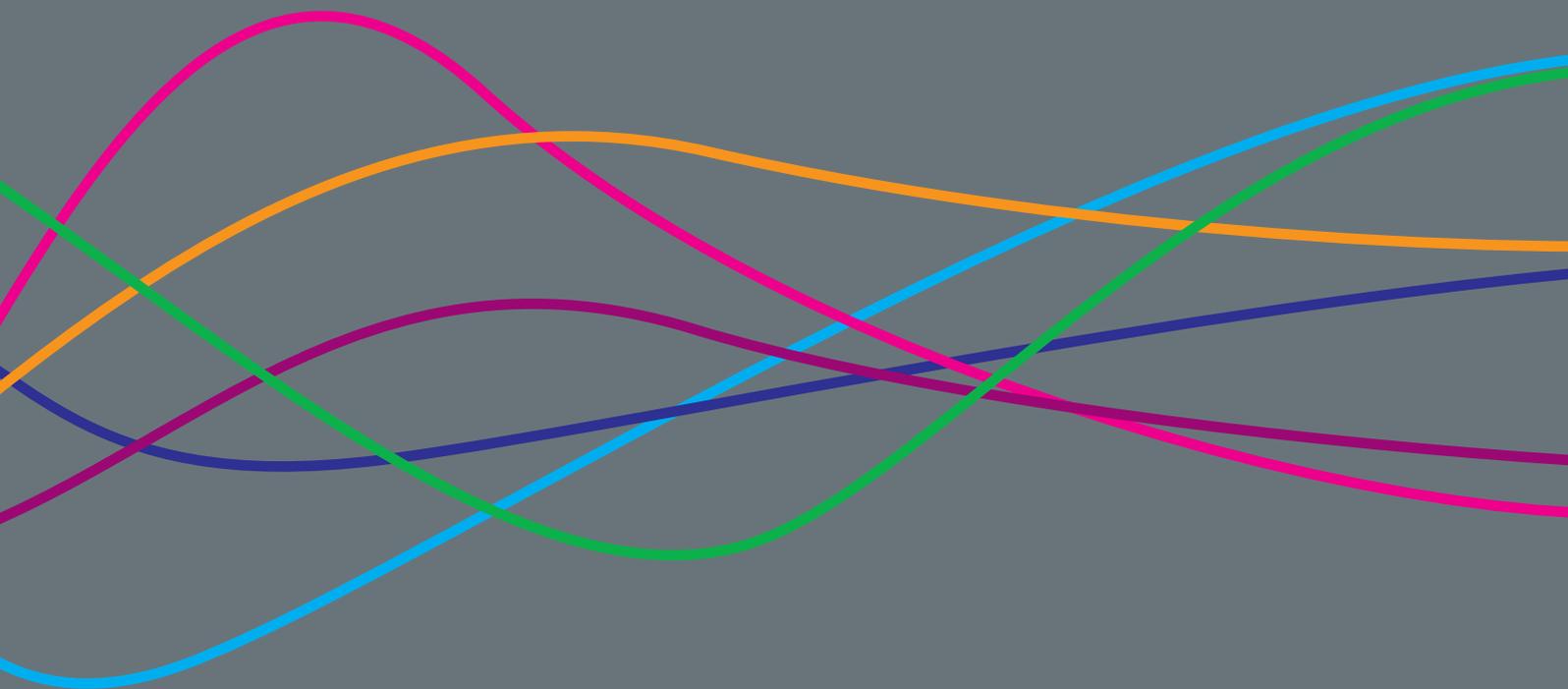




Raidió Teilifís Éireann Annual Report & Group Financial Statements 2010



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Raidió Teilifís Éireann Board

50th Annual Report and Group Financial Statements for the 12 months ended 31 December 2010, presented to the Minister for Communications, Energy and Natural Resources pursuant to section 109 and 110 of the *Broadcasting Act 2009*.

Is féidir leagan Gaeilge den Tuarascáil a íoslódáil ó www.rte.ie/about/annualreport

RTÉ's vision is to grow the trust of the people of Ireland as it informs, inspires, reflects and enriches their lives.

RTÉ's mission is to:

- Nurture and reflect the cultural and regional diversity of all the people of Ireland
- Provide distinctive programming and services of the highest quality and ambition, with the emphasis on home production
- Inform the Irish public by delivering the best comprehensive independent news service possible
- Enable national participation in all major events

Highlights

RTÉ's **Annual Operating Cost Base** Excluding Depreciation and Amortisation has been **reduced by over €82 million / -19% since 2008.**

Tipperary's dramatic victory over Kilkenny in 2010 was enjoyed free-to-air on RTÉ Television by the **highest ever TV viewership for a hurling final**, peaking at 1.24 million in the final minutes.

As the country struggled with arctic conditions, freezing roads, airport and school closures at the beginning and end of the year **people turned in huge numbers to RTÉ Television, RTÉ Radio and RTÉ.ie for information and assistance.**

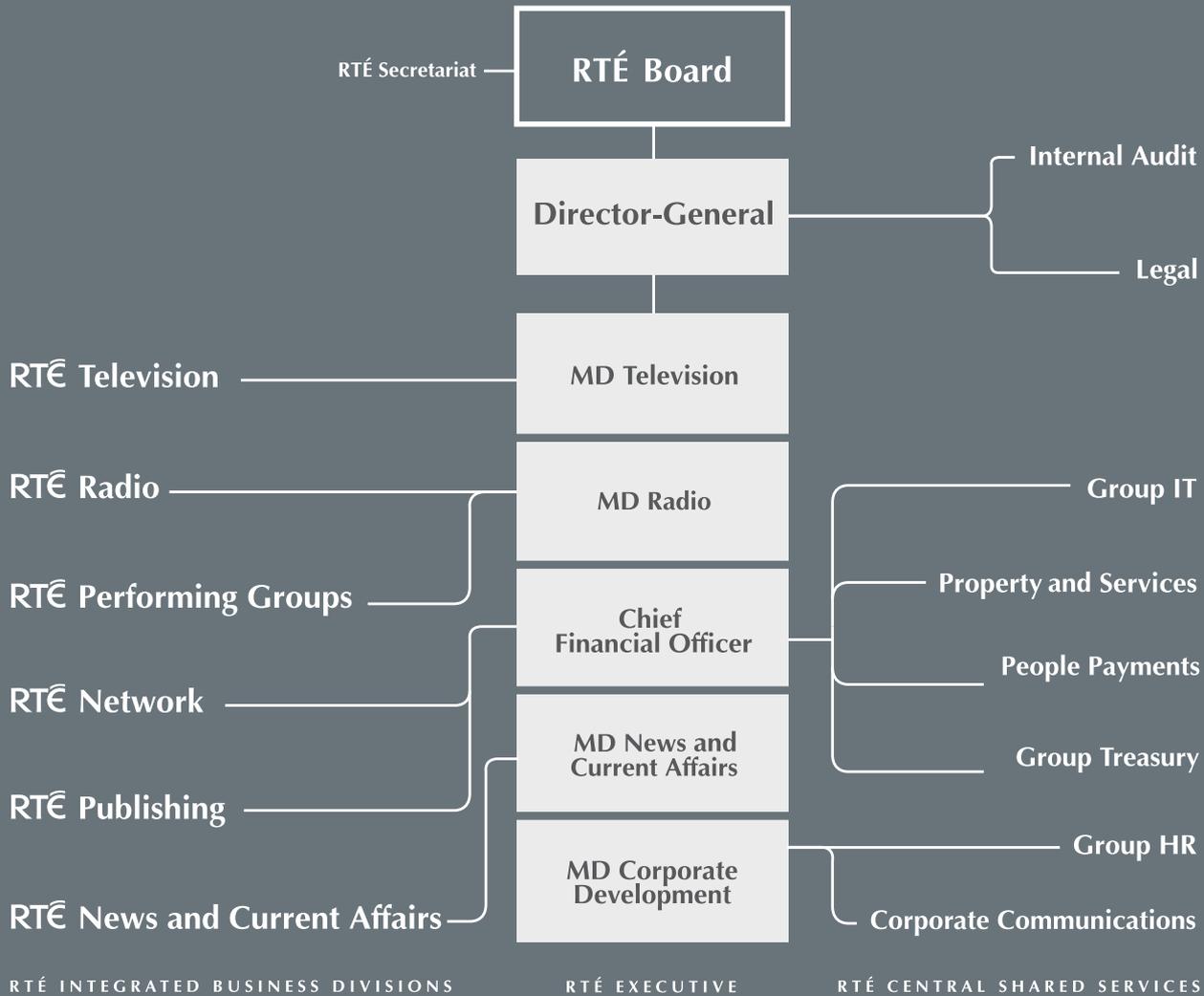
To achieve a Net Deficit for 2010 of €4.7 million while **maintaining and enhancing the quality of our services, increasing our audience and meeting our statutory obligations** was a considerable achievement.

By the end of 2010 the RTÉ News Now application for both iPhone and Android had been **downloaded nearly 200,000 times.**

With a magical Willy Wonka themed opening sequence the 2010 **Late Late Toy Show** was the most-watched programme of the year with an astonishing 1.32 million viewers – **71.9% share of all those watching television** in Ireland on the night.

Organisation Structure

RTÉ's organisational structure is as follows:



The RTÉ Executive manages RTÉ's Integrated Business Divisions (IBDs) and the Group's Shared Services on a day-to-day basis. The Director-General is an ex officio member of the Board of RTÉ, which is charged by the Irish Government with overseeing the activities of the RTÉ Group.

What We Do

RTÉ Television

RTÉ operates two complementary free-to-air television channels:

- RTÉ One - the home of authoritative television news and current affairs coverage of national and international stories. A comprehensive range of home-produced Irish factual, entertainment, drama and lifestyle programming is complemented by selected acquired material.
- RTÉ Two - a mixed-genre channel appealing to niche audiences across the schedule. During daytime its primary focus is children and sports; in the evening it targets viewers of a young mindset with innovative drama, entertainment and key acquisitions.

RTÉ Radio

RTÉ Radio operates four primary national stations and seven exclusively digital stations. Primary stations are available on FM, on digital radio (DAB) and online; digital stations are available on digital radio and online. RTÉ Radio 1 is also available on LW.

Primary Stations

- RTÉ Radio 1 - with news and current-affairs; arts, drama and documentary strands; entertainment, sport and music
- RTÉ 2fm - talk and entertainment, popular and alternative music for the under-45s
- RTÉ lyric fm - a classical and specialist music channel
- RTÉ Raidió na Gaeltachta - an Irish language service, similar in content to RTÉ Radio 1 but with special attention paid to traditional music and local news in the various Gaeltacht communities

Digital Stations

- RTÉ 2XM - rock and pop for the student generation with an emphasis on the new and the Irish
- RTÉ Choice - the best of international public radio and RTÉ feature archives
- RTÉ Junior - the first children's radio station in Ireland; playing music and stories from 7 a.m. to 9 p.m.
- RTÉ Chill - an ambient music service for the evenings
- RTÉ Gold - uninterrupted popular music for the over-35s
- RTÉ Pulse - electronic dance music
- RTÉ Radio 1 Extra - a catch-up and split-content service for RTÉ Radio 1

RTÉ News and Current Affairs

RTÉ provides independent, accurate and impartial news and current affairs programming, in both languages, across all services, including Radio, Television and RTÉ.ie.

RTÉ Network

RTÉNL (RTÉ Transmission Network Limited) provides a national transmission network, for RTÉ Radio and Television, TG4, TV3 and Today FM. It also rents tower space on its masts to local radio stations and a range of entities involved in broadband, mobile phone networks, the emergency services etc.

RTÉ Publishing

RTÉ Publishing operates five of Ireland's leading media services:

- RTÉ.ie - the most popular media website in Ireland offering a range of free web based online services
- RTÉ Guide - the best-selling Irish weekly magazine
- RTÉ Aertel - the leading free-to-air teletext service
- RTÉ Player - RTÉ's Online TV catch up service
- RTÉ News Now - RTÉ's live/catch-up news service

RTÉ Performing Groups

RTÉ is a major contributor to the arts in Ireland, and operates five performing groups:

- RTÉ National Symphony Orchestra
- RTÉ Concert Orchestra
- RTÉ Vanbrugh Quartet
- RTÉ Philharmonic Choir
- RTÉ Cór na nÓg

Chairman's Statement

In reviewing 2010 the Board finds itself in a position where the public funding base of RTÉ's operations has been put sharply in focus, to an unexpected degree. This must be a matter of concern, set against the challenges and achievements of the past two years.

In 2009 the organisation was faced with a grave challenge through the rapid decline in commercial revenues. The cost base was addressed swiftly and without disruption, bringing an anticipated revenue shortfall of €68 million down to a Net Deficit for the year of €16.5 million before an Exceptional Item (Restructuring charge).

This was followed in 2010 by a further, highly creditable organisational response resulting in a greatly reduced closing Deficit of less than €5 million.

This has been a remarkable turnaround, reflecting considerable management application and overall organisational discipline in very difficult times. RTÉ had reason to feel as 2010 drew to a close that it has behaved creditably and achieved much.

The decisions announced in the Government Budget in December 2010 and in the accompanying four-year National Recovery Plan are estimated to have the effect of adding a further burden of at least €15 million per year in reduced public revenue and added costs. This is a substantial negative development. It comes within 18 months of the passage of a major Broadcasting Act which had expanded RTÉ's remit and reporting requirements and imposed additional service obligations the direct full-year effect of which has been to add an additional annual cost burden in 2010 and thereafter of not less than €7 million per year. This additional direct burden relates to a variety of matters including an expansion of the increased charge made in respect of the Broadcasting Fund administered by the Broadcasting Authority of Ireland (BAI) together with the levy now paid by RTÉ in respect of the operation of the BAI itself.

The decisions also came at a time when RTÉ was on time and on budget in its unique commitment of finance – circa €70 million in total between cash and borrowings – toward the building of the transmission infrastructure for the new national Digital Terrestrial Television (DTT) platform.

The Board is conscious of the severe and continuing pressures on all parts of national and public budgets and the obligation on all public bodies to contribute proportionately to recovery and to burden-sharing. RTÉ has not shirked its duty in this regard. The issue for the Board and the organisation is that, having managed the impact of the largest commercial revenue fall-off experienced by any similar broadcaster, RTÉ is now facing further substantial impacts in its public funding.

If 2009 had brought a grave challenge and 2010 appeared to have consolidated a managed stabilisation, the organisation now moves into 2011 facing renewed uncertainties.

Returning to the year now being reported, the priority for the Board of RTÉ in 2010 was to steer the organisation through a series of uniquely difficult challenges facing all of its core activities – editorial, financial and technological.

The problems of the national economy dominated, reducing RTÉ's public funding and this at the very time when the statutory obligations of RTÉ were being increased. Showing considerable resolve, the staff focused on sustaining service to the television licence payers and improving it wherever possible. As this Annual Report records, 2010 was a year of achievement in many key senses. Critical milestones were passed in preparing for the launch of DTT in 2011 and for Analogue Switch Off by the end of 2012. Planning permission was secured for Project 2025, the phased redevelopment of the Donnybrook site as a centre piece of national media infrastructure. Yet the year ended as it began – with hard weather disrupting normal life and aggravating the climate of financial crisis and uncertainty.

2010 was the first calendar year of operation under the Broadcasting Act 2009 which set a busy agenda of statutory and regulatory obligations. The Board came to full strength in February with the appointments of Orlaith Carmody, Aileen O'Meara, Eunice O'Raw and

Stuart Switzer. These four members were chosen in the first public competition held under the new legislation by the Oireachtas Joint Committee on Communications, Energy and Natural Resources. February also saw the departure of Emer Finnan who had served for the first six months of this Board following a full term as a member of the final RTÉ Authority. I take this opportunity to record my thanks and appreciation to Emer for her dedicated service.

The *Broadcasting Act 2009* introduced a number of new reporting requirements for RTÉ, which were fulfilled as required during 2010. By early spring, the Minister had received RTÉ's *Statement of Strategy 2010-14*, a key expression of the aims, principles and values that will shape this Board's tenure. In February, the *Annual Statement of Performance Commitments for 2010* was drawn up and submitted to the Minister. The Board then established the first statutory Audience Council and appointed an advisory body for RTÉ Raidió na Gaeltachta. In April, two further statutory requirements were met. These were the *Report on Television and Sound Broadcasting Services to Irish Communities outside the island of Ireland* and the preparation of the *Irish Language Scheme for RTÉ, 2010-13*. In July, the Board proposed to the Minister its first *Public Service Statement*.



The priority for the Board of RTÉ in 2010 was to steer the organisation through a series of uniquely difficult challenges facing all of its core activities – editorial, financial and technological.

RTÉ's budgetary ambitions for 2010 were set in conditions of great uncertainty. Throughout the year, volatility and turbulence threatened financial well being and exacerbated the problem of forecasting income. The prudent course was to adopt an operating break-even target for 2010. It was assumed that the organisation's primary income sources and its salaries would remain at 2009 levels. There was never any doubt as to the overriding importance of maximising funds for the programmes and services that the public values. For that reason, the Board also prepared contingency cost-saving actions to counteract unpredictable revenue losses and create a fund for investing in competitive programming. I am pleased to report that RTÉ's Net Deficit at the end of 2010 was €4.7 million, an outcome attributable to prudent foresight, dedicated cost control, energetic and creative pursuit of revenue and a sense of responsibility shared by everybody working in RTÉ.

In a very demanding year, RTÉ saw through changes at the most senior levels of management. In May, Glen Killane, previously Group Head of Sport, succeeded Noel Curran as Managing Director of Television. Two months later, the Board reluctantly accepted Cathal Goan's decision to resign from the post of Director-General on completion of his seven year contract. Cathal's contribution to media in Ireland is unparalleled. Having established TG4 in the

mid-90s, he returned to RTÉ to become the first Managing Director of Television before being appointed Director-General in 2003. He led the organisation through its most successful years and he steadied its course in difficult conditions since 2008. Cathal's outstanding leadership was culturally assured, enterprising and innovative. His shaping influence will be a positive force for many years to come. We wish him well as we welcome his successor, Noel Curran, who was appointed in November following an international search and a public competition. This Report documents the many challenges that face Noel as he takes office. It also reflects the strength of a public service media organisation committed to excellence, value for money, and editorial autonomy. Those are inspiring qualities that enable RTÉ to look beyond its present difficulties as it shapes the future of public service media in Ireland.

The Board of RTÉ normally meets eleven times each year (twelve in the current year) and in addition its sub-committees pursue their work programmes dealing with Audit and Risk, Programming, Technology and Innovation, Project 2025, Remuneration and Management Development and the Audience Council. All members give generously of their time, talent and experience. I wish to express my gratitude and appreciation for their wisdom, collegiality, dedication and – not least – for their good humour.

Finally, I would like to thank Eamonn Ryan, who recently completed his term as Minister for Communications, Energy and Natural Resources. Together with the Board I am pleased to acknowledge his support and wish him well for the future. I would also like to thank the officials in both the Department and the BAI for their courtesy and diligence during the year. 2010 was a difficult year, but I am pleased to report that we remained focussed on continuing to deliver our essential public service. This resolve will remain our priority in the uncertain times ahead.

Tom Savage

Director-General's Review

Profound economic uncertainty continued unabated through 2010. After 18 months of severe economic downturn in which RTÉ's revenues fell sharply and the organisation's costbase had to be rapidly and yet carefully reduced, there was no meaningful improvement in the trading environment. Ireland continued in the grip of a global and national financial crisis that has left few parts of society untouched.

In such a time of turbulence and change, RTÉ's core public purpose has rarely been more relevant or more important.

RTÉ's prescribed duty to be accurate, fair and impartial, to explain and to challenge and to provide escape and entertainment plays a central role in helping people to better understand and cope with the complex and unpredictable events affecting their daily lives. At the same time, the very real financial pressures affecting all sectors of society and government force an inevitable and legitimate questioning of the value and purpose of all public spending, including public service media.

Within this context, RTÉ had to address its own financial challenges during 2010 with reductions in public funding coupled with new and onerous statutory responsibilities. RTÉ needed to balance the obvious need to cut operating costs with the need to not unduly damage our capacity to meet our statutory responsibilities and the varied expectations of our audiences.

I am pleased to report that RTÉ got this very difficult balance right during 2010. To achieve a Net Deficit for 2010 of €4.7 million was a considerable achievement in the current economic environment. To do so while maintaining and enhancing the quality of our services, increasing our audience and meeting our statutory obligations is a credit to everybody working in RTÉ.

Output and service has always been the priority and this remained absolute in 2010. During this year, RTÉ led the national discussion on the economic crisis and its devastating effects on families and communities across the country through our daily reporting on RTÉ Television, RTÉ Radio and RTÉ.ie.

In the periods of freezing weather at either end of the year and during the disruptions to air travel caused by the volcanic ash cloud, RTÉ services, particularly our Online and mobile services, became an indispensable and trusted source of up to date information.

All was not difficulty: great national and international sporting occasions proved unifying moments through our services. At their peak, both the All Ireland Football and Hurling Championship finals on RTÉ Television were watched by over one million people, sharing in the celebration of our national games. RTÉ also delivered its most comprehensive cross platform World Cup coverage ever, reaching more than three million people over the course of the tournament.

So it was also in Entertainment, where *The Late Late Toy Show* demonstrated its unparalleled appeal for both children and families, achieving its highest audience in twenty years in 2010. RTÉ Television across the genres continued to produce the best in Irish drama, young peoples, entertainment and factual programming.

RTÉ Radio saw much change during 2010. The tragic passing of Gerry Ryan, marked the end of an extraordinary career in broadcasting. His contribution to this organisation and more importantly, to the lives of his listeners was immense. He is missed both inside and outside RTÉ. His colleagues have responded by continuing to entertain, inform and provide a forum for discussion every day across RTÉ's radio services. New schedules with new voices are bedding down very well with RTÉ Radio continuing to deliver the "most listened to" radio services in the country.

In addition to maintaining our focus on great programming and content, RTÉ made significant progress on a number of key projects during 2010 which are central to ensuring the provision of quality public service media for Irish audiences into the future. Underpinning our approach is the simple premise that as technology evolves we have an obligation to ensure that our audiences can access, enjoy and use RTÉ content, whenever, however and wherever they wish.

During 2010 RTÉ continued to develop new online and mobile services; secured planning consent for the redevelopment of RTÉ's Donnybrook base; and RTÉNL continued the necessary upgrading of transmission

infrastructure to enable the forthcoming national launch in 2011 of the new Digital Terrestrial Television (DTT) platform.

RTÉ.ie was upgraded significantly with the home page and a number of other sections redesigned to enhance the user experience and provide easier access to key content and services. The improvements contributed to a 37% increase in page impressions to the site reaching an average of 85.4 million per month across the year. The RTÉ Player continued to grow in popularity with average monthly programme streams reaching 1.8 million.

RTÉ Publishing launched the iPhone and Android versions of its RTÉ News Now online service during 2010 enabling people to keep up to date with the latest news on the go. By the end of year the application had been downloaded nearly 200,000 times. In August RTÉ Radio launched the innovative digital RTÉ Radio Pocket Player application for iPhone. The application allows access to all eleven RTÉ Radio stations from their iPhone and was downloaded by over 40,000 users before the end of the year.

Television broadcasting in Ireland is switching from analogue to digital transmission. The EU has mandated the end of 2012 as the final date for Analogue Switch Off (ASO) in Europe, by which time Ireland needs to have launched a replacement digital transmission system to ensure all Irish audiences can continue to access free-to-air television.

The *Broadcasting Act 2009* makes clear that RTÉ has the primary responsibility for providing the new free-to-air digital service. By ASO, RTÉNL will have invested €70 million building the necessary infrastructure to enable Ireland make the successful transition to free-to-air DTT. This is a significant piece of national communications infrastructure and it is being financed solely by RTÉNL from a combination of its own resources and from bank borrowings.

From a national economic perspective, digital transmission will free up radio spectrum for use by other important communications



In such a time of turbulence and change, RTÉ's core public purpose has rarely been more relevant or more important.

services such as broadband, mobile TV and others. The Government itself has estimated that the Irish economy will benefit by up to €500 million over the next decade as a result of the switch to digital television. This is a very significant contribution by RTÉ to the national exchequer.

Saorview is the name of the new digital free-to-air television service that RTÉ is launching to replace the analogue system. The new Saorview service will carry all the current Irish terrestrial television services and some new ones. Saorview will be accessible to all and will ensure the future of Irish free-to air television. The trial service was switched on in late October 2010. The full service will be launched to consumers in Summer 2011.

All of this activity and investment took place as the organisation worked to bring its finances back close to break-even against the background of greatly lowered commercial revenue levels persisting from 2008-9. There was also across 2010 a reduction in public income through licence fee collection, relating to various factors including a €4 million reduction arising from the increased deduction in respect of the Broadcasting Fund administered by the Broadcasting Authority of Ireland introduced in the *Broadcasting Act 2009*. This and other changes introduced in that Act are estimated to have a direct cost impact of the order of €7 million annually. In this context the additional impacts on RTÉ's revenues contained in the public

funding cuts announced in the December 2010 Government Budget, amounting to a further cost burden of at least €15 million in a full year, on top of the changes already introduced in the *Broadcasting Act 2009* have come as a significant burden.

The reduction in TV licence income resulting in changes to the financing of TG4 will directly cost RTÉ €10 million, while the capping of social welfare funding in lieu of pensioners' television licence fees is estimated to cost €3 million in year one and will remain in place. Other changes in employer levies /PRSI are anticipated to cost a further €2 million annually. This combined €22 million in negative impact is more than four times the amount of the Net Deficit now reported at year end, making clear the scale of the fresh challenge which is posed to RTÉ.

These changes become part of RTÉ's operating environment and must be taken on board with the same discipline and flexibility shown to date in managing downturns in commercial revenue. The organisation, having taken significant amounts of cost out of its operations over the past two years while maintaining service levels, must necessarily find it more onerous to identify and achieve significant further savings. We will pursue and achieve the necessary savings, while approaching the point where policy actions reducing RTÉ's income put pressure on RTÉ's remit and duties. RTÉ will in every respect endeavour to respond positively to all pressures and challenges and to serve

the public and the national community in the broadest and fullest way.

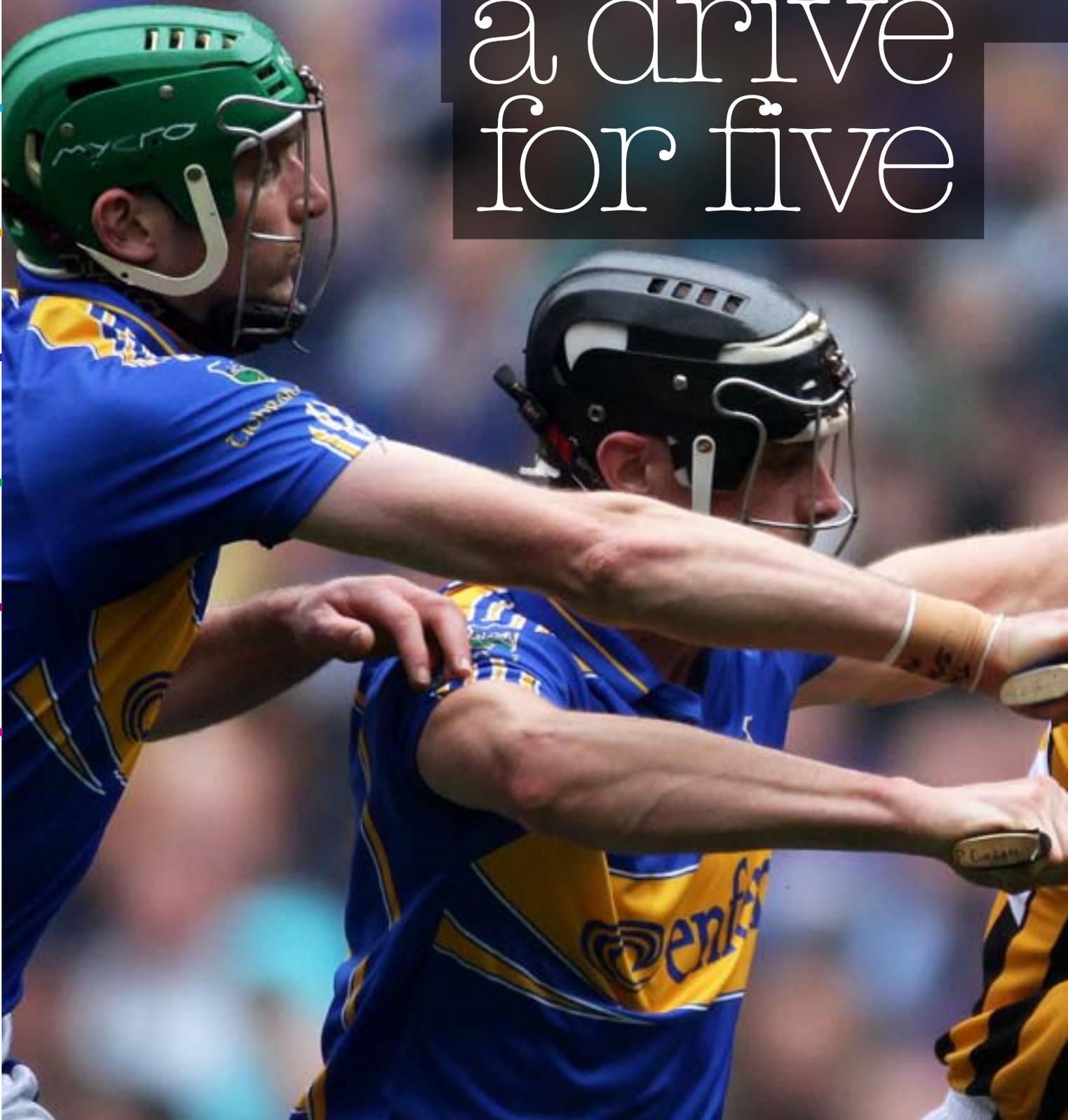
As incoming Director-General I am very aware that RTÉ is in a privileged position. With clear statutory obligations, RTÉ receives public funds to fulfil a broad public purpose within a diverse and vibrant media environment. This is public policy choice, most recently reaffirmed in the *Broadcasting Act 2009*. I believe now more than ever, in a digital media environment with more and more choice, it best ensures that Irish audiences can continue to access free-to-air a diverse range of high quality and distinctively Irish content and news and current affairs they can trust.

RTÉ has many challenges ahead – financial, regulatory, technological and creative. We are well placed and ready to meet them.

I would like finally to pay tribute to my predecessor, Cathal Goan. His huge contribution to Irish broadcasting and Irish cultural life will be felt for many years to come. On behalf of all in RTÉ, I wish him well for the future.

Noel Curran

that's how
you stop
a drive
for five



RTÉ Sport continued to deliver thrilling moments free-to-air on RTÉ Two throughout 2010, broadcasting all ten of the year's Top 10 most-watched sporting events. The jewel of the Irish sporting year is always the GAA Championship finals in September, in both hurling and football. The hurling final in 2010 was something particularly special, with Kilkenny chasing its fifth consecutive Championship title. The game turned out to be a classic and was enjoyed on RTÉ Television by the highest ever viewership for a hurling final, peaking at 1.24 million in the final minutes when Tipperary won out in the dramatic clash.



Photo: Inpho

Operational Review

RTÉ Television



Coming of Age



The School - Eamon Gaffney Principal of St. Peter's College Dunboyne

2010 was a year characterised by continued financial and revenue-generation challenges for RTÉ Television. This necessitated an even greater drive toward innovation and creativity in production and commercial models, to ensure the delivery of high-quality, diverse and relevant television programming for the viewing public.

Home-produced programming was as always the priority, with 5,030 hours of distinctive indigenous programming broadcast across all genres in 2010. The appeal and relevance of this programming for the audience is apparent in the increase in RTÉ Television's multi-channel peak share to 36.3% by year-end. This is an impressive achievement given the popularity of international television formats with

Irish audiences, the increasing number of niche television channels, and the greater penetration of digital television in Irish households – now standing at 70%. The broad multi-genre programme offering of RTÉ One and RTÉ Two nonetheless stood up to the challenge with 17 of the Top 20 most popular programmes of the year home-produced and broadcast by RTÉ Television.

Within the regulatory framework set down by the Broadcasting Authority of Ireland (BAI), revenue streams were maximised. Sound commercial partnerships assisted in bringing new projects to air which could not otherwise have been resourced, including *Fame The Musical* and *The Festival Roadshow*. Cross-media commercial opportunities were offered to advertisers

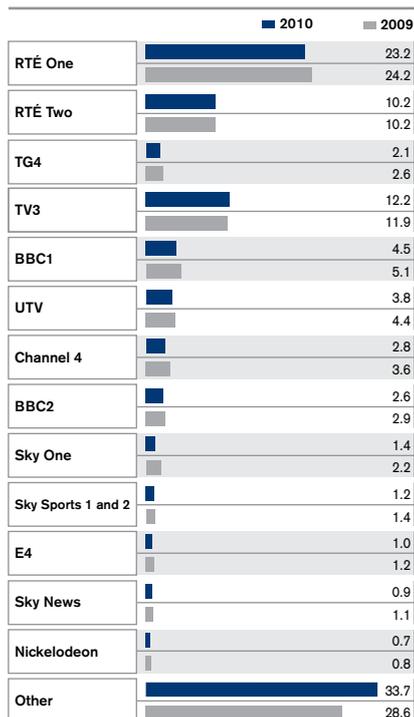
to consolidate their brand positioning and target multiple audiences, resulting in successful campaigns such as the *Kellogg's Field of Dreams* initiative.

RTÉ Cross-Platform

A number of notable cross-platform initiatives were undertaken and engaged the viewing public. *Aftershock* was a themed week of programmes focussing on Ireland after the economic crash: how people were coping, what lessons needed to be learnt and from which directions recovery might come. This proved particularly resonant with viewers. Research indicated a higher than 60% awareness of the themed week amongst adults. Of those who had heard of *Aftershock*, one in five was influenced to watch one of the programmes.

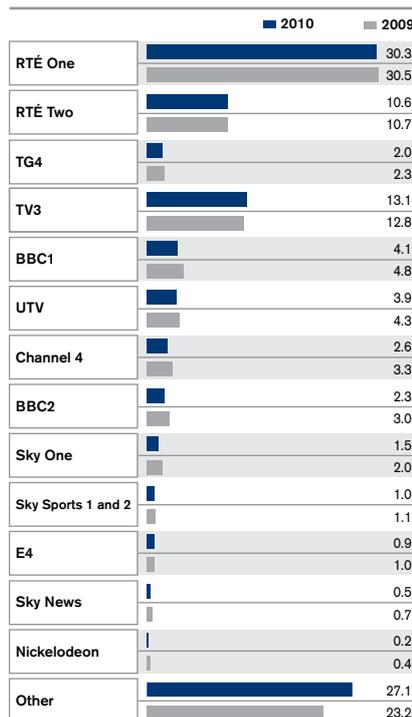
RTÉ presented *Coming of Age*, a season coinciding with Positive Aging Week, which looked at the experience of growing older in Ireland across all of our platforms, targeted at audiences of all ages from the under-14s upwards. It exemplified the unique proposition that RTÉ offers - highlighting themes and topics of concern to the people of this island across all platforms simultaneously enabling a deep engagement with subjects of interest. RTÉ Television programming included the two-part, observational documentary *The Home*, which attracted significant critical acclaim.

Live National Individual 4+ All Day Channel Shares



Source: TAM Ireland Limited/Nielsen TAM

Live National Individual 4+ Peaktime Channel Shares



Source: TAM Ireland Limited/Nielsen TAM



Hardy Bucks - Eddie and Buzz



Arts Lives - John Connolly

RTÉ Factual

Two documentary series at the start of the year touched a chord and demonstrated one of RTÉ's essential purposes; to enrich the lives of television viewers. The students and teachers of St. Peter's secondary school in Dunboyne, provided remarkable access by inviting television viewers into *The School*. The series attracted positive reviews and large audiences when broadcast in January.

Music Changes Lives, a groundbreaking four-part observational documentary series about the transformative power of music, likewise offered insights into contemporary educational practice and the experience of educators and students alike.

A series of *Arts Lives* documentaries charted artists' lives from Gavin Friday to John Connolly; Sean Scully to Gilbert O'Sullivan while *Wild Journeys* featured Ireland's most heroic wildlife travellers and the incredible journeys they undertake every single year.

The year ended with another series of documentaries exploring often-hidden facets of young lives: *Bright Young Things* offered an illustration of the lives of gifted children in this country; *Child Carers* exposed the challenges facing the many Irish children who work as primary carers for their parents while *The Last Days of Phoebe Prince* told the tragic tale of the fifteen year old schoolgirl from Co. Clare who died by suicide following a campaign of bullying at a Massachusetts High School. *An Cór* featured six choirs immersing themselves in the culture, language and history of traditional Irish songs like *Báidín Fheilimí*, while *Teens in the Wild* offered a second observational documentary series presented by clinical psychologist, Dr David Coleman, this time focussed on teenage girls.

Top 10 Programmes

1st January – 31st December 2010 – All Channels
Live National, Individuals aged 4+

Rank	Programme	Channel	Day	Date	Time	TVR	000s	Share
1	The Late Late Toy Show	RTÉ One	Fri	26/11/2010	21:36 - 23:54	32.21	1,318	71.9
2	The Sunday Game Live Hurling Final - Kilkenny v Tipperary	RTÉ Two	Sun	05/09/2010	15:23 - 17:26	23.93	979	68.8
3	The Rose of Tralee 2010	RTÉ One	Tue	24/08/2010	21:36 - 23:20	22.21	916	54.0
4	RTÉ News: Nine o'clock	RTÉ One	Tue	21/12/2010	21:01 - 21:29	21.75	890	46.6
5	RTÉ News: Six One	RTÉ One	Wed	01/12/2010	18:01 - 18:53	21.32	872	55.2
6	The X Factor: The Results	TV3	Sun	12/12/2010	19:29 - 21:30	20.15	824	43.8
7	The Eurovision Song Contest	RTÉ One	Sat	29/05/2010	20:00 - 23:20	19.35	798	52.4
8	Prime Time Investigates: Carry on Regardless	RTÉ One	Mon	20/12/2010	21:34 - 22:30	19.15	783	43.8
9	Fair City	RTÉ One	Tues	30/11/2010	20:04 - 20:31	19.04	779	42.2
10	The Sunday Game Live Football Final - Cork v Down	RTÉ Two	Sun	19/09/2010	14:47 - 17:36	18.83	770	60.0

Source: TAM Ireland Ltd/Nielsen TAM

Any Day Any Time – Best Episode. Ranked by TVR, note universe changes three times per year.

Minimum programme duration is 15 minutes

RTÉ Television broadcast 5,030 hours of distinctive indigenous programming across all genres in 2010

Operational Review

RTÉ Television (continued)



When Harvey Met Bob - Domhnall Gleeson as Bob Geldof



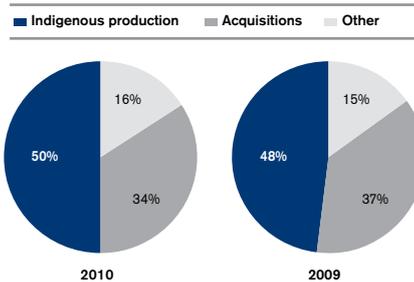
The Sunday Game Live presenter Michael Lyster

Indigenous hours broadcast on RTÉ Television in peak time by genre

Genre	2010	2009
Drama	139	140
News, Current Affairs & Weather	686	680
Entertainment	348	331
Music	49	34
Young Peoples	34	39
Sport	427	366
Education	11	12
Religion	23	25
Arts	29	39
Factual	367	340

Source: RTÉ

RTÉ Television peak time content analysis



Source: RTÉ

Subtitling hours RTÉ Television

Channel	2010	2009
RTÉ One	5,236	4,999
RTÉ Two	3,552	2,999
All RTÉ	8,788	7,998

Source: RTÉ

Fair City became the most popular soap of all the soaps available on any channel in Ireland during 2010.

RTÉ Entertainment

It was another busy year in entertainment with *The Late Late Toy Show* again winning the coveted most-watched programme of the year title with an average 1.32 million viewers; the next most popular *Late Late Show* episode attracted 904,000 plus viewers. Daithí Ó Sé's maiden outing as *Rose of Tralee* host helped to attract the largest Rose audience in over a decade (peak of 1.07 million); while *The Eurovision Song Contest* attracted an average 800,000 viewers. *The All Ireland Talent Show* was again in the Top 20 alongside *Winning Streak* and the eponymous poignant documentary, *Gerry*, charting the always controversial, sometimes contradictory, but perennially larger-than-life broadcaster in the year he died. Brendan O'Connor in the first season of *The Saturday Night Show* carved out a significant audience on Saturday nights, guaranteeing an entertaining mix of banter, lively chat and music for viewers. New entertainment programmes on RTÉ Two included *The Savage Eye*, which offered sharp satire and was largely critically acclaimed. *ICA Bootcamp* and *Don't Tell The Bride*, both proved to be popular formats when broadcast as pilots. All three were re-commissioned for subsequent series in 2011.

RTÉ Drama

RTÉ broadcast 139 peaktime hours of Irish drama in 2010 covering a range of themes and catering for a variety of audiences. New drama included the IFTA award-winning *Love/Hate*, a four-part series set in Dublin's gangland, starring Robert Sheehan, Aidan Gillen, Ruth Negga and Ruth Bradley; feature-length drama *When Harvey Met Bob*, a re-telling of the relationship between Bob Geldof and Harvey Goldsmith (played by Domhnall Gleeson and Ian Hart) in the run

up to Live Aid; *Wild Decembers* by great Irish writer Edna O'Brien, and a new three-part serial featuring the online sensations and winners of RTÉ's StoryLand competition, *Hardy Bucks*. The second series of *Raw* doubled its audience when migrating to RTÉ One from RTÉ Two for six new episodes. Previously broadcast as a two-part serial drama, *Single-Handed* returned in 2010 as a six-part series co-produced with ITV. Securing co-production funding delivered more hours of the established popular drama for Irish viewers at no extra cost. RTÉ's *Fair City* continued with four episodes-per-week, with tough and engaging storylines driving it to become the most popular soap of all the soaps available on any channel in Ireland during 2010 - a considerable competitive achievement.

RTÉ Lifestyle

Two new daytime programmes were delivered during 2010: *Four Live*, presented by Maura Derrane, concentrating upon tips and information around such areas as health, fashion, food and cookery, while *The Daily Show*, presented by Clare Byrne and Daithí Ó Sé offers a weekday digest of news and entertainment stories hitting the headlines. Cooks such as Richard Corrigan, Rachel Allen, Catherine Fulvio and Nevin Maguire tempted viewers with treats and healthy recipes, while experts like Feargal Quinn, Eddie Hobbs and Keelin Shanley offered business owners and consumers advice on how to get better value for money.



The Daily Show presenters Claire Byrne and Daithí Ó Sé with *Four Live* presenter Maura Derrane



RTÉjr presenters Reuben, Ógie and Emma with Ezra Oolaoya, Daniel Oolaoya, Ella Nevin and Mia Barry

RTÉ Young Peoples

2010 was a hugely significant year for Young Peoples output on RTÉ with the launch of two new channel block brands across Television, Radio and RTÉ.ie in September: These were *RTÉjr*, for six year olds and younger and *TRTÉ* for 7-15 year olds. Together these replaced the 20 year old *The Den*. These schedules ensure that young Irish viewers are never more than thirty minutes away from Irish production; from stories and output that reflect their immediate world and their lives.

RTÉ Sport

RTÉ Sport continued to be the service most often turned to by sports fans and followers in this country whether for national or international sporting events. RTÉ Two broadcast all ten of the Top 10 most-watched sports events on television in this country during 2010. Comprehensive coverage of the GAA Championship, RBS Six Nations, Euro 2012 qualifiers, Autumn rugby internationals, Magners League (for the first time), the Airtricity league, alongside the UEFA Champions League, The Premiership, horse racing, boxing, athletics, and of course the FIFA World Cup, was delivered free-to-air on RTÉ Television.

Sports programming also provides a rare opportunity to benchmark RTÉ's service and efficiency against other providers. World Cup games were on offer to Irish viewers both from RTÉ and from competing UK broadcasters. RTÉ's analysis and panel coverage came from Dublin with a team of 11 travelling to South Africa, while UK broadcasters used costly location studios and had hundreds of staff in place in South Africa to cover the games. Yet RTÉ offered a more comprehensive slate of matches than the competition, and attracted more Irish viewers: 3 out of every 4 people in Ireland watched the World Cup on RTÉ Two - no fewer than 3.1 million viewers were reached across the tournament.

RTÉ Two's coverage of the World Cup reached 3.1 million viewers – 3 out of every 4 people in Ireland – at a fraction of the costs reportedly spent by other broadcasters

On the domestic front, The All Ireland Hurling Final reached the highest ever viewership for a hurling final, with the one-minute peak viewership at 1.24 million in the final minutes when Tipperary dramatically beat Kilkenny in a memorable clash. The All Ireland Football Final won its highest television audience in five years – peaking at 1.06 million.

Commercial Activity and Performance

Television advertising revenue performed moderately well in 2010, growing annually by 1%. The key improvement in commercial activity in 2010 came around the Soccer World Cup in June. While the levels of growth post World Cup were not as great as during the summer months, overall year on year increases in revenue were achieved across the remaining months of the year.

Uncertainty and late decision making dominated the advertising market in 2010 as the economic climate continued to impact on advertisers. Rationalisation within client companies led to an increasing trend of decision making in relation to Republic of Ireland marketing plans moving to the UK and other international headquarters outside of Ireland.

RTÉ continued to develop its commercial offerings during 2010 and offer a more cohesive cross media approach to clients and agencies through the Client Sales Team, optimising RTÉ's unique multi-platform capabilities. Some key cross media projects during the year were *Kellogg's Field Of Dreams*, *Summer of Discovery* and SuperValu's *Best Of Real Food*. RTÉ's role as a media partner and content producer for these campaigns has been recognised by the Marketing industry as best in class and has seen the initiatives nominated for marketing and media awards.

TV Sponsorship revenue performed satisfactorily during 2010. There were some notable successes around advertiser funded programming such as a second season of *Dragons' Den* (Bank of Ireland), *Fame The Musical* (Spar), *Supergarden* (Woodie's DIY and Bord na Móna) and *Festivals Roadshow* (Fáilte Ireland).



Come with me and you'll be in a world of pure imagination



The **Late Late Toy Show** is unique. Nowhere else in the world is there a show quite like it. Appealing to children and adults alike the show remains a special night of family viewing for all. With a magical Willy Wonka themed opening sequence the 2010 **Late Late Toy Show** was the most-watched programme of the year with an astonishing 1.32 million viewers – a 71.9% share of all those watching television in Ireland on the night.

Operational Review

RTÉ Radio



RTÉ Radio Pocket Player



Tubridy Camper Van

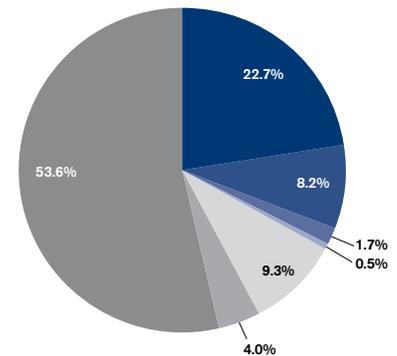
Top 10 All-Week National Radio Programmes - Adults 15+ Timeblock Reach for National Commercial Stations January - December 2010

Rank	Programme	Station	Time-slot	Period	% Reach	No. of Adults 15+ (000s)
1	Morning Ireland	RTÉ Radio 1	07:00-09:00	Mon-Fri	13%	449
2	Marian Finucane	RTÉ Radio 1	11:00-13:00	Sat	11%	400
3	Liveline with Joe Duffy	RTÉ Radio 1	13:45-15:00	Mon-Fri	11%	392
4	Marian Finucane	RTÉ Radio 1	11:00-13:00	Sun	11%	369
5	The Business	RTÉ Radio 1	10:00-11:00	Sat	10%	351
6	News at One	RTÉ Radio 1	13:00-13:45	Mon-Fri	10%	335
7	The Tubridy Show/The John Murray Show	RTÉ Radio 1	09:00-10:00	Mon-Fri	9%	332
8	Playback	RTÉ Radio 1	09:00-10:00	Sat	9%	326
9	Today with Pat Kenny	RTÉ Radio 1	10:00-12:00	Mon-Fri	9%	324
10	Miriam Meets	RTÉ Radio 1	10:00-11:00	Sun	7%	262

Source: JNLR / Ipsos MRBI 2010/4

National Share of Radio Listening 2010 - Weekday/Peak time

RTÉ Radio 1	22.7%
RTÉ 2fm	8.2%
RTÉ lyric fm	1.7%
RTÉ Raidió na Gaeltachta	0.5%
Today FM	9.3%
Newstalk 106 - 108fm	4.0%
Regional/local stations	53.6%



Source: JNLR / Ipsos MRBI Jan - Dec 2010

2010 was a year of challenge and change for RTÉ Radio.

RTÉ Radio 1 maintained a steady hold on the fruits of the upward listenership trends of 2007 and 2008, while RTÉ lyric fm recorded growth at weekends and in Dublin. RTÉ Radio presented a new face to audiences in 2010, with brand new looks and cross-promotions promoting diverse schedules to listeners; these enhancements were made despite the challenging fiscal backdrop affecting all media organisations, which grew more challenging as the year progressed.

RTÉ 2fm experienced a difficult and demanding year, as staff and management coped with both planned change and significant, unforeseeable challenge. The foundations for re-growth at the channel were laid during 2010 with a strong morning schedule that engaged both advertisers and listeners alike. Meanwhile, RTÉ Raidió na Gaeltachta continued to unite diverse communities nationally and internationally, demonstrating why it recently recorded their highest station reach since surveys began.

RTÉ Radio continued to advance its plans for radio on the web and on other digital platforms during 2010, with the launch of

the RTÉ Radio Pocket Player for the iPhone in 2010 which closed the year with over 40,000 downloads; its development for Android platforms and plans for an ambitious makeover of RTÉ Radio's web services are planned for 2011. Meanwhile RTÉ Radio's Independent Production Unit was launched, commissioning programmes from the independent sector for RTÉ.

RTÉ Radio 1

RTÉ Radio 1 continued to produce programmes of the highest quality during 2010. Latest JNLR figures show RTÉ Radio 1 has further consolidated its position as Ireland's most-popular radio station, with a clean sweep of the top ten "most listened to" programmes in Ireland. RTÉ Radio 1 was at the heart of a traumatic year, covering in-depth the snow in January, the volcanic ash chaos, the IMF/EU Bailout and the Four Year Plan; the Budget and the return of the snow in December. RTÉ Radio 1 covered all matches in the Heineken Cup and the Six Nations Championship, as well as every round of the GAA Championships in Hurling and Football. A significant increase in output was achieved within existing resources.

RTÉ Radio 1 further consolidated its position as Ireland's most popular radio station



Smells like Saturday with Zig and Zag



Big Music Week



Gerry Ryan

In 2010 RTÉ Radio 1's award-winning *Documentary on One* brought 47 new radio documentaries to air, representing a year-on-year increase in output of almost 40%. Since September 2008, the *Documentary on One* strand has received 29 national and international awards, currently making it the most successful radio documentary unit in the world in either the public or private sector.

RTÉ Radio Drama on One continued to treat listeners to what is an increasingly rare artform. Highlights included Tom Murphy's *Alice* trilogy, a new play by acclaimed director John Boorman and the radio production of *The Burial At Thebes* by Seamus Heaney.

2010 was also the year when the legendary Sports Commentator Mícheál Ó Muircheartaigh retired after a career that spanned eight decades. The untimely passing of Gerry Ryan saw Ryan Tubridy leaving RTÉ Radio 1 to fill *The Gerry Ryan Show* 9.00 am slot on RTÉ 2fm. John Murray took over Ryan Tubridy's 9.00am RTÉ Radio 1 slot, and his mix of humour and empathy has been well received, as evidenced through audited audience feedback. Rachael English, long established as an accomplished current-affairs presenter, became a permanent presenter on *Morning Ireland*. Ruth Buchanan's success as presenter of *Playback* was reflected in the JNLR figures and her retirement in November saw Marian Richardson taking over the programme.

2010 saw RTÉ Radio 1 collaborate with RTÉ Television and RTÉ Publishing in two major Cross Media events, *Coming of Age Week* and *RTÉ Big Music Week*. Meanwhile the new Independent Radio Productions division was launched; two commissioning rounds saw programmes from the independent sector go to air on RTÉ Radio 1, including *The Business*, and a number of new programmes for the RTÉ Radio 1 Christmas 2010 schedule.

RTÉ 2fm set about a highly evolved audience re-positioning campaign during 2010 targeting the station's new core audience of 20-44 year olds

RTÉ Radio 1 continued to broadcast programmes across the schedule from a number of different locations around the country. *Morning Ireland*, *Today with Pat Kenny* and *Drivetime* travelled the country, taking in the Northern Ireland Election, The National Ploughing Championships, The Kilkennys Festival, The Donegal By-Election and Electric Picnic. *The Tubridy Show* took to the road for the *Bucket and Spade Tour*, garnering much attention from local media. *Liveline* continued to lift the public spirit with its *Funny Friday* programmes, while *Sunday Miscellany* brought its mix of music and literature to the public with programmes being recorded around the country in front of live studio audiences.

RTÉ 2fm

2010 was dominated in RTÉ 2fm by the death of Gerry Ryan in April. The loss of RTÉ 2fm's highest-rating broadcaster was a national event, but also a deeply personal one for many staff to whom he was both a colleague and a friend. RTÉ 2fm commemorated Gerry with a series of poignant tributes; the transmission of Gerry Ryan's funeral mass on the channel was both moving and unique.

Following Gerry Ryan's death, RTÉ 2fm presenters and staff re-focused on the station's ambitious repositioning programme, which had commenced in January 2010. Across the year, new on-air talent joined the station's ranks, including Ryan Tubridy, Hector Ó hEochagáin, Baz Ashmawy and Lucy Kennedy, Zig & Zag and several other special guest presenters.

RTÉ 2fm continued its support for great new music with world-class music coverage of both Oxegen and Electric Picnic. Meanwhile dozens of live music sessions and support for acts were recorded at the Eurosonic Music Festival. RTÉ 2fm also increased its involvement with RTÉ Digital stations RTÉ 2XM and RTÉ Pulse; the digital stations now form part of the late-night weekend schedule on RTÉ 2fm.

In 2010, RTÉ 2fm set about a targeted and highly evolved audience re-positioning plan. Two separate audience-information campaigns were launched in the spring and autumn of 2010 respectively and targeted RTÉ 2fm's new core-audience of 20-44 year olds.

Key editorial successes for the station included *The Tubridy Show's Toys for Tubs* campaign in aid of St. Vincent de Paul, *Breakfast with Hector's Keep Her Lit* war cry, and the evolution of Colm Hayes from breakfast show presenter to national phone-in show ringmaster.

RTÉ 2fm grappled effectively with the social media explosion in 2010, with new Twitter and Facebook engagements across the station. The station's repositioning to attract a 20-44 year old audience aim to continue throughout 2011, where further schedule improvements and commercial partnerships will strengthen the channel and restore audience growth.

Operational Review

RTÉ Radio (continued)



Dúchas agus Daonnacht - Peig



Paul Herriott In Tempo on RTÉ lyric fm

RTÉ lyric fm

During 2010 RTÉ lyric fm continued to fulfil a core role within the overall output of RTÉ Radio; RTÉ lyric fm's win as PPI Music Station of the Year 2010 was well deserved.

At the start of October 2010 RTÉ lyric fm introduced a new schedule with the introduction of *Marty in the Morning*, a new weekday breakfast programme; the programme now sits alongside notable RTÉ lyric fm offerings by Paul Herriott, Liz Nolan, John Kelly and Niall Carroll.

RTÉ lyric fm celebrated an international audience in the millions with its hosted simulcasts from the Wexford Opera Festival; other on-air highlights included live broadcasts from the Metropolitan Opera House in New York, European Broadcasting Union concerts from major concert halls and venues around Europe, and live concerts from the West Cork Chamber Music Festival in Bantry. The latter were also broadcast via the EBU to countries including Romania, Germany, Latvia, Poland, Denmark, Netherlands, Iceland and France. RTÉ lyric fm's week-long celebration of the 200th anniversary of the composer Chopin was also a notable highlight. RTÉ lyric fm had a major presence as media partner with the Dún Laoghaire Festival of World Cultures while RTÉ lyric fm's outreach educational programme was the anchor attraction at the Making Connections Festival of Radio in Belfast, where RTÉ joined forces with the BBC for a celebration of radio.

This year also saw the release of Irish composer Deirdre Gribben's *Venus Blazing*, a collaboration with RTÉ Performing Groups. Other notable Irish composers celebrated with CD releases on the RTÉ lyric fm label were Aloys Fleischmann and Ian Wilson. RTÉ lyric fm released Irish soprano Celine Byrne's debut CD *For Eternity* in October, as well as two outreach collaborations with the RTÉ Guide, including a *Classics for Children* CD in October. The station continues to have close associations with the BAI Sound and Vision Scheme, including the 2010 broadcast of the PPI

award-winning feature *The Blue Tar Road*. Competitions throughout the year included Primary School Music Teacher of the Year, a piano give-away in association with Planos Plus and RTÉ lyric fm's annual Choirs for Christmas competition, which in 2010 had a record 55 entries with choirs from Dublin, Offaly, Wexford, Cork, Kerry, Westmeath, Clare, Waterford, Mayo, Donegal, Carlow, Kildare, Wicklow, Tipperary, Belfast, Sligo, Limerick and Galway.

RTÉ Raidió na Gaeltachta

RTÉ Raidió na Gaeltachta continued to reflect regional, cultural and political diversity with a programming schedule that included all strata of social life in Ireland, with particular emphasis on remote and rural communities. The service provided comprehensive coverage and analysis of national, international and regional news, including the publication of the Saville Report into Bloody Sunday and the Donegal South West Bye-Election, as well as a live programme from Leinster House on Budget Day in December. It was a busy year for the Sports Department which covered the GAA National League and Championship at local and national level as well as bringing full coverage of the All Ireland Finals at Comórtas Peile na Gaeltachta in Mayo. A special programme, *Micheál – Trachtaire Ar Linne*, was broadcast in September to celebrate the 80th birthday of iconic sports commentator Micheál Ó Muirheartaigh.

Music was to the fore in the RTÉ Raidió na Gaeltachta schedule during 2010, with special broadcasts to celebrate the *RTÉ Big Music Week*, Willie Clancy Summer School, Sean-nós competitions at Oireachtas na Gaeilge, and *Anocht fm* broadcast live from Electric Picnic for the first time ever. *Anocht fm*, the youth dedicated strand on

RTÉ Raidió na Gaeltachta repositioned itself with the introduction of a new programme with a wider remit, *An Cairé Ceoil*, which features rock, country, Cajun, blues, and reggae. Programmes from the Independent Radio Production sector were broadcast during the year, as well as programmes which secured funding from the BAI's Sound and Vision Fund. One such, *Dúchas agus Daonnacht*, celebrated the work of the Irish Folklore Commission since its establishment 75 years ago. Listeners had a chance to hear some of the invaluable recordings in the collection during the series. A new science series focused on global warming, stem cells, maths, diseases, sports science and science week.

The re-introduction of a weekly Mass broadcast live on Sunday mornings was welcomed by many listeners.

RTÉ Radio hours by genre

	2010	2009
Arts	678	787
News, Current Affairs and Weather	6,738	7,829
Sport	1,378	1,258
Music	19,363	19,886
Factual	1,417	1,650
Entertainment	4,768	2,948
Other	835	847

Source: RTÉ
Note: Category "Other" includes Religion, Young Peoples, Education and Drama

RTÉ lyric fm celebrated an international audience in the millions with its hosted simulcasts from the Wexford Opera Festival



Come Together - at the Electric Picnic 2010



Micheál Ó Muircheartaigh - Micheál - Tráchtairé ar Linne

Commercial Activity and Performance

Radio continues to be a powerful advertising medium with RTÉ Radio leading the commercial market; however RTÉ Radio Sales was not immune from the difficulties facing the media market. A stronger quarter three and quarter four provided early indications that the huge efforts undertaken to improve and develop the commercial offering on RTÉ Radio 1, RTÉ 2fm and RTÉ lyric fm are working well. The retail, finance, communications, entertainment, motor, travel, food, energy and charity sectors all utilised the ability of RTÉ Radio to deliver returns on investment in even the most challenging times.

Cross-media initiatives in 2010 included packaging RTÉ Radio's sport, music and regional output to deliver additional value for our clients. For example dedicated resources utilised to harness the strength and variety of our Sports coverage provided opportunities for further cross-media sponsorships in 2010 such as the English Premiership with News International, Magners League with Volkswagen and the 3 Irish Open with 3 Mobile.

Sponsorship and Promotions had a strong 2010. Major new sponsorships in 2010 included Kia Motors with *The John Murray Show*, as well as Irish Pride with *Breakfast with Hector*. Cross Media Sales also brought further successes for both Promotions and Sponsorship; promotions with Lidl and Bridgestone Tyres were particularly successful. The *Kellogg's Field of Dreams* activity was acknowledged across the industry as a huge success.

RTÉ Radio Sales embraced new media in 2010, opening up a new revenue stream from our Radio iPhone Apps; Radio Sales also lead the way in the Radio market by launching the first Radio Sales App for use by clients and agencies. A number of cross-radio industry projects in conjunction with the Independent Broadcasters of Ireland (IBI) are already underway for 2011.

RTÉ Radio embraced the social media revolution in 2010, with Twitter and Facebook accounts for most programmes and services encouraging users to join in the radio conversation

Radio Operations and New Media

In late October, RTÉ and BBC Northern Ireland teamed up to co-host the public event, *Making Connections: A Festival of Radio* and the EBU event, *Digital Radio Conference 2010*. Both events were successful in promoting awareness of digital radio and as signposts for wider co-operation at both a local and European level.

August saw the launch of the RTÉ Radio Pocket Player app for iPhone. The app allows access to all 11 RTÉ Radio stations, including the digital services. It was an immediate hit, garnering 40,000 downloads before the end of the year.

In September, RTÉ Radio began promoting its digital radio services on its FM stations. The project has successfully raised public awareness about digital radio. In that month also RTÉ Radio co-operated with RTÉ Television and RTÉ Publishing in the creation of RTÉjr and TRTÉ, two new cross-media children's services.

RTÉ's Digital Radio is a strong source of original, innovative programming. In 2010 the children's services RTÉjr and TRTÉ, produced more than 200 hours of drama, readings and music shows. The music stations RTÉ 2XM and RTÉ Pulse continue to operate at the front-edge of alternative and dance music and this year began to broadcast late night weekends on RTÉ 2fm.

Communications

RTÉ Radio rolled out a refreshed communications system in 2010, with innovative information systems on RTÉ.ie, on-air and across its newly launched social media hubs. As part of this plan a new on-air cross promotions system went live in June 2010. For the first time listeners to RTÉ Radio were informed of public service programming of interest across all of RTÉ Radio's 11 services. RTÉ Radio embraced the social media revolution in 2010, with Twitter and Facebook accounts for most programmes and services encouraging hundreds of thousands of users to join in the radio conversation wherever they were. RTÉ Radio revamped its public branding inventory, unveiling redesigned looks for its stations at events like Electric Picnic, Galway Film Fleadh, Taste of Dublin, the Food and Wine Fair and BT Young Scientist and Technology Exhibition.

there will be further snow showers across the country

2010 began and ended with freezing temperatures and exceptional snowfalls. As the country struggled with arctic conditions, freezing roads, airport and school closures, people turned in huge numbers to RTÉ Television, RTÉ Radio and RTÉ.ie for information and assistance. The **Six One News** on Wednesday 6 January was one of the highest ever with an average audience of 865,000 and 56% share. At its peak it was viewed by almost one million people. The following night the **Nine o'clock News** was watched by an average of 762,000 people and had an audience share of 41% with a peak of 857,000. The RTÉ News website provided daily live blogs with up-to-the-minute information on cancellations to travel services, the state of the roads, school closures, water shortages and much more. The public was also able to shape RTÉ.ie coverage by submitting feedback to the interactive comments section, as well as sending striking photographs of Ireland blanketed by snow and ice.



Photo: Darach Glennon – RTÉ Weather Photo Competition 2010

Operational Review

RTÉ News and Current Affairs



Prime Time Presenter Richard Crowley

All Island School Choir Competition Winners Presentation
Secondary School, Ballyphehane, Cork

The Frontline - Pat Kenny

In January and then again in December, viewers chose to watch the *RTÉ Six One News*, the *RTÉ Nine o'clock News* and *Prime Time* programmes in huge numbers as the country struggled with snow and ice, school closures and limited salt supplies. They relied on RTÉ News and Current Affairs for the latest information and analysis of the crisis – The *Six One News* on Wednesday 6th January was one of the highest ever with an average audience of 865,000 and a 56% share. At its peak it was being viewed by almost one million people. The following night the *Nine o'clock News* was watched by an average of 762,000 people and had an audience share of 41% with a peak of 857,000. *Prime Time* on the 7th January, which looked at the weather emergency and the aftermath of the flooding before Christmas had an extremely high average audience of 721,000 and a 41% share, and at its peak was watched by almost 800,000 people (790,000).

In May, there was coverage across all platforms; television, radio, online, mobile and Aertel, of the UK General Election with reporters in each of the count centres in Northern Ireland, covering events as they happened. On Election Day, Thursday, 6th May, there was an extended *Prime Time* co-presented by Miriam O'Callaghan in Belfast. Later that evening and into the early hours of the following morning, there was extended coverage with the *Election Special: Westminster 2010*, presented by Miriam O'Callaghan in Belfast and Bryan Dobson in London. And on the morning of Friday, 7th May, there was an *RTÉ News Special: Westminster* with live coverage of the results.

RTÉ News and Current Affairs tracked the key stories that emerged in the political arena as 2010 progressed, keeping the public up to date and informed via all platforms. High-profile political resignations included those of George Lee, Willie O'Dea, Trevor Sargent and Martin Cullen in February/March and Jim McDaid in November, while stresses within

Government were evident around the Cabinet reshuffle in March, over the passing of the stag hunting ban in June and when the Green party announced in November that it would not stay in Government after January. Tensions in the Fine Gael party erupted in a leadership struggle conducted in large measure on the airwaves, and won by Enda Kenny on June 17.

As the extraordinary events of the week of 21st – 25th of November unfolded, when an IMF team arrived in Ireland for talks and loan arrangements were made with the ECB, Irish audiences turned to RTÉ News and Current Affairs in huge numbers to get the latest developments and up to the minute reaction and analysis of the political and economic situation. The Minister for Finance, Brian Lenihan's interview on *This Week* on RTÉ Radio 1 on Sunday lunchtime, when he confirmed that Ireland needed external financial assistance, started a chain of events which dominated the news agenda for the rest of the week.

RTÉ had extra programming and extended News programmes during the week and the RTÉ News site averaged over one million page impressions per day.

In December, over half a million people watched Budget coverage on RTÉ One on Budget Day, RTÉ.ie/news had over 2.5 million page impressions – by far the highest this year.

And the year finished as it had begun, with sub-zero temperatures, widespread snow, school closures and water shortages - all covered extensively by RTÉ News.

As the extraordinary events of the week of 21st – 25th November unfolded, Irish audiences turned to RTÉ News and Current Affairs to get the latest developments and up to the minute reaction and analysis



Prime Time Investigates - Tyres
- A Dirty Business



Bryan Dobson and Sharon Ni Bheolain
on the Six One News set



UN Building Haiti

On the 20th December *Prime Time Investigates – Carry On Regardless*, on the subject of property developers - received the highest audience figures since the inception of the award-winning series in 2003, peaking at 874,000

It asked whether the economy had really improved since the first programme aired in September 2009.

And the final programme in December's series of *PTI*, 20 December, on the subject of property developers - received the highest audience figures since the inception of the award-winning series in 2003. *PTI – Carry On Regardless* by reporter Rita O'Reilly and producer Bill Malone looked at leading National Asset Management Agency (NAMA) developers who risked billions in the boom. The programme found that many had transferred assets to their spouses in the months before NAMA was set up, while others continued in extravagant lifestyles. At its peak 874,000 people were watching the programme – and the average figure for the hour was close to 800,000.

Foreign Coverage

The affect of the constraints of the financial climate was most clearly evident in RTÉ's coverage of foreign news but the Newsroom was still able to ensure that reporters travelled to cover some of the major stories of the year.

Charlie Bird, Cian McCormack and TG4's Tomas O Mainin covered the immediate aftermath of the earthquake in Haiti in January, with Cian returning for a series of radio reports six months later. Charlie Bird also travelled to the US states most affected by the BP oil spill to report on the impact of the spill on the environment and on the lives of the residents there.

In April, when the Eyjafjallajökull volcano erupted in Iceland causing air travel chaos throughout Europe, people again relied on RTÉ News, particularly its online coverage, to get instant updates on the travel situation. The website became a one-stop shop for would-be and stranded travellers. When it became clear that the disruption was going to last several days, it was decided to offer users a forum to submit their comments. This was one of the most valuable elements of our coverage because it established a direct link with our audience, providing us with a collection of poignant stories from all over Europe, the US, China and South America.

Tony Connelly was in Poland for the aftermath of the air crash near Smolensk in Russia, in which the Polish President Lech Kaczynski was among 96 people killed.

However, the main focus for our European coverage this year was the Euro crisis, which involved augmenting our coverage from Brussels with reporting from countries such as Greece, Portugal, France, Spain, Italy, Germany and Latvia. In the US, Richard Downes travelled to Boston and New York to track down some of the players in Ireland's financial drama.

Tony Connelly also went to Rome for Pope Benedict's pastoral response to the scandal of clerical sexual abuse in Ireland, while Joe Little and Brian O'Connell reported extensively on the Pope's historic visit to England and Scotland.

Kate Egan sent a series of features from South Africa in advance of the FIFA World Cup, and Ray Colgan was in Pakistan to report on the impact of severe flooding there.

Current Affairs

In May, a new series of *Prime Time Investigates* (PTI) started with an exposé of the dirty world of the tyre-recycling business, garnering the highest-ever ratings of a PTI in the summer run of the series. It also featured investigations into the daily struggle facing people with Alzheimers and on the criminals who share images of child rape and abuse online.

In July, the final programme of the first series of *The Frontline* was the most-watched programme on Irish television that week, with an average audience of over half a million (524,000) and a share of 36%.

Nuacht

2010 was a successful and productive year for Nuacht RTÉ output, which broadcast its first full year of bulletins from TG4's headquarters in Baile na hAbhann. The daily Nuacht TG4 bulletins, also produced by Nuacht RTÉ, continued to grow and develop during the year. 2010 also saw Nuacht RTE producing a range of news documentaries.

B'é 2010 an chéad bhliain iomlán inar tháinig feasachán Nuacht RTÉ as Baile na hAbhann. Le cuidiú ón teicneolaíocht atá curtha ag RTÉ i gceanncheathrú TG4, bhí bliain gan locht againn ó thaobh táirgíochta de. Is cuid lárnach don lá anois é an feasachán Nuachta a bhíonn á chraoladh ag 17.45. Tháinig fás agus forbairt freisin ar an bhfeasachán a bhíonn á chraoladh ar TG4 ag 19.00, ar léiriú de chuid RTÉ atá ann. Tá éagsúlacht ó thaobh líne eagarthóireachta de le sonrú ar an dá chlár. Scéalta móra náisiúnta an lae a bhíonn faoi chaibidil ag an gclár a bhíonn á chraoladh ag 17.45 agus bíonn Nuacht TG4 ag díriú níos mó ar scéalta réigiúnda agus Gaeltachta. I measc na gcláracha faisnéise a rinne Nuacht i mbliana bhí *Irlandskii Mhoscó* agus *Nua Eabhrac Joe Lee*.

aftershock, where to now?



The story of Ireland's financial crisis dominated the news throughout 2010. In early May RTÉ Television presented a week-long series of programmes which looked at the human and economic consequences of the crisis. During the week, a number of RTÉ Television programmes reflected the after-effects of the boom and bust: from the reality of unemployment and life in so-called "ghost towns" to positive stories of businesses and families who were thriving in spite of the recession. Other programmes looked at the bigger picture and asked "where to from here?" presenting challenging ideas as to how we as a nation could move on from the shock of economic collapse.



SHOCK

Operational Review

RTÉ Network



Service tower, Truskmore Mountain, Co. Sligo

The DTT project is the largest infrastructure project carried out by RTÉ since the launch of Television services in 1962

RTÉ Transmission Network Limited (RTÉNL) is an RTÉ subsidiary company which provides Broadcast Transmission services to all Irish national television and radio broadcasters, including RTÉ services. Broadcast Transmission services are provided on an arms length basis.

RTÉNL also provides mast and tower rental services to a range of telecommunication service providers and operators. In overall terms the market for mast and tower rental services continues to grow but the pace of growth has decreased. The market has become even more competitive due to the large number of mast and tower sites that are available.

RTÉNL's sites are primarily situated at high altitude in remote locations that are not always suitable for use by some emerging technologies, such as 3G mobile phone services and wireless broadband for example, both of which require compact cell size close to the consumer.

Digital Terrestrial Television (DTT)

The *Broadcasting Act 2009* further clarified the requirements for the switch-off of the Analogue Terrestrial Television (ATT) system and its replacement by Digital Terrestrial Television (DTT) by the end of 2012 in accordance with National and EU policy.

Over the past number of years RTÉNL has been progressively planning, constructing and installing the DTT infrastructure necessary to enable Analogue Switch-Off (ASO) to happen at an estimated total cost to RTÉNL of circa €70 million. The DTT project is the largest infrastructure project carried out by RTÉ since the

launch of Television services in 1962 and is being financed entirely by RTÉNL from a combination of its own resources and from bank borrowing. At this point an Operational Readiness Test service is available to over 90% of the population. It is planned that by the third quarter of 2012 that the service will be available to 98%+ of the population.

Once ASO is effected in 2012 very valuable radio spectrum will be made available for exploitation by the Irish State. In effect this spectrum has the potential to generate significant revenues for the state through the auction of the newly liberated radio spectrum by Government for use by other commercial services.

Commercial Revenue

Overall company income has remained largely unchanged from 2009. The level of site hosting activity has shown a modest increase year on year. In contrast reduced costs have been passed on to broadcast customers resulting in small reductions in this area.

- There have been no significant changes in the local and regional radio market as available capacity in the FM band is now more or less fully utilised.
- Achieving growth in telecommunication business was challenging as the overall economic situation impacted many businesses. The completion of the rollout of the TETRA system did provide new business. There were however some related reductions in business as older emergency services were decommissioned in 2010. This process will intensify in 2011.

- The RTÉNL Digital Audio Broadcasting (DAB) radio test service continued in operation in 2010 covering in excess of 50% of the population. In the absence of a national policy and licensing framework for commercial DAB services the development of the DAB platform is unlikely to proceed to a higher level of penetration at this juncture.
- In October 2010 RTÉNL commenced a full readiness test of the DTT transmission system covering in excess of 90% of the population. This test will continue during the first half of 2011 and it is anticipated that it will be in full commercial operation with a single Public Service Multiplex in the second half of 2011.
- ComReg conducted a competition for the award of a Digital Video Broadcasting - Handheld (DVB-H) Licence in 2010. The process was halted when no applications were received.

Operational Issues

Reliability of the transmission system was comparable with previous years. Overall availability for television and radio was again in excess of 99.9% for 2010. This was a very satisfactory outcome given the considerable infrastructural works undertaken on the transmission network to facilitate the upcoming DTT services and given the severe weather that was experienced at the beginning and end of 2010.

Television

The main operational challenge in 2010, apart from the extreme weather in January and December, was the requirement to

The Government has estimated that the Irish economy will benefit by up to €500 million over the next decade as a result of the switch to digital television. This is a very significant contribution by RTÉ to the national exchequer

facilitate the installation of infrastructure for the upcoming DTT services and ensuring that in excess of 90% of the population would be covered in time for the commencement of the live testing in October. In addition to works on many sites around the country, two very substantial new main masts and antenna systems were commissioned into service: a 220 metre high mast at Mullaghanish and a 175 metre high mast at Truskmore. Similar challenges will present themselves in 2011 and 2012 as the roll out of DTT continues.

Radio

Radio shares a common infrastructure with television (masts, buildings) and as with television the main operational challenge in 2010, apart from the extreme weather referred to above, was facilitating the installation of infrastructure for the upcoming DTT services while causing minimum disruption to live FM services.

Operational Review

RTÉ Publishing



RTÉ.ie homepage redesign



RTÉ TEN



RTÉ News Now iPhone Application

RTÉ Publishing operates five of Ireland's leading media services. RTÉ Aertel, RTÉ.ie, RTÉ News Now and the RTÉ Player are RTÉ public services provided free of charge to the public. The RTÉ Guide is a commercial publication. No Licence Fee income is utilised to fund the provision of either RTÉ Publishing's public services or its commercial publication.

RTÉ.ie

RTÉ.ie saw significant upgrading during 2010 with the RTÉ.ie Home Page, as well as the News, Business and Entertainment (RTÉ TEN) sections all being redesigned.

RTÉ.ie page impressions and browser numbers all grew during 2010. Overall page impressions to RTÉ.ie grew 37% to an average of 85.4 million pages per month. Monthly unique browsers grew from 2.7 million to 3.7 million, an increase of 37%.

The News site experienced a 22% year-on-year increase in traffic in 2010, and a 40% increase in unique browsers. The new RTÉ.ie/News design was launched in October. It incorporated the previous Business section and was designed for easier navigation and a better user experience. The new layout has simple to use categories and seamlessly incorporates video and audio content throughout.

The severe winter weather referred to in this Report brought about severe disruption to normal life, with consequent exceptional public demand for information services. The RTÉ News website provided daily live blogs with up-to-the-minute information on cancellations to travel services, the state of the roads, school closures, water shortages, and much more. The public was also able to shape RTÉ.ie coverage by submitting feedback to the interactive comments section, as well as sending striking photographs of Ireland blanketed by snow and ice.

During the year's other principal period of disruption caused by natural conditions, the volcanic ash cloud, the RTÉ News website again provided up-to-the-minute information on airline cancellations to travellers.

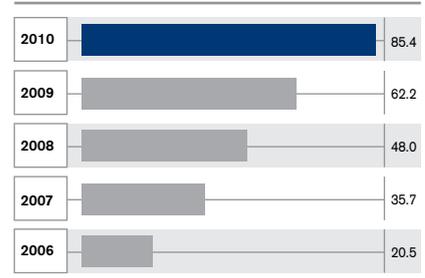
The RTÉ News site offered extensive coverage of the biggest stories of 2010, including the Haiti earthquake and its aftermath, the death of RTÉ presenter Gerry Ryan, the UK Westminster Elections, Taoiseach Brian Cowen's controversial interview on *Morning Ireland*, the ordeal and rescue of the Chilean miners, the US mid-term elections, Ireland's IMF/EU bailout and the government's Four Year Plan and Budget 2011.

2010 also saw the launch of the RTÉ News Now app (for iPhone and Android) which enables people to keep up to date on the go. At year end the app had achieved almost 200,000 downloads and was delivering over 18 million page impressions per month. (Source: RTÉ; Urchin Analytics, Blue Metrix)

Traffic and unique browsers to the Sport site increased by 7% and 18% respectively in 2010. In addition to providing individual sites in 2010 for the Six Nations Championship, the FIFA World Cup, and the Magners League, special emphasis was also placed on offering users a range of live text commentaries.

These interactive live text trackers were offered on sporting tournaments and events including the GAA National Leagues, the GAA Football and Hurling Championships, the UEFA Champions League, the Cheltenham Festival, the Heineken Cup, the US Masters, Republic of Ireland soccer internationals, the Ryder Cup, and the International Rules series. All live trackers were also available on mobile.

RTÉ.ie average page impressions per month (millions)



Source: RTÉ

Monthly unique browsers to RTÉ.ie grew from 2.7 million to 3.7 million during 2010, an increase of 37%



RTÉ News Now iPhone App



RTÉ News Now iPhone App



GAA iPhone App



Morning Ireland live on RTÉ Player

In 2010 the RTÉ Sport website continued to offer users an extensive menu of live and on-demand multimedia content. The vast majority of RTÉ Sport's television and radio output was streamed simultaneously live, while web-only live video output included: Six Nations A and club internationals, 10 GAA Championship clashes, the last round of simultaneous group games at the FIFA World Cup in South Africa, Ireland v Spain in the final of the European U-17s women soccer championship, the European Athletics Championships, Katie Taylor's victorious semi-final and final bouts at the World Women's Boxing Championship, and horseracing from Newmarket, Epsom, Cheltenham and Newbury.

A series of live web extras, following RTÉ Sport's international soccer and rugby coverage on television, was also offered. RTÉ Publishing also launched a dedicated GAA iPhone app and with its 50,000 downloads delivered almost 1 million page impressions per month at the height of the GAA Championship. (Source: RTÉ; Urchin Analytics, Blue Metrix)

Traffic and unique browsers to RTÉ TEN (formerly the Entertainment site) increased by 42% and 28% respectively and was driven by the re-launch of the Entertainment site as RTÉ TEN in June. The re-launch ensured a greatly enhanced user experience with dramatically improved design and navigation as well as an expansion in the range of content available. There was a new focus on the Entertainment news section and all RTÉ Guide features are now reproduced in full on the RTÉ TEN site which has greatly increased our features section giving the audience more choice and variety. The number and type of blogs available on the site during the year has also increased with a new book blog being the latest addition. In addition more bespoke video has been available on the site this year than ever before.

Since its launch in April 2009, 29.8 million programme streams were viewed on the RTÉ Player catch-up service by the end of 2010

To further drive traffic and increase awareness of the new brand, a social media strategy was established which saw RTÉ TEN on Twitter and Facebook while a Twitter widget was integrated into the RTÉ TEN homepage. To engage further with our audience and encourage discussion pre-moderated comments are now allowed on all our content on RTÉ TEN and two of the lifestyle sites, dealing with food and fashion.

In a challenging advertising market commercial revenue on RTÉ.ie performed strongly. The introduction of new, larger advertising formats and the addition of new third party sites within RTÉ.ie, aided in producing strong results. The launch of the RTÉ News Now app on iPhone also succeeded in reaching new audiences and with that, new advertising opportunities.

RTÉ Player

Since its launch in April 2009, 29.8 million programme streams were viewed on the RTÉ Player catch-up service by the end of 2010 and numbers using the free service continue to increase. An international version of RTÉ Player launched in January 2010.

Average streams per month have grown to 1.8 million in 2010. The upward trend is also reflected across the unique browsers, increasing to an average of 406,000 per month for 2010. In a first for the RTÉ Player, and in a move to increase efficiency in output, programmes are now available to view one hour after the on-air transmission, except for certain programmes where there are rights restrictions on immediate viewing.

Operational Review

RTÉ Publishing (continued)



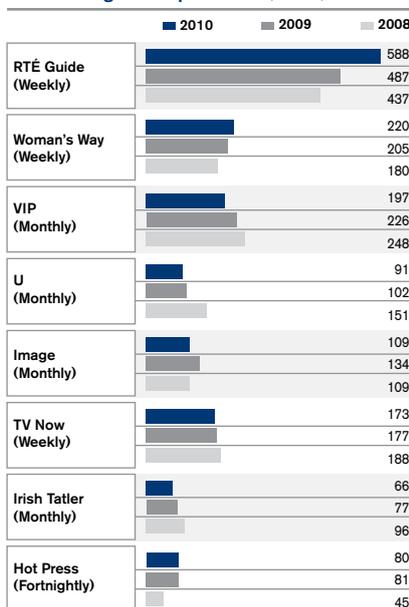
The RTÉ Guide



RTÉ Player Fade Street

Readership figures for the RTÉ Guide released from TGI in September 2010, showed a 21% increase year on year from 487,000 to 588,000 adult readers.

National Adults 15+ average readership of Irish magazines per issue (000's)



Source: TGI. The definition of readership is based on read or looked at.

Popular programmes available on the service in 2010 included *Lost*, *Operation Transformation*, *Fade Street*, *Desperate Housewives*, *Mad Men*, *Grey's Anatomy*, *Private Practice*, *Prime Time*, *The Frontline*, *Home & Away*, *The Late Late Show*, *The Saturday Night Show*, *The Republic of Telly*, *One Night Stand* and the *RBS Six Nations*.

Notable events driving traffic to the service in 2010 included RTÉ News Now live events such as the National Budget on 7 December with 120,000 streams and the Winter Solstice at Newgrange on 21 December with 25,000 streams.

Other major events in 2010 included the availability of all FIFA World Cup matches – 750,000 streams – and *The Late Late Toy Show* in November with almost 65,000 streams.

The RTÉ Player team launched an integrated online campaign across multiple platforms to increase engagement for

RTÉ's World Cup coverage across the service. A competition entitled *Dunphy Watch* was launched on RTÉ.ie/sport to encourage post match catch-up on the service.

The campaign made extensive use of social media to promote RTÉ's World Cup coverage. RTÉ's World Cup coverage, analysis and *Après Match* sketches (392,000 views) were edited and uploaded to the RTÉ YouTube site with links back to the RTÉ Player.

RTÉ Player XL

RTÉ Player XL a version of the player optimised for viewing on large screens and on Playstation 3 (PS3) was launched on 14 December 2010. To date, streams have averaged at just over 7,000 per day. (Source: RTÉ)

RTÉ Player XL allows PS3 owners to enjoy a wide selection of programming on their television whenever it suits them. The service is also ideal for laptop and pc users who can connect their computers to a television. Content can be accessed with the minimal amount of navigation effort and the latest and most popular programming is immediately accessible to users.

With usage of the PS3 likely to be different from traditional RTÉ Player usage, the RTÉ Player has the opportunity to better reach new audiences in Ireland. Already usage patterns suggest that different programmes are more in demand via the PS3 than previous routes. The most popular programmes watched through the PS3 console are *Republic of Telly*, *The Late Late Show*, *Desperate Housewives*, *Hardy Bucks (Christmas Special)* and *The Panel*.

Increased demand for new advertising opportunities has led to an increase in the number of advertisers using video on demand pre-roll advertising on the RTÉ Player. Greater awareness of the RTÉ Player in 2010 aided in the threefold increase in new advertisers year on year.



rté.ie/news

RTÉ Guide

The RTÉ Guide faced another challenging year in terms of circulation sales in 2010 due to continuing market contractions at retail level and an overall estimated decline in the total consumer magazine market of 12%. Overall circulation for the RTÉ Guide in 2010 was an average of 84,018 weekly copy sales, a decline of 4.1% year on year. (Source: ABC Jan - Dec 2010) Throughout the year key promotional drivers such as WeightWatchers supplements delivered growth on the base weekly sale. Other bespoke initiatives such as the Recipe Collections, free Children's Classics and Candlelight Carols CD's, along with RTÉ Weather Calendar delivered 15%/25% in additional sales.

Readership figures for the RTÉ Guide, released from *TGI* in September 2010, showed a 21% increase year on year from 487,000 adult readers to 588,000 adult readers.

The print advertising market remains challenging, yet the RTÉ Guide performance in the year saw an increase in revenue of 10% on 2009 figures while the overall market is estimated to have declined by 15% year on year. A key highlight was the Christmas double issue which earned increased revenues of 16% year on year.

RTÉ Aertel

RTÉ Aertel's multi-platform strategy continued throughout 2010. Beta trials began with selected clients for Digital Text with the aim for live launch in Quarter 1 2011.

RTÉ Aertel has 903,000 daily analogue users. (Source: TGI 2010) Aertel on RTÉ.ie has an average of 136,000 monthly browsers generating nearly 6 million monthly page impressions. The RTÉ Aertel mobile site generated an average of 470,000 page impressions per month which is a decrease of 5.3% year on year. (Source: RTÉ)

RTÉ Publishing launched a new Digitext teletext service for DTT receivers. A new enhanced RTÉ Aertel mobile site was also launched in 2010. This new version of RTÉ Aertel mobile has easier navigation, enhanced graphics and is compatible with mobile smart phones.

Commercial revenue from RTÉ Aertel continued to be under sustained pressure with more of our key bookmaker's advertisers cutting back on teletext services, across both Ireland and the UK. While it has proven difficult to acquire new advertisers to the platform, Travel still performs well alongside Sport sponsorship.

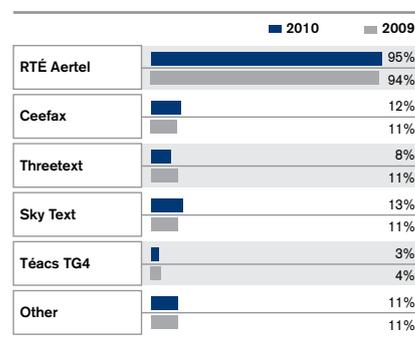
Content

In 2010 a new playout system was introduced for RTÉ News Now service which enabled a live/catch-up news service to be distributed on DTT, web and mobile platforms. The market for syndicated content contracted further in 2010. However a highlight was the development of an enhanced version of the RTÉ News Now service which was made available in the main transport hubs of Heuston, Pearse and Connolly train stations as well as in Busáras. Sport content was further developed in the year.

Programme and Interactive Competitions

The Programme Interaction and Competitions team developed and managed SMS and IVR services for 140 programmes that contained a premium rate competition/service across RTÉ Television, RTÉ Radio and RTÉ Publishing platforms. There were over 12.4 million interactions generated in 2010 across radio, television and print with over 2,000 individual event set-ups created. As a result, audience engagement increased to new record levels during the year.

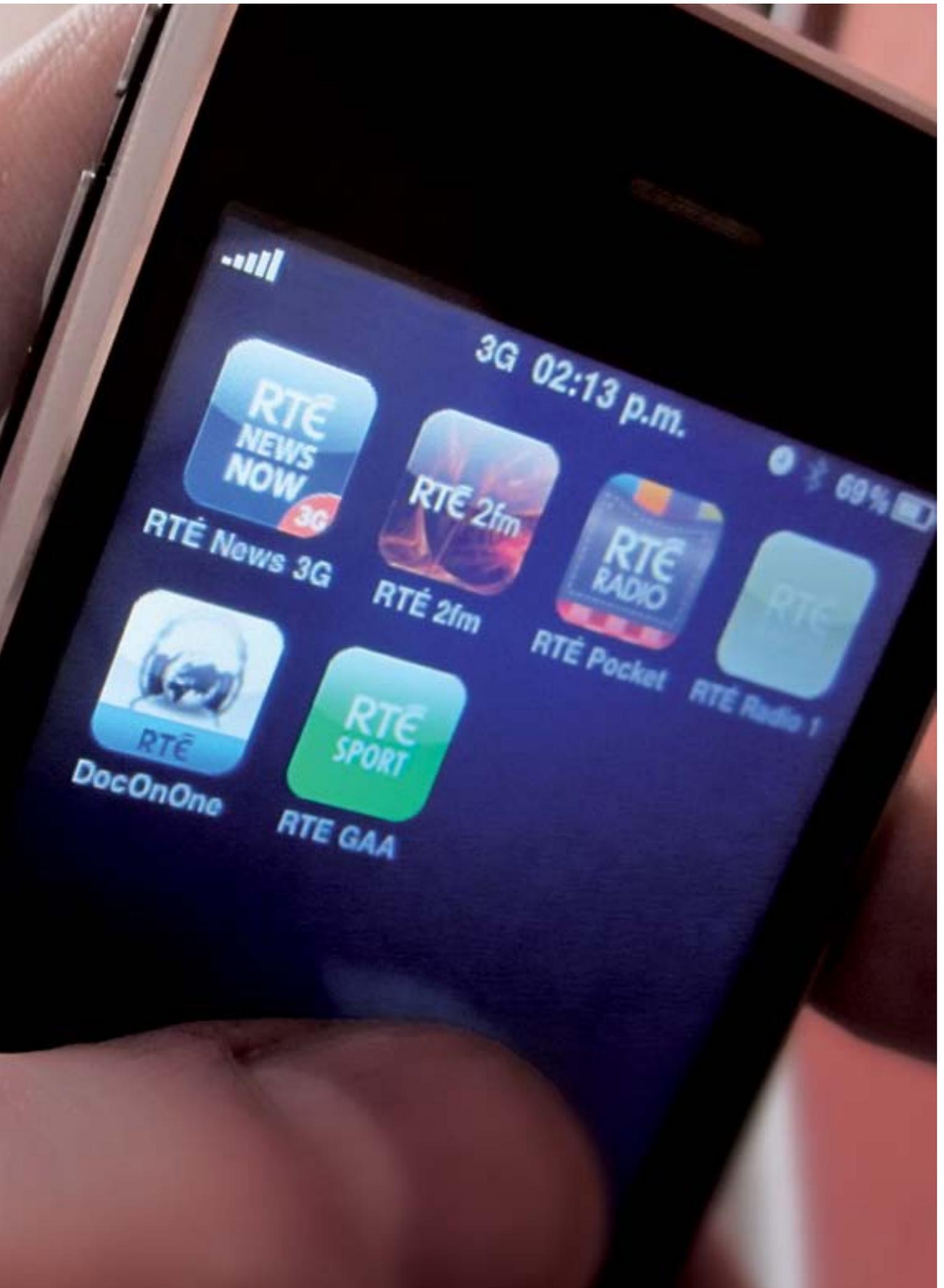
Type of teletext used in all households who make use of teletext



Source: TAM Ireland Ltd/Nielsen TAM Establishment Survey

RTÉ in your pocket

As technology evolves, RTÉ has an obligation to ensure that audiences can access, enjoy and use RTÉ content, whenever, however and wherever they wish. During 2010 RTÉ introduced a number of new mobile phone applications which allow users to listen, watch and interact with RTÉ services on the go. By the end of the year the RTÉ News Now application for both iPhone and Android had been downloaded nearly 200,000 times. The RTÉ Pocket Player application for iPhone, which allows users to access and listen to all eleven RTÉ Radio stations, was downloaded over 40,000 times before the end of the year.



Operational Review

RTÉ Performing Groups



Pianist Hugh Tinney performed at the Haiti Charity Concert in the National Concert Hall



Alan Buribayev

Output

The RTÉ Performing Groups comprises the RTÉ National Symphony Orchestra, RTÉ Concert Orchestra, RTÉ Vanbrugh Quartet, RTÉ Philharmonic Choir and RTÉ Cór na nÓg – in total over 350 performers. The RTÉ Performing Groups are the biggest supporter and promoter of live classical music in Ireland in terms of the employment of musicians, the presentation of live performances and the commissioning and performance of new orchestral music.

During 2010 RTÉ Performing Groups managed to deliver an outstanding range of high quality events from a significantly reduced cost base.

In total the RTÉ Performing Groups presented 224 live performances and events to in excess of 170,000 people during the year. The 2010/11 season saw Kazakh born Alan Buribayev (31) become the youngest ever Principal Conductor of the RTÉ National Symphony Orchestra and Hannu Lintu (Finland) assumed the role of Principal Guest Conductor. Finghin Collins (Ireland) became the first Associate Artist of the RTÉ National Symphony Orchestra and in a further initiative Paul Rissmann (Scotland) became the orchestra's Creative Adviser for family and young people's concerts and workshops. *FORTE!*, a new educational strand of concerts was introduced and through it the RTÉ National Symphony Orchestra will engage with a wide range of communities.

The RTÉ Concert Orchestra consolidated its relationships with Principal Conductor, David Brophy, and Principal Guest Conductor, John Wilson. In a year of diverse output the RTÉ Concert Orchestra deepened relationships with our broadcasting platforms. Both RTÉ orchestras strive to perform to the highest international standards, frequently performing with artists of world class, in spite of severe financial constrictions.

Many outstanding concerts were presented in 2010. Special mention is merited for the performances by Celine Byrne, James Crabb, Barry Douglas, Nicola Benedetti, Nicolai Demidenko, Sergio Tiempo and Baiba Skride with the RTÉ National Symphony Orchestra and Martin Hayes, Tommy Fleming, Anthony Andrews, Brian Byrne, Willard White, Russell Watson and Lalo Schifrin with the RTÉ Concert Orchestra. In addition, several RTÉ musicians took leading roles in solo, directing and conductor roles. Significantly several new initiatives were introduced in the RTÉ National Symphony Orchestra's programming including an expanded range of pre-concert talks and interviews, pre/post concert discussions and late night concerts involving musicians from the orchestra in smaller-scaled works which are designed to offer added attraction for audiences and provide creative high profile opportunities for our leading musicians.

In addition to the new, the tried and tested resonated with the public once again. The summer lunchtime concerts at the National Concert Hall (NCH) proved popular in spite of the withdrawal of live outside broadcast facilities by RTÉ lyric fm due to financial pressures. The success of the Concert for Haiti (RTÉ National Symphony Orchestra/NCH) proved the potential for charity associations with both orchestras. The RTÉ Vanbrugh Quartet gave a series of flash quartet performances in locations as diverse as the Science Gallery and the Forty Foot in Sandycove, Dublin; on more conventional ground a complete Beethoven Quartet cycle was given in six concerts each in Cork, Dublin and London: this was a major artistic achievement for the RTÉ Vanbrugh Quartet.

The RTÉ Performing Groups are the biggest supporter and promoter of live classical music in Ireland



Deidre Gribben CD Cover



Mooney Tunes Mary Byrne

The RTÉ Philharmonic Choir met the challenges of some unusual repertoire including Schumann's *Paradise and the Peri* (based on *Lalla Rookh* by Thomas Moore), Hindemith's *When Lilacs last in the Dooryard Bloom'd*, Bach's *B Minor Mass* and Walton's *Belshazzar's Feast*. The RTÉ Philharmonic featured on the special centenary CD of music by Aloys Fleischmann along with the RTÉ National Symphony Orchestra; in total 8 CDs were released in 2010.

In addition to performance opportunities the RTÉ National Symphony Orchestra ran a successful mentoring programme for very talented young musicians from third level music colleges in Cork, Dublin and Belfast.

Commercial Activity

Commercial revenue fell by 10% compared with 2009. The very difficult economic climate and the unprecedented severe weather conditions in January and again in November and December together with the effects of the volcanic ash clouds in April all impacted heavily on box office in 2010.

Commissions and New Work

The RTÉ Performing Groups presented five world premieres of RTÉ commissioned work by David Fennessy, Jennifer Walshe, Gerry Murphy, Elaine Agnew and David Flynn. In addition, RTÉ Performing Groups presented a world premiere of a non RTÉ commissioned Irish work by Irish composer Frank Corcoran and two Irish premieres of non RTÉ commissioned works by Elana Kats Chernin and Andre Previn.

Four composers, Frank Corcoran, Deirdre Gribbin, Elaine Agnew and Brian Irvine were featured in the RTÉ National Symphony Orchestra *Horizons* series of free concerts at the NCH and commercial CDs of music by Deirdre Gribbin and Ian Wilson were released in association with the Arts Council under an agreed five year audio publishing framework.

RTÉ Performing Groups were at the centre of the first RTÉ Big Music Week in October - both orchestras and both choirs took part and were heard on RTÉ Radio 1, RTÉ 2fm, RTÉ lyric fm and RTÉ Pulse.

Broadcasting

The capacity to collaborate with our broadcast services offers the RTÉ Performing Groups unique opportunities to extend the live music experience across all platforms. In addition to weekly concert relays by the RTÉ National Symphony Orchestra on RTÉ lyric fm and the summer orchestral lunchtime concerts on *In Tempo*, 2010 was particularly strong for cross-media opportunities.

Four of the five RTÉ Performing Groups were at the centre of the first *RTÉ Big Music Week* in October - both orchestras and both choirs took part and were heard on RTÉ Radio 1, RTÉ 2fm, RTÉ lyric fm and RTÉ Pulse. The impact of the RTÉ Concert Orchestra in its first *Electric Picnic* took everyone by surprise. In addition the RTÉ Concert Orchestra recorded the music for the TV documentary *The Limits of Liberty*; the RTÉ Concert Orchestra also appeared on a special Good Friday *Late Late Show* and it consolidated its special relationship with the *Mooney Show* in two sold-out *Mooney Tunes* concerts, one at the NCH and a special Christmas programme at the Grand Canal Theatre.

Operational Review

RTÉ Performing
Groups (continued)

Violinist Baiba Skride



RTÉ Concert Orchestra Electric Proms at Electric Picnic

Building Audiences

In a challenging year the RTÉ Performing Groups strove to reach audiences in both conventional and unconventional spaces. While the NCH remains our key performance venue some unconventional spaces were used too: during *RTÉ Big Music Week* the RTÉ National Symphony Orchestra and RTÉ Philharmonic Choir performed Beethoven's Choral Symphony in the Square in Tallaght and a brass group from the RTÉ National Symphony Orchestra appeared in shopping centres in Drogheda and Dundalk in the lead up to Christmas. With the devolution of marketing and communications to both orchestras the connection between output and audiences was reinvigorated. The first steps towards a new website for the RTÉ Performing Groups was undertaken in 2010.

There was much collaboration in 2010 most notably with the NCH and The Arts Council. Other collaborative discussions which commenced in 2010 will lead to activities in 2011 with the support of the Irish Film Institute (IFI), Culture Ireland and Carlow County Council.

Future Plans

At a time of particular strain in both public and commercial funding streams audience retention and, where possible, growth and diversification remains a key focus. Existing audiences need to be cherished and retained and new audiences secured through effective communications which appeal and lead to live music experiences which stimulate and delight.

A new Memorandum of Understanding between the RTÉ Performing Groups and the NCH has the potential to underscore improved communications, increased collaborations and the sharing of marketing data in the future.

Roll out of the National Music Education programme (with substantial U2 and Ireland Funds support) will commence in 2011 and the RTÉ Performing Groups hope to engage with some of the activities it will enable.

The Carlow Opera Project 2011 is a particularly exciting opportunity for the RTÉ National Symphony Orchestra to engage with the creation and presentation of a very special community project. And for the first time, a RTÉ Concert Orchestra tour will take place with the support of the Arts Council in 2011.

Commercial business opportunities remain challenging across revenue streams such as facilities hires, box office targets and sponsorship. Opera Ireland presented its last season (with the RTÉ Concert Orchestra in the pit) and clarity around the new Irish National Opera is long overdue.

There was much collaboration in 2010 most notably with the National Concert Hall and The Arts Council.



Aloys Fleischmann - Orchestral Works CD Cover



Soprano Celine Byrne joined the RTÉ Symphony Orchestra in the National Concert Hall

RTÉ Performing Groups attendances

	2010	2009
Guest Ensembles	749	1,956
RTÉ Choirs Educational	0	1,060
RTÉ Choirs General	1,947	2,519
RTÉ Choirs Total	1,947	3,579
RTÉ VQ	2,333	3,247
RTÉ CO Educational	13,813	17,155
RTÉ CO General	79,677	70,795
RTÉ CO Total	93,490	87,950
RTÉ NSO/ Phil Choir	5,855	4,887
RTÉ NSO Educational	16,178	14,435
RTÉ NSO General	49,927	52,165
RTÉ NSO Total	66,105	66,600
Overall Educational	29,991	32,650
Overall General	140,488	135,569
Overall Total	170,479	168,219

RTÉ Performing Groups performances

	2010	2009
Guest Ensembles	1	2
RTÉ Choirs Educational	0	2
RTÉ Choirs General	6	9
RTÉ Choirs Total	6	11
RTÉ VQ	30	30
RTÉ CO Educational	17	22
RTÉ CO General	78	78
RTÉ CO Total	95	100
RTÉ NSO/ Phil Choir	7	5
RTÉ NSO Educational	22	18
RTÉ NSO General	63	60
RTÉ NSO Total	85	78
Overall Educational	39	42
Overall General	185	184
Overall Total	224	226

RTÉ Performing Groups educational activities

	2010	2009
Educational Performances	39	42
Workshops etc.	0	2
Pre-concert talks	34	33
Total Educational Activity	73	77

RTÉ Performing Groups contemporary music activities

	2010	2009
World premieres of RTÉ commissioned works	5	10
Dedicated contemporary music concerts	4	4



The RTÉ Concert Orchestra in wellies...



In 2010 the RTÉ Performing Groups presented 224 live performances and events to in excess of 170,000 people around the country. The impact of the RTÉ Concert Orchestra in its first *Electric Picnic* took everyone by surprise, both audience and Orchestra alike. The 55-strong Orchestra presented a special “Electric Proms” in the lush surrounds of the Body and Soul area on the Sunday morning of the festival weekend. Classically suited and booted in their best Sunday attire, the Orchestra played a set that included special guests and movie themes from films such as *Star Wars* and *James Bond*, classical standards such as Beethoven’s *Fifth Symphony* and Bob Marley’s *No Woman No Cry*.

Financial Review

Results

RTÉ incurred a Deficit for the year of €4.7 million [2009: Deficit of €16.5 million Before Exceptional Item - Restructuring Charge] based on Revenues of €372 million (2009: €375 million), reflecting a robust financial performance against the back-drop of an exceptionally turbulent domestic economic environment.

Interpretation Framework

The RTÉ Superannuation Scheme is a contributory, funded, occupational, defined benefit pension scheme trust, established by legislation, sponsored by RTÉ to which no new employee members have been admitted since 1989.

International Financial Reporting Standards (IFRS) require that the separate liabilities of Defined Benefit pension schemes are reflected in the sponsor's Financial Statements in a manner similar to Debt (measured by reference to Corporate Bond rates of proximate duration).

In RTÉ's case the Liabilities of the RTÉ Superannuation Scheme at 31 December 2010 of €809 million (2009: €770 million) are more than 5 times greater than the reported Net Assets of RTÉ itself. **The disproportionately large scale of this imbalance thus has the potential to detract from a meaningful understanding of RTÉ's underlying operational financial performance.**

Accordingly, the divisional commentary below separates the operating results of the RTÉ Group excluding the Net Defined Benefit Pension Related Finance income / expense arising on the assets and liabilities within the Scheme.

Divisional Results

The contribution of each RTÉ business division and HQ to the annual result is summarised below:

	2010 €m	2009 €m
Integrated Business Division (IBD)		
Television	(1.9)	(15.9)
Radio	(1.3)	0.7
News and Current Affairs	(2.2)	(2.4)
Performing Groups	0.0	0.0
Network	5.8	8.3
Publishing	(1.8)	(1.6)
Corporate HQ	(3.0)	(2.9)
Consolidation Adjustments	0.5	0.4
Sub-Total	(3.9)	(13.4)
Net Defined Benefit Pension Related Finance income/(expense)	0.1	(2.8)
Income Tax expense	(0.9)	(0.3)
Deficit Before Exceptional item	(4.7)	(16.5)
Exceptional Item - Restructuring charge	0.0	(11.3)
Deficit for the Year	(4.7)	(27.8)

Commercial Revenue

The level of RTÉ Commercial Revenues stabilised during 2010 following the sharp reductions during the second half of 2008 and which had rapidly accelerated during 2009.

The largest single element of commercial revenue is RTÉ Television Advertising, which makes up over half of all commercial revenue generated and which had dropped by over 33% between 2008 and 2009 but which increased very marginally in 2010.

For the full year of 2010 a slight increase in overall commercial revenues of €1 million (+1%) year-on-year was generated as summarised below:

	€m
RTÉ Television Advertising	+1.0
RTÉ Radio Advertising	-2.1
Other areas	+2.1
Year-on-Year movement	+1.0
Commercial Revenue 2009	174.7
Commercial Revenue 2010	175.7

Trend in Commercial Revenues (€m)

2010	175.7
2009	174.7
2008	239.9

Television Licence Revenue

The Department of Communications, Energy and Natural Resources (DCENR) collects monies due by the Department of Social Protection (DSP) (in respect of "Free" television licences) and from An Post (the Minister's sole agent for the sale of TV Licences to the public) and then makes a grant-in-aid to RTÉ.

RTÉ received €196.0 million in TV Licence Revenue in 2010 a reduction of €4 million / -2% (2009 €200.2 million). The decrease primarily reflects the impact of the change introduced in the Broadcasting Act 2009 by which the deduction made from TV Licence Receipts (net of collection charges) in respect of the Sound & Vision Broadcasting Funding Scheme operated by the Broadcasting Authority of Ireland (BAI) was increased from 5% to 7%.

The underlying degree of TV Licence Fee evasion continues to be of concern but it is not possible to reliably quantify the full extent of this problem in the absence of detailed and up to date national housing formation, cessation and occupancy statistics following the turbulence experienced in the domestic house property market in the past two to three years. RTÉ had previously estimated that of the order of 10% to 15% of chargeable domestic households and business premises in the state may possibly not hold a valid television licence.

Operating Costs

In response to the severe contraction in Revenue, in late 2008 RTÉ embarked upon a series of substantial compensating cost reductions aimed at stabilising the business and significantly reducing its operating cost base whilst at the same time seeking to protect its programming commitments and employment to the greatest extent feasible. This activity accelerated in 2009 and has continued into 2010 despite cost increases related to cyclical activities.

As a result, taking the past two years of 2009 and 2010 together, RTÉ's Annual Operating Cost Base Excluding Depreciation and Amortisation has been reduced by over €82 million / -19% since 2008.

In 2010 Personnel Related Operating Costs (PROC) fell by €8.8 million / -4% whilst Non-Personnel Related Operating Costs (Non-PROC) increased marginally by €1.6 million / 1%. Depreciation and Amortisation in 2010 fell by €5.6 million compared to 2009.

Total Operating Costs for 2010 were further reduced by €12.7 million / -3% compared to 2009:

	€m
Reduction in Personnel Related Operating Costs (PROC)	-8.8
Reduction in Non-Personnel Related Operating Costs (Non-PROC)	+1.6
<hr/>	
Reduction in Depreciation / Amortisation	-5.6
<hr/>	
Year-on-Year Decrease Operating costs 2009	-12.8 +389.4
<hr/>	
Operating costs 2010	+376.6

Employee Numbers

At 31 December 2010 there were 2,151 (2009: 2,214) employees of which 317 (2009: 332) were part-time / casual. The reduction in employee numbers in 2010 amounted to a fall of 3% compared to 2009 and primarily reflected a combination of the non-replacement of certain departing staff together with departures in 2010 arising under both the Early Retirement & Redundancy Facility and Incentivised Career Break / Leave of Absence Scheme.

Net Finance Income / (Expense)

Total Net Finance Income for 2010 is €1.1 million which contrasts with a Net Finance Expense for 2009 of €1.6 million, a positive aggregate movement of €2.7 million.

This movement related largely to a reduction in the Expected Return on the defined benefit pension scheme Investments held by the RTÉ Superannuation Scheme substantially offset by the prevailing lower interest cost attaching to the Liabilities of the RTÉ Superannuation Scheme.

Taxation

A tax charge of €0.85 million arose in 2010 mainly due to taxable profits in two of RTÉ's subsidiary companies, RTÉ Transmission Network Limited (RTÉNL) and RTÉ Commercial Enterprises Limited.

Financial Review (continued)

The actuaries to the RTÉ Superannuation Scheme have carried out a long term actuarial funding valuation and reported a surplus of €3.55 million as at 1 January 2011 (1 January 2010: Surplus of €2.6 million).

Cash Flow

RTÉ Group's Net Operating Cash Flow generated from activities amounted to €14.5 million in 2010 (2009: €9.3 million).

Total Cash resources at 31 December 2010 amounted to €63.2 million (2009: €58.9 million) while off-setting long-term liabilities arising under employee redundancy / early-retirement schemes amounted to €19.7 million (2009: €24.1 million).

Mindful of the economic pressures experienced from the latter quarter of 2008 onwards, and increasing throughout 2009, the daily focus on cash in 2010 has remained a critical financial management priority to ensure that adequate cash flow is at all times available to protect the organisations future viability.

Capital Expenditure

RTÉ's total capital expenditure in 2010 was €12.9 million (2009: €15.2 million) with the most significant item being a further €7.6 million incurred in respect of Transmission and Distribution infrastructure by RTÉNL.

This expenditure, which will total approximately €70 million, is essential to enable RTÉ to fulfil its statutory obligations in relation to the introduction of Digital Terrestrial Television (DTT) prior to Analogue Switch Off (ASO) of all existing Analogue Terrestrial Television (ATT) networks across Europe, including Ireland, in 2012 as required by EU and Government policy.

It is intended that the new DTT Platform, Saorview, will be launched nationally to the public in Summer 2011.

Capital Renewal - Project 2025

Following an Oral Hearing by An Bord Pleanála in November 2010 RTÉ received a 10 Year Planning Consent for the construction of a modern replacement 50,000 square metre media and broadcasting facility at its lands in Donnybrook to be constructed in five phases.

In December 2010 the new Dublin City Development Plan was published by Dublin City Council. The nature of the institutional zoning applied to RTÉ lands in this plan would inhibit RTÉ's ability to proceed with Project 2025 at Donnybrook and RTÉ has applied to the high court for a judicial review of aspects of the zoning decision by Dublin City Council.

Financial Risk Management

The Board of RTÉ sets the treasury policies of the Group, which include cash management, foreign exchange risk and counterparty credit risk. These are set out in Note 21 to the financial statements.

Financing activity

As stated above, RTÉ's transmission subsidiary, RTÉNL, has continued to make significant capital expenditure commitments in relation to DTT and on 22 December 2010 RTÉNL entered into a project finance loan facility agreement with Barclays Bank amounting to €38.25 million. No drawdowns have occurred as at 31 December 2010.

Pensions

RTÉ operates a Contributory Funded Defined Benefit Pension Scheme (DB), Contributory Defined Contribution pension schemes (DC) and in 2010 implemented a new "50/50" Risk-Sharing Pension Scheme (a hybrid scheme that has both defined benefit and defined contribution elements) for its employees.

RTÉ Superannuation Scheme (DB)

As at 31 December 2010, RTÉ had 441 employees who were members of the RTÉ Superannuation Scheme. In addition, RTÉ continues to make contributions to this scheme for a small number of former employees, who left RTÉ under various Early Retirement and Redundancy arrangements.

The RTÉ Superannuation Scheme is a defined benefit scheme with funds under management at 31 December 2010 of €813 million, at market value. No new employees have been admitted to this scheme since July 1989.

The actuaries to the scheme have carried out a long term actuarial funding valuation and reported a surplus of €3.55 million as at 1 January 2011 (1 January 2010: surplus of €2.6 million). As measured in accordance with the standard, IAS 19, the surplus as at 31 December 2010 amounted to €3.6 million (31 December 2009 €9.2 million).

The RTÉ Defined Contribution Pension Scheme

All RTÉ employees who are not members of the RTÉ Superannuation Scheme are eligible for membership of a contributory defined contribution scheme or are eligible for PRSA type pension arrangements. The RTÉ Defined Contribution Pension Scheme currently has 1,234 employee (active) members.

The RTÉ "50/50" Risk-Sharing Pension Scheme

The Trust Deed and Regulations for a new RTÉ "50/50" Risk-Sharing Pension Scheme dated 28 November 2008 were approved and signed by both the Minister for Communications, Energy and Natural Resources and the Minister for Finance on 2 March 2010. This scheme commenced on 1 September 2010 and currently has 233 employee (active) members.

Insurance

Appropriate insurance cover is held for a range of material insurable risks, including sizable catastrophe risks, subject to relevant deductions and exclusions.

Legal Proceedings

RTÉ and its subsidiary companies are party to a range of legal proceedings, including ones in which claims have been asserted against RTÉ or its subsidiaries but the outcome of which currently remains uncertain. Based on the advice received, RTÉ believes that necessary steps have been taken to ensure the outcome of all of these proceedings will not, in aggregate, have a long term significant adverse effect on RTÉ's financial condition, results or liquidity.

Corporate Responsibility

The RTÉ Corporate Responsibility Report is available on RTÉ.ie.

The report sets out how RTÉ deals with its audiences, staff, business partners, the Government and in relation to the environment.

Outlook

The current trading outlook remains extremely challenging in respect of virtually all elements of commercial revenue with little current prospect in sight of a near term return to growth in consumer confidence at least in the earlier parts of 2011.

The Government Budget in December 2010, together with other "RTÉ specific" fiscal government measures, has had the effect of reducing TV Licence Fee Income payable and / or imposing additional cost obligations amounting in total to an estimated additional burden on RTÉ in the order of €22 million between 2009 and 2011. These include:

- Substitution of the annual Exchequer Grant to BAI from DCENR and its replacement with a direct charge on all broadcasters including RTÉ;
- Reduction in Net TV Licence revenue as a result of the increase in the deduction in respect of the BAI Sound and Vision scheme;
- Reduction in Net TV Licence revenue as a result of the substitution of part of the Direct Exchequer Grant to TG4 and its replacement with a corresponding Grant to TG4 funded by a charge against TV Licence collections;
- Reduction in Net TV Licence revenue as a result of the capping of the total amount payable in each year by the Department of Social Protection in respect of "Lifetime" TV Licences irrespective of the volume of such licences issued in any given year.

RTÉ is currently developing a range of strategic options aimed at ensuring that it will have sufficient revenues to meet the cost of its statutory obligations in the foreseeable future.

It is anticipated that the combination of accumulated cash resources together with existing borrowing facilities will provide the necessary liquidity in 2011 to support outstanding capital commitments, particularly with regard to DTT and will provide protection against a further deterioration in revenue generation in the coming year.

Financial Review (continued)

RTÉ relies on a **Dual Public / Commercial Funding model** whereby commercial activities are used to bridge the gap in public funding received.

How Your TV Licence is Used

The greater proportion of RTÉ's activities are of a public service character but the cost of providing these services is much higher than the actual amount of public funding received. Accordingly RTÉ relies on a Dual Public / Commercial Funding model whereby commercial activities are used to bridge the gap in public funding received.

The following table seeks to represent the utilisation of an individual TV Licence Fee bearing in mind that RTÉ is not the sole recipient of TV Licence Fee monies collected:

Utilisation of Each TV Licence Fee Collected

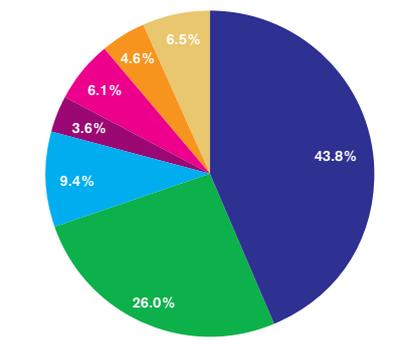
	2010 €	2009 €
RTÉ One	61.03	62.00
RTÉ Two	36.20	31.57
RTÉ Television	97.23	93.57
RTÉ Radio 1	13.08	16.70
RTÉ Raidió na Gaeltachta (RTÉ RnaG)	8.50	9.06
RTÉ lyric fm	5.05	5.24
RTÉ Radio	26.63	31.00
RTÉ Performing Groups	9.07	9.48
RTÉ Activities	132.93	134.05
	83%	84%
RTÉ Support for TG4	6.36	7.50
BAI Levy	1.04	0.63
BCI Sound & Vision fund	10.57	8.45
Collection Costs - An Post / DCENR/ DSP	9.10	9.37
Non-RTÉ Activities	27.07	25.95
	17%	16%

Avg. cost of TV Licence €160.00 €160.00

The pie-chart below summarises the attribution of the TV Licence Fee revenues that are received by RTÉ to the public service element of RTÉ's activities during 2010.

Attribution of Licence Revenue received by RTÉ in 2010

RTÉ One	43.8%
RTÉ Two	26.0%
RTÉ Radio 1	9.4%
RTÉ lyric fm	3.6%
RTÉ RnaG	6.1%
Support Provided to TG4	4.6%
Performing Groups	6.5%



Cost per Transmitted hour

As part of its Performance Commitments for 2010 RTÉ undertook that in its 2010 Annual Report it would publish a statement of the average cost per transmitted hour of programmes broadcast. Tables providing this information and how it is computed for 2010 together with comparative figures for 2009 are therefore set out below.

2010

	RTÉ One €'m	RTÉ Two €'m	RTÉ Radio 1 €'m	RTÉ 2fm €'m	RTÉ lyric fm €'m	RTÉ RnaG €'m
COSTS						
Indigenous Programming	117.7	69.8	33.1	11.4	6.4	10.8
Acquired Programmes - Ireland	0.6	0.0	0.0	0.0	0.0	0.0
- Overseas	12.8	11.1	0.0	0.0	0.0	0.0
General Broadcast & Transmission Operations	11.7	11.1	1.4	0.8	0.2	0.2
Transmission & Power Charges	3.2	3.2	1.8	0.9	0.9	0.9
	146.0	95.2	36.3	13.1	7.5	11.9

HOURS

	Hours	Hours	Hours	Hours	Hours	Hours
Annual Transmission Hours (incl. simulcast)	8,760	8,760	8,898	8,760	8,760	8,760

OVERALL AVERAGE COST PER TRANSMITTED HOUR

	€	€	€	€	€	€
All Transmission Hours	16,700	10,900	4,100	1,500	900	1,400

2009

	RTÉ One €'m	RTÉ Two €'m	RTÉ Radio 1 €'m	RTÉ 2fm €'m	RTÉ lyric fm €'m	RTÉ RnaG €'m
COSTS						
Indigenous Programming	127.5	64.9	36.2	12.6	6.7	11.5
Acquired Programmes - Ireland	0.3	0.1	0.0	0.0	0.0	0.0
- Overseas	14.4	10.6	0.0	0.0	0.0	0.0
General Broadcast & Transmission Operations	12.7	11.2	2.1	1.0	0.4	0.3
Transmission & Power Charges	3.4	3.4	2.0	1.0	1.0	1.0
	158.3	90.2	40.3	14.6	8.1	12.8

HOURS

	Hours	Hours	Hours	Hours	Hours	Hours
Annual Transmission Hours (incl. simulcast)	8,760	8,760	8,926	8,760	8,760	8,760

OVERALL AVERAGE COST PER TRANSMITTED HOUR

	€	€	€	€	€	€
All Transmission Hours	18,100	10,300	4,500	1,700	900	1,500

ANNUAL MOVEMENT

% Change in Cost per Hour						
All Transmission Hours	(7.7%)	5.8%	(8.9%)	(11.8%)	0%	(6.7%)

Board at 31 December 2010

**1. Tom Savage (Chairman)**

Term of office: 24 February 2009 – 31 August 2014

Directly after graduation from Queen's University, Belfast, Tom was appointed Head of Social Welfare for the Archdiocese of Armagh. He was then head-hunted to lecture in the Catholic Communications Centre, and on leaving the priesthood began a career in journalism and as a radio and TV presenter. For fifteen years a familiar voice on RTÉ's *What It Says in the Papers*, he was the first editor of *Morning Ireland*. He edited several publications, including the IPA's *Public Affairs* and launched the IMO's *Irish Medical News* before joining Bunny Carr as Head of Training in Carr Communications. Inter alia he was involved in the training of Irish Civil Servants, Performance Management and Development Systems. He has advised the Northern Ireland Human Rights Commission, Save the Children (N.I.) and the Children's Law Centre in Belfast. He is the author of the book on negotiations entitled, *How to Get What You Want*.

2. Fergus Armstrong

Term of office: 24 February 2009 – 31 August 2014

Fergus Armstrong is a mediator. He is a panel member of ONE resolve, an interdisciplinary mediation grouping. His previous career was in law practice, first with the family firm now named Hegarty and Armstrong, Sligo, then as company solicitor with Aer Lingus. He later joined the firm of McCann Fitzgerald, where he served as a partner in corporate law, then as managing partner and chairman. His mediation work encompasses disputes involving business and institutions, as well as conflict between individuals. He participates as a teacher and panellist in courses and workshops on mediation for professional organisations and public sector employees. He contributes occasional journal and newspaper articles and has an interest in philosophy, psychology and theology. He was educated at Castleknock College, University College Dublin and Harvard Law School.

3. Orlaith Carmody

Term of office: 16 February 2010 – 16 February 2015

Orlaith is a journalist, producer and communications consultant. She was a staff reporter in the RTÉ Newsroom throughout the nineties, leaving to raise her family and develop business interests in the areas of recruitment, management, and media consultancy. She is a Director of Mediatraining.ie, a communications skills consultancy, and has a particular interest in personal development, coaching people from all walks of life to achieve business and personal success. She is also a Director of Aerga Productions, a small independent production company. She holds an MA in Film and Television from DCU.

4. Alan Gilsenan

Term of office: 24 February 2009 – 31 August 2014

Alan is a film-maker, writer and theatre director. He is a former Chairman of the Irish Film Institute and was a Board Member of the Irish Film Board/Bord Scannán na hÉireann and the International Dance Festival Ireland. His many films include *The Road To God Knows Where*, *All Souls' Day*, *Zulu 9*, *The Green Fields of France*, *The Ghost of Roger Casement*, *Timbuktu*, *The Yellow Bittern* as well as the documentary series *The Asylum*, *The Hospice* and *I See A Darkness*.

5. Cathal Goan

(Director – General)

Cathal was Director-General of RTÉ from October 2003 to 18 January 2011. A graduate of UCD, he joined RTÉ in 1979 and held a variety of posts in RTÉ Radio and RTÉ Television before being appointed Editor, Irish Language Programming in 1990. Appointed Ceannasaí of Teilifís na Gaeilge in 1994, he oversaw the establishment of the channel, Ireland's third national television service. In March 2000, he was appointed Director (and subsequently in 2003 Managing Director) of RTÉ Television and a member of the RTÉ Executive.

6. Karlin Lillington

Term of office: 24 February 2009 – 31 August 2014

Karlin is a journalist and columnist with the Irish Times focusing on technology, with a special interest in the political, social, business and cultural aspects of information and communication technologies. She has been a contributor to a wide range of Irish and international publications, including *The Guardian*, *New Scientist*, *Wired.com*, *Salon.com*, *Red Herring*, *The Scientist* and *The Sunday Times*, and also is a regular guest on Irish radio. She has also worked as a consultant to U2 for the U2.com website, and is on the advisory panel for the Science Gallery at Trinity College and for TEDx Dublin. She holds a PhD from Trinity College.

7. Joe Little

Term of office: 30 September 2009 – 31 August 2014

Joe has been a journalist since 1977, principally with RTÉ. Reared in Belfast and Limerick, his reporting from Northern Ireland helped RTÉ win an Emmy nomination. He has been honoured by the Republic's Law Society and the Disability Lobby Inclusion Ireland. He's RTÉ's Religious and Social Affairs Correspondent.

8. Aileen O'Meara

Term of office: 16 February 2010 – 16 February 2015

Aileen is an independent producer and journalist, living in Dublin. Born in Roscrea, Co. Tipperary, she grew up near Shinrone, in Co. Offaly. Educated at NUI Galway, she subsequently received a Master's Diploma in Journalism in DCU in 1986. She worked as a reporter in Magill magazine, the Irish Press, and the Sunday Tribune before joining RTÉ as a reporter in 1991. During her 13 years at RTÉ, she worked as a radio reporter, radio producer and TV news correspondent, receiving a number of awards for her broadcast news work. She writes a regular analysis of the health services for the Sunday Business Post, and produces radio programmes as an independent radio producer. She is developing a business in online and mobile audio services.

9. Eunice O'Raw

Term of office: 16 February 2010 – 16 February 2015

Eunice is a graduate of University College Dublin achieving a Masters Degree in Economics and later obtained a further Masters Degree in Economics from Trinity College Dublin. Eunice is a barrister by profession and was called to the Bar in 1996. She was appointed as Junior Counsel to the Tribunal to Inquire into Certain Planning Matters and Payments in July 1998. In March 2010, she was appointed Director of Legal Affairs in the HSE. Eunice, through her involvement with the Mental Health Commission, chaired mental health tribunals to assess whether the detention of individuals under the Mental Health Acts has been appropriate in various circumstances. In the past number of years Eunice has been heavily involved in studying, researching and developing areas of mediation and conflict and dispute resolution.

10. Sean O'Sullivan

Term of office: 24 February 2009 – 31 August 2014

Sean is founder and Managing Director of Cork based software consultancy firm Seabrook Research Limited. He is also Chairman of the Business Information Systems Advisory Board at UCC and a mentor of the Masters programme at the University. Formerly Vice Chairman of the Broadcasting Complaints Commission, Sean is also an investor in a number of technology start-up companies.

11. Patricia Quinn

Term of office: 24 February 2009 – 31 August 2014

Patricia is the founder and CEO of Irish Nonprofits Knowledge Exchange (INKE), a non profit company established in 2009. She was formerly a public servant, serving as cultural director of Temple Bar Properties, as executive director of the Arts Council, and as a member of various public bodies including the Newspaper Commission and the Forum on Broadcasting.

12. Stuart Switzer

Term of office: 16 February 2010 – 16 February 2015

Stuart is a television producer and has been producing television programmes for the past 25 years across factual and entertainment for RTÉ, BBC and other broadcasters. He is a founding Director of Coco Television and Managing Director of Coco Television since 1998. Stuart is co-ordinator, producer and executive of numerous Coco productions. He is the driving force behind Coco's interest in digital media, publishing and events. His background in finance was the reason Coco joined the group that created YMITV back in 2001, the first UK on-line financial channel. He is a former member of Screen Producers Ireland and has contributed to many media industry reports over the last ten years. Stuart was principal of Switzer & Co. Financial Advisors and Management Consultants, for ten years prior to joining Coco Television as CEO.

Executive



Board Attendance

There were twelve meetings of the Board of RTÉ in 2010. The attendance of board members is outlined below:

	Meetings eligible to attend	Meetings Attended
Tom Savage	12	11
Fergus Armstrong	12	11
Orlaith Carmody	11	11
Alan Gilsenan	12	11
Cathal Goan	12	12
Karlin Lillington	12	11
Joe Little	12	11
Aileen O'Meara	11	11
Eunice O'Raw	11	11
Sean O'Sullivan	12	11
Patricia Quinn	12	12
Stuart Switzer	11	11

Note: Emer Finnain's term of office ended on 16 February 2010. She was entitled to attend one meeting of the Board, but did not attend pending the outstanding clarification of her position as a Board member at the time.

Board Committees

Remuneration and Management Development Committee

Six meetings were held during 2010 (2009 – one meeting). The increase in the number of meetings during 2010 was due to the process of selecting a new Director-General. The meetings were attended as follows (full attendance at each meeting by the Board members entitled to attend the meeting):

	Meetings eligible to attend	Meetings Attended
Tom Savage (Chairman)	6	6
Fergus Armstrong	6	6
Orlaith Carmody	5	5
Sean O'Sullivan	6	6
Patricia Quinn	4	4

Orlaith Carmody was appointed to the Committee with effect from 30 June 2010. Patricia Quinn was appointed to the Committee with effect from 1 November 2010.

Audit and Risk Committee

There were six meetings during 2010, attended as follows:

	Meetings eligible to attend	Meetings Attended
Sean O'Sullivan (Chairman)	6	6
Karlin Lillington	1	1
Eunice O'Raw	6	6
Stuart Switzer	6	6

Karlin Lillington became a member of the Audit and Risk Committee with effect from 13 December 2010.

Programme Committee

There were five meetings of the Programme Committee during 2010, attended as follows:

	Meetings eligible to attend	Meetings Attended
Alan Gilsenan (Chairman)	5	5
Fergus Armstrong	5	4
Orlaith Carmody	3	3
Karlin Lillington	5	5
Aileen O'Meara	3	3
Patricia Quinn	5	3

Orlaith Carmody and Aileen O'Meara were appointed to the Committee with effect from 25 February 2010.

Project 2025 Committee

One meeting was held during the year, with full attendance. The members are Patricia Quinn (Chairman), Orlaith Carmody, Joe Little and Aileen O'Meara. As explained in the Corporate Governance review, the committee was established in late 2010.

Technology and Innovation Committee

One meeting was held during the year, with full attendance. The members are Karlin Lillington (Chairman), Aileen O'Meara and Sean O'Sullivan. As explained in the Corporate Governance review, the committee was established in late 2010.

1. Noel Curran (Director-General)

Noel was appointed Director-General of RTÉ with effect from 1 February 2011.

Noel is a graduate of Communication Studies from Dublin City University (DCU), where he undertook specific research work on broadcasting policy issues. After leaving DCU, he worked as business journalist before being appointed News Editor of Business and Finance magazine.

In 1992 Noel left Business and Finance to join RTÉ's business and economics programme 'Marketplace'. Having trained as a Television producer, Noel was responsible for some of RTÉ's biggest live productions in the Entertainment and Current Affairs departments.

In 2000 he left RTÉ to become a director of an independent production company. He returned to take up the position of Editor of Current Affairs, where he was responsible for the launch of the *Prime Time Investigates* series. In 2003 Noel was appointed Managing Director of Television, the largest Division in RTÉ, with responsibility for all Television output on RTÉ One and RTÉ Two, and for Television's commercial income and sports rights negotiations. Noel remained as Managing Director Television until 2010.

2. Glen Killane (Managing Director Television)

Glen joined the RTÉ Executive Board as Managing Director of Television in May 2010.

Glen was born in Dublin and attended CUS and Trinity College before taking a Masters in Journalism at DCU. Glen first joined RTÉ Television in 1996 and has produced, edited and directed a wide range of programming since then.

From 1998 - 2000, he was Editor of Rugby, after which he took on the role of Editor of *The Sunday Game*. In 2001, he joined ITV's Sports Channel where he edited live football. In 2002 he re-joined RTÉ and edited international soccer and in 2003 he was Executive Producer for The Special Olympics World Games, the biggest sporting event of the year in Ireland.

Glen was appointed Head of Sport in RTÉ Television in 2004 where he was central to securing major rights contracts with the GAA, Champions League, FAI, Six Nations, Magners League and UEFA.

3. Clare Duignan (Managing Director Radio)

Clare was appointed Managing Director Radio in February 2009.

A History and Politics graduate of UCD, Clare has held a range of positions in both RTÉ Television and RTÉ Radio including Head of Features Television, Head of Production Television and Director of Programmes Television.

Clare is a Board Member of the Jameson Dublin International Film Festival, Business to Arts, and the National Film School Advisory Board. She previously served on The Arts Council, the Advisory Council of the Abbey Theatre, and the Governing Body of Dun Laoghaire Institute of Art, Design and Technology.

4. Conor Hayes (Chief Financial Officer)

Conor joined RTÉ as Chief Financial Officer in October 2001. In addition he oversees RTÉNL, RTÉ Publishing, Group IT and Technology, Group Property & Services and the Television Licence Monitoring Unit. He is Chairman of the Trustees of the RTÉ Superannuation Scheme.

A business graduate of UCD, he is a Fellow of the Institute of Chartered Accountants in Ireland and an Associate Member of the Association of Corporate Treasurers in the UK.

Prior to joining RTÉ he held a range of positions including: Deputy Chairman – Cara; Executive Director – Pleroma Group; CEO – JetPhone; CEO – Ryanair; CFO – Almarai Group; and Manager – SKC Corporate Finance.

5. Edward Mulhall (Managing Director News & Current Affairs)

Ed was appointed Managing Director News and Current Affairs in 2003 having previously held the position of Director of News from 1997.

A graduate in Economics and Politics from Trinity College Dublin, he joined RTÉ in 1979 as a Radio Producer in News and Current Affairs. Subsequently, he was the Assistant Head of Features and Current Affairs in RTÉ Radio and the Programme Editor of Television News, editing the *Six One* and *Nine o'clock News* programmes, and was appointed Managing Editor in the Newsroom Division in 1994.

6. Brian Dalton (Managing Director Corporate Development)

Brian joined RTÉ as Managing Director Corporate Development in March 2009.

He holds a Masters in Management from Trinity College Dublin.

Prior to joining RTÉ Brian held senior director positions in both Operations and HR functions. He has worked primarily in Multinational companies such as GE, Intel, Becton Dickinson and more recently in Financial Services primarily relating to change management in the context of mergers and acquisitions.

Corporate Governance

for the year ended 31 December 2010

Members of the Board of RTÉ are committed to maintaining the highest standards of corporate governance and business conduct. The *Broadcasting Act 2009* requires members to have experience of, or capacity in, matters relevant to the oversight of a public service broadcaster (Section 82). Each member of the Board must also perform his or her functions in such a manner as to ensure that the activities of RTÉ in pursuance of its statutory objects are performed efficiently and effectively (Section 87).

RTÉ complies with the *Code of Practice for the Governance of State Bodies*, published by the Government on 15 June 2009. The Code sets out principles of corporate governance which Boards of State Bodies are required to observe. This includes governance practices and procedures in a broad range of areas such as the Board and its remuneration; risk management, accountability and internal control; reporting arrangements, including annual report and accounts; and a range of other specific financial control procedures. Further information on these areas is set out in the remainder of this section of the Annual Report.

The Chairperson of the Board confirms annually to the Minister for Communications, Energy and Natural Resources that the governance practices and procedures in RTÉ are in compliance with the *Code of Practice for the Governance of State Bodies*.

RTÉ also complies with the corporate governance and other obligations imposed by the *Ethics in Public Office Act, 1995* and the *Standards in Public Office Act, 2001*.

As a statutory corporation, originally established under the *Broadcasting Authority Act, 1960*, the provisions of the *Combined Code on Corporate Governance* are not applicable to RTÉ. However, RTÉ does conform in as far as is feasible and on a voluntary basis with the *Combined Code* and has undertaken appropriate steps to achieve compliance with its principal requirements where relevant to RTÉ. The following exceptions from the *Combined Code* are applicable:

- The Board of RTÉ is appointed by and its remuneration set by Government. Consequently, the requirements of the *Combined Code* relating to the appointment of Board members (including the timing of their appointment, re-elections, the composition of the Board and the remuneration of Board members) are not applicable to RTÉ

- RTÉ is accountable to the Minister for Communications, Energy and Natural Resources and has no share capital. Accordingly, provisions relating to shareholder relations and the conduct of Annual General Meetings are not applicable
- The remuneration of the Director-General is set within a range determined by the Minister for Finance and the Minister for Communications, Energy and Natural Resources
- The details of Board members' remuneration on page 51 does not include amounts paid to Board members in their capacity as employees (where applicable), but does include amounts paid to them by way of fees for their services as members of the Board
- The Board has not appointed one of its members as a Senior Independent Board member as the *Broadcasting Act 2009*, which governs the appointment of Board members, has no requirement to nominate a Board member to such a position
- As the Government is responsible for appointing members of the Board, the Board does not consider it appropriate to establish a formal policy in relation to performance evaluation of the Board and its individual members. However, the Chairperson continuously assesses the effectiveness of the Board and the participation of its members. The Board will keep under consideration modes of self-evaluation.

The Audit and Risk Committee has updated its terms of reference to provide for an annual self-assessment of its effectiveness and the extent to which it is adding value to the organisation. The first assessment of the Audit and Risk Committee is scheduled to take place in 2011. The policy for evaluating the other permanent sub-committees of the Board remains under consideration.

During 2010 the *Combined Code on Corporate Governance* was replaced by the *UK Corporate Governance Code*, effective for financial years beginning on or after 29 June 2010. RTÉ will report on compliance with the new Code in next year's Annual Report.

The Board of RTÉ Composition

Members of the Board of RTÉ are appointed under Section 81 of the *Broadcasting Act 2009* for a period not exceeding five years. The Act provides for a twelve member Board, to be appointed by the Government as follows:

- Six members are appointed on the nomination of the Minister for Communications, Energy and Natural Resources;

- The Oireachtas Joint Committee on Communications, Energy and Natural Resources proposes four members to the Minister;
- The Director-General of RTÉ is an ex officio member; and
- One member of RTÉ staff is appointed following election.

The Government appoints one of the members to act as Chairperson. The *Broadcasting Act 2009* also provides for gender balance in the composition of the Board by requiring that its members include no fewer than five men and five women. (There are currently five women and seven men on the Board of RTÉ.)

The Board of RTÉ came into existence on 12 July 2009 following the enactment of the *Broadcasting Act 2009*. The process of appointing members to the Board was in progress at the end of 2009 and, as a result, the Board of RTÉ consisted of nine members at 31 December 2009. The Government completed its appointments to the Board in early 2010, with the following four members joining the Board (effective from 16 February 2010):

- Orlaith Carmody
- Aileen O'Meara
- Eunice O'Raw
- Stuart Switzer

Appointed for a period of five years, their term of office expires on 16 February 2015. These appointments were made following proposals to the Minister for Communications, Energy and Natural Resources by the Oireachtas Joint Committee on Communications, Energy and Natural Resources. Emer Finnan ceased to be a member of the Board of RTÉ at this point.

Biographical details of the twelve members of the Board in office at 31 December 2010 are set out on page 46.

Subsequent to year-end, Cathal Goan ceased to be an ex officio member of the Board following his retirement as Director-General of RTÉ, effective from 19 January 2011. Arising from his appointment as the new Director-General, with effect from 1 February 2011, Noel Curran joined the Board as an ex officio member (in conformity with Section 89 of the *Broadcasting Act 2009*).

Role

The duties of Board members are set out in Section 87 of the *Broadcasting Act 2009*. In summary, Board members guide the corporate direction and strategy of RTÉ and represent the interests of viewers and listeners, ensuring that RTÉ fulfils its statutory responsibilities in an efficient and effective manner.

Board members have varied backgrounds, skills and experience in a broad range of business areas relevant to the oversight of a public service broadcaster. The criteria for Board membership are set-out in Section 82 of the *Broadcasting Act 2009*. Each member brings independent judgement to bear by constructively challenging the Executive and by helping to develop RTÉ's strategic objectives.

There is a clear division of responsibilities between the position of Chairperson of the Board, who is non-executive, and the Director-General.

The Director-General, in conjunction with executive management, takes responsibility for RTÉ's day-to-day operations. The Chairperson's responsibilities include leading the Board, determining its agenda, ensuring its effectiveness and facilitating full participation by each Board member.

The Chairperson of the Board and executive management meet frequently with the Department of Communications, Energy and Natural Resources to discuss RTÉ's operating and financial performance.

Board Procedures

On appointment, all Board members are provided with briefing documents on RTÉ and its operations. The Board meets in accordance with a regular schedule of meetings and also meets on other occasions as considered necessary. All Board members have full and timely access to the information necessary to enable them to discharge their duties. Full Board papers are sent to each Board member in sufficient time before Board meetings and any further papers or information are readily available to all Board members on request.

Board members have access to advice and the services of the RTÉ Group Secretary who is responsible for ensuring the Board procedures are followed and that applicable rules and regulations are complied with. RTÉ's professional advisors are available for consultation with the Board, as required. Individual Board members may take independent professional advice and training, if necessary, at the expense of RTÉ. The Board has an insurance policy in place which indemnifies Board members in the event of legal actions taken against them in the course of their duties as Board members.

There is a formal schedule of matters reserved to the Board for consideration and decision, which covers key areas of RTÉ's business:

- Reviewing financial and operational performance

- Approval of strategic plans, the annual budget and the annual financial statements
- Approval of major investments and capital projects
- Treasury policy and risk management policies
- Delegated authority levels
- Reviewing the system of internal controls.

Certain other matters are delegated to Board committees, as set-out below. The Board papers sent to Board members prior to each Board meeting include the minutes of committee meetings which have been held since the previous Board meeting or, if minutes are not available at the time the papers are circulated, a verbal update is provided at the Board meeting. The Chairman of each committee is available to report and answer any questions on the committee's proceedings at Board meetings, as required.

Board Committees

The Board has established three permanent sub-committees to assist in the execution of its responsibilities. These are the Audit and Risk Committee, the Remuneration and Management Development Committee and the Programme Committee. During 2010 the Board established two new permanent sub-committees: the Project 2025 Committee and the Technology and Innovation Committee.

The membership of each committee, together with details of attendance at meetings held in 2010, is set out on page 47.

Temporary committees are formed from time to time to deal with specific matters under defined terms of reference. The Board did not consider it necessary to establish any temporary committees during 2010. (The Working Group on the Statement of Strategy, a temporary committee established during 2009 to ensure the completion of a five year Strategy, completed its work at the end of 2009 and the RTÉ *Statement of Strategy 2010-2014* was submitted to the Minister for Communications, Energy and Natural Resources on 12 January 2010. As a result, the committee did not operate during 2010.)

The *Audit and Risk Committee* comprises four Board members, all of whom are considered independent. Stuart Switzer is currently the Committee member with recent relevant financial experience.

The Audit and Risk Committee terms of reference were revised and updated during 2010 and are available on the RTÉ website.

The Director-General, Chief Financial Officer and Head of Internal Audit normally attend meetings of the Committee, while the external auditors attend as required. The terms of reference of the Committee provide that other Board members, executives and others may also be invited to attend all or part of any meeting(s). Both the Head of Internal Audit and the external auditors have full and unrestricted direct access to the Committee Chairman at all times. In addition, the Audit and Risk Committee has a discussion with external and internal auditors at least once a year, without executive management present, to ensure that there are no outstanding issues of concern.

The role and responsibilities of the Audit and Risk Committee include:

- Selecting the external auditors for approval and appointment by the Board, approving their terms of reference and fees, and determining with the external auditors the nature and scope of the audit work
- Reviewing the performance, independence and objectivity of the external auditors each year. In doing so, the Committee makes appropriate enquiries of management and internal audit
- Monitoring and reviewing the resources, scope and effectiveness of internal audit (including approving the appointment or removal of the Head of Internal Audit) and agreeing the internal audit programme for the forthcoming year
- Reviewing the procedures for handling allegations from "whistle blowers"
- Reviewing reports from both management and internal audit on the effectiveness of systems of internal control. This includes considering all internal audit reports, management's response to any recommendations and monitoring the progress of any required actions. The Head of Internal Audit presents a report at each Audit and Risk Committee meeting, summarising work completed since the previous meeting and the findings, together with the areas of focus in the forthcoming period
- Reviewing, prior to formal submission to the Board, the group's annual budget
- Reviewing, prior to formal submission to the Board, the group's annual financial statements and, in particular:
 - any significant issues arising from the external audit
 - the accounting policies
 - any issues requiring a significant exercise of judgement
 - the clarity of disclosures
 - compliance with applicable accounting and legal standards
 - the statements on internal control.

Corporate Governance (continued)

for the year ended 31 December 2010

The Audit and Risk Committee has put in place safeguards to ensure that the independence and objectivity of the external audit function are not compromised. These safeguards are reviewed at regular intervals. In addition, the external auditors, KPMG, have confirmed to the Audit and Risk Committee that they continue to operate procedures to safeguard against the possibility that their objectivity and independence could be compromised.

The level of non audit-related services provided by the external auditors and the associated fees is considered annually by the Audit and Risk Committee in the context of the external auditors' independence as part of the Audit and Risk Committee's review of the adequacy and objectivity of the external audit process. Details of the nature of non audit services obtained from KPMG during the year and the related fees are set out in note 4 to the financial statements.

The *Remuneration and Management Development Committee* comprises three Board members, all of whom are considered independent. During 2010, an additional two Board members joined the Committee on a temporary basis from June to November to assist with the process of appointing a new Director-General. The Committee is assisted, as necessary, by a nominee from the Department of Communications, Energy and Natural Resources.

The Committee has written terms of reference and its role and responsibilities include:

- Considering the appointment, targets, performance and remuneration of the Director-General and making recommendations to the Board prior to seeking Government approval thereon
- Developing RTÉ's policy on executive remuneration
- Considering and approving salaries and other terms of the remuneration package for executive management, having regard to Government policy in relation to remuneration of executive management of State Bodies. (The Director-General is fully consulted about remuneration proposals for other senior management and outside advice is sought when necessary)
- Reviewing policy in relation to the "top talent" contractor contracts.

The remuneration of Board members is determined by Government and, as such, is not a specific consideration of this Committee.

The *Programme Committee* comprises six Board members, all of whom are considered independent. This Committee considers key developments and plans in respect of RTÉ Television and RTÉ Radio programmes

and schedules. At each of its meetings, the Committee may meet with the Managing Directors of Television, Radio and News and Current Affairs and their senior management colleagues and with in-house and external independent programme-makers, to review programme output and upcoming strategy and plans.

The *Project 2025 Committee* comprises four Board members, three of whom are considered independent as per the criteria of the Combined Code (see below). This Committee was established by the Board in late 2010 to oversee Project 2025, a major redevelopment project addressing the renewal of RTÉ's production base and its capital facilities. Formally announced in September 2009, the project envisages the gradual replacement, over a 10-15 year period, of most of the current 1960s and 1970s buildings on the Donnybrook site with a purpose-built modern building complex designed for the digital and High-Definition age.

The *Project 2025 Committee* has three roles to fulfil: supervision of the project; strategic monitoring, which will entail bringing strategic recommendations to the Board as deemed necessary during the life of the project; and oversight of succession to ensure continuity of expertise and executive management of this large project.

The *Technology and Innovation Committee* comprises three Board members, all of whom are considered independent. Acknowledging that innovation and technology are critical to RTÉ's future, the Board established this Committee in late 2010 in order to have formal strategic oversight of plans and developments in the area of technology and innovation.

As these are two new committees, the definition of scope and the settling of terms of reference for both the *Project 2025* and the *Technology and Innovation Committees* will advance in the first quarter of 2011. The committees will confer about their activities during this time and will focus attention on the potential for synergies between both committees.

Independence of Members of the Board

Each Board member brings independent judgment, challenge and rigour to the Board's deliberations. As required by Section A.3.1 of the Combined Code, the Board has completed an evaluation of the independence of its members using the independence criteria as set out in the Combined Code.

Having regard for the integrity, strength of character and objectivity of Board members, all members are considered independent under those criteria. However, Cathal Goan and Joe Little are RTÉ employees and

therefore cannot, for that reason alone, be considered as independent members of the Board at 31 December 2010 as per the criteria of the Combined Code.

As disclosed in further detail in Note 23 (Related Party Transactions), business transactions took place between RTÉ and certain Board members, or their close family members, in the normal course of business, during the year ended 31 December 2010. Notwithstanding these transactions, the Board has determined that these Board members remain independent in character and judgment. In reaching that conclusion, the Board has considered the following:

- In two cases of RTÉ commissioning a programme(s) from a production company owned / controlled by a Board member, the Board took account of the existence of formal and transparent Commissioning Procedures and Guidelines, which are published on the RTÉ website and are applied consistently for all commissions. In addition, all decisions on individual commissions are the responsibility of executive management, assessed using clear evaluation criteria, with contracts awarded in line with normal commercial terms and conditions in all cases. Decisions on individual programme commissions are not a matter for consideration and decision by the Board. To demonstrate transparency, an independent audit of specific commissioning procedures is also carried out on an annual basis and an Independent Productions Annual Report is submitted to the Minister for Communications, Energy and Natural Resources in accordance with Section 116 (9) of the *Broadcasting Act 2009*.
- The Board also considered the matter of a Board member, or their close family members, being engaged by RTÉ under an Artist contract in respect of a programme contribution. The Board noted that none of the applicable engagements in the year ended 31 December 2010 were, individually or in aggregate, for a material contract value. The decision to engage a programme contributor or presenter is undertaken by editorial line management having due regard for the requirements of the programme and the skills and experience of the individual being engaged. The Board also noted that the contracts were entered into on normal commercial terms and in line with RTÉ's policy for engaging personnel.

Internal Control

The Board has overall responsibility for the Group's systems of internal control and for reviewing their effectiveness. These systems are designed to provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that an ongoing process for identifying, evaluating and managing RTÉ's significant risks has operated throughout the year and up to the date of approval of the financial statements.

The key components of the system of internal control currently in place are:

- A clearly defined organisation structure, with formally defined authority limits and reporting mechanisms to higher levels of management and to the Board
- Established procedures to identify, control and report on key risks
- Comprehensive budgeting systems, with annual financial budgets approved by the Board
- Timely monthly reporting, with actual results reported against budget and considered by the Board on a monthly basis
- Comprehensive policies and procedures relating to operational and financial controls, including commitments and capital expenditure. Large capital projects require the approval of the Board.

These controls are reviewed systematically by internal audit, on a risk based approach. The Board confirms that, through the Audit and Risk Committee, it has conducted a review of the effectiveness of the system of internal control up to and including the date of approval of the financial statements.

The process adopted by the Board to undertake the review of the effectiveness of the system of internal controls included:

- Consideration of the authority, resources and co-ordination of those involved in the identification, assessment and management of significant risks faced by RTÉ
- Review and consideration of the output of the risk assessment and management process
- Monitoring of risk reports from management
- Review of the programme of internal audit and consideration of major findings
- Review of the report of the external auditors, who, as part of their normal procedures, test aspects of the systems of internal control and report any significant weaknesses to the Audit and Risk Committee.

Going Concern

After making enquiries, the members of the Board have a reasonable expectation that RTÉ has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Emoluments of Board Members¹

	2010 €'000	2009 €'000
Tom Savage	31	27
Fergus Armstrong	16	14
Orlaith Carmody	14	-
Alan Gilsean	16	14
Cathal Goan	-	-
Karlin Lillington	16	14
Joe Little ²	16	4
Aileen O'Meara	14	-
Eunice O'Raw	14	-
Sean O'Sullivan	16	14
Patricia Quinn	16	14
Stuart Switzer	14	-
<i>Payments to former Board members:</i>		
Emer Finnan ³	3	14
Joe O'Brien ⁴	-	8
	186	123

¹ All members of the Board are non-executive, with the exception of the Director-General, Cathal Goan, serving in an ex officio capacity

² In addition to his Board fees, Joe Little was paid as an employee of RTÉ

³ Emer Finnan's term of office expired on 16 February 2010

⁴ Joe O'Brien's term of office, as staff representative on the RTÉ Board, ceased on 31 August 2009

The annual fee payable to Board members for their services as members of the Board of RTÉ remained unchanged between 2009 and 2010. Differences in fee levels arise due to the timing of the appointment of Board members. Secondly, the Board members appointed to the Board during the course of 2009 were all in place for a full year in 2010 and, accordingly, received a full annual fee in 2010.

Expenses of Board Members¹

	2010 €'000	2009 as restated €'000
Travel – mileage	6	4
Travel – other	1	1
Subsistence allowance ²	11	4
	18	9

¹ The expenses of Board members above relate to their Board services only and do not include expenses of members in their capacity as RTÉ employees.

² Included in subsistence allowances in 2009 are expenses amounting to €3,000, paid in early 2009 in respect of accrued expenses of former members of the 15th RTÉ Authority, relating to the year-ended 31 December 2008. The 15th RTÉ Authority completed its term of office on 31 December 2008 and was replaced by the Board of RTÉ in 2009.

The Government completed its appointments to the Board of RTÉ in early 2010 which resulted in a higher number of Board members in 2010 as compared to 2009, and a corresponding increase in expenses. The number, and location, of Board meetings also contribute to minor differences in the level of expenses from year to year.

RTÉ complied with the guidelines covering the payment of fees to the Chairpersons and Directors of State Bodies, issued by the Minister for Finance in July 1992.

Emoluments of Director-General

	2010 €'000	2009 €'000
Cathal Goan ¹		
- Basic salary	261	276
Other Benefits		
- Pension contributions	22	24
- Other benefits	26	26
	309	326

¹ Expenses amounting to €2,753 (2009: €6,063) were incurred by the Director-General in the conduct of the duties of the post.

No performance related pay was awarded or paid in respect of 2010 or 2009.

Pension benefits earned during the year and total accrued pension at 31 December 2010 were as follows:

	€'000
Increase in accrued pension during 2010 ¹	3
Transfer value of increase ²	28
Total accrued pension at year end ³	130

¹ The increase in accrued pension during the year excludes inflation.

² The transfer value of the increase in accrued pension has been calculated on the basis of actuarial advice. This transfer value does not represent sums paid or due, but is the amount that the pension scheme would transfer to another pension scheme in relation to the benefits accrued in 2010 in the event of the member leaving service.

³ Accrued pension shown is that which would be paid annually on normal retirement date, based on service to the end of the year.

Board Members' Report

for the year ended 31 December 2010

The members of the Board of RTÉ listed on page 46 present their annual report together with the audited Group financial statements for the year ended 31 December 2010.

Principal activities

RTÉ is Ireland's Public Service Broadcaster offering free-to-air television and radio services to its audience. RTÉ also publishes the RTÉ Guide, operates a teletext service and provides an extensive range of free web-based online services. Through its wholly owned subsidiary, RTÉ Transmission Network Limited, RTÉ provides analogue network transmission and tower facilities to broadcasters and other users. In addition RTÉ operates the RTÉ National Symphony Orchestra and the RTÉ Concert Orchestra together with other performing groups.

Business review

Detailed reviews of the performance during 2010 are set out in the Operational review on pages 10 to 37 and in the Financial review on pages 40 to 45. These reviews encompass the principal risks and uncertainties faced by the Group and an analysis of its key performance indicators, financial and non-financial. RTÉ's performance in meeting its annual commitments to its viewers and listeners, as set out in its *Annual Statement of Performance Commitments 2010*, are reviewed on pages 99 to 104.

Results for year

The results of the Group for the year are set out in the Income Statement on page 55 and in the related notes.

Members of the Board

The names of the persons who served as members of the Board as at 31 December 2010 are set out on page 46.

Corporate governance

RTÉ's corporate governance arrangements are set out in the annual report as follows:

- Corporate governance pages 48 to 51
- Board members' profiles page 46
- Statement of Board members' responsibilities page 53

Books and records

The RTÉ Board members are responsible for ensuring that proper books and accounting records are maintained. The measures taken in this regard include the use of appropriate systems and procedures, the employment of professionally qualified accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The Group's books of account are kept at Donnybrook, Dublin 4.

Payment of accounts

The members of the Board acknowledge their responsibility for ensuring compliance in all material respects with the provisions of the *European Communities (Late Payment in Commercial Transactions) Regulations 2002* ("the Regulations"). Procedures have been implemented to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the Regulations. The payment policy during the year under review was to comply with the requirements of the Regulations.

Group companies

Information relating to subsidiary and associated undertakings is included in note 10 to the financial statements.

Auditor

KPMG, Chartered Accountants, will continue in office in accordance with Section 160 (2) of the *Companies Act, 1963*.

Political donations

With reference to the *Electoral Act, 1997*, RTÉ does not make any political donations.

On behalf of the Board

Tom Savage
Chairman

Sean O'Sullivan
Board Member and Chairman
of the Audit & Risk Committee

Noel Curran
Director-General

24 March 2011

Statement of Board Members' Responsibilities

for the year ended 31 December 2010

The members of the Board of RTÉ are responsible for preparing the Annual Report and the Group and RTÉ financial statements in accordance with applicable laws and regulations.

Broadcasting legislation requires the RTÉ Board to prepare Group and RTÉ financial statements for each financial year. Under that legislation, the RTÉ Board members have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and as applied in accordance with the provisions of broadcasting legislation and have elected to prepare the RTÉ financial statements on the same basis.

The Group and RTÉ financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Group and RTÉ.

In preparing each of the Group and RTÉ financial statements, the RTÉ Board members are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state that the financial statements comply with IFRSs as adopted by the EU and as applied in accordance with the provisions of broadcasting legislation
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and RTÉ will continue in business.

The RTÉ Board members are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Group and RTÉ and which enable them to ensure that the financial statements comply with the provisions of broadcasting legislation. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The RTÉ Board members are responsible for ensuring that the corporate governance statement on pages 48 to 51 reflects the Group's compliance with the *Code of Practice for the Governance of State Bodies*.

The RTÉ Board members are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Tom Savage
Chairman

Sean O'Sullivan
Board Member and Chairman
of the Audit & Risk Committee

Noel Curran
Director-General

24 March 2011

Independent Auditor's Report

As Auditors appointed by the Minister for Communications, Energy and Natural Resources, we have audited the RTÉ and Group financial statements ('the financial statements') for the year ended 31 December 2010 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the RTÉ and Group Balance Sheets, the RTÉ and Group Statements of Changes in Equity, the RTÉ and Group Cash Flow Statements, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Minister for Communications, Energy and Natural Resources (the "Minister"). Our audit work has been undertaken so that we might state to the Minister those matters we are required to state to him in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than RTÉ and the Minister, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Members of the Board of RTÉ and auditors

The Board members' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Board Members' Responsibilities on page 53.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with IFRSs as adopted by the EU and, in the case of RTÉ as applied in accordance with the provisions of broadcasting legislation. We also report to you whether, in our opinion, proper books of account have been kept by RTÉ and whether the information in the Annual Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the RTÉ balance sheet is in agreement with the books of account.

We review whether the statement regarding the system of internal financial control required by the *2009 Code of Practice for the Governance of State Bodies* made in the Corporate Governance Statement on pages 48 to 51 reflects RTÉ's compliance with the paragraph 13.1(iii) of the Code and is consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not. We also review, at the request of the Board, whether the voluntary statement on pages 48 to 51 reflects RTÉ's compliance with the nine provisions of the Financial Reporting Council's *2009 Combined Code on Corporate Governance* specified for review by auditors, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of RTÉ's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Chairman's Statement, the Director-General's Review, Operational Review, Financial Review and Corporate Governance statement and the Board Members' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to RTÉ and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 December 2010 and of its deficit for the year then ended;
- the RTÉ financial statements give a true and fair view in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of broadcasting legislation, of the state of RTÉ's affairs as at 31 December 2010; and
- the Group financial statements have been properly prepared in accordance with broadcasting legislation.

Other Matters

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by RTÉ. RTÉ's balance sheet is in agreement with the books of account.

In our opinion, the information given in the Board members' report is consistent with the financial statements.



Chartered Accountants
Registered Auditor
Dublin

24 March 2011

Group Income Statement

for the year ended 31 December 2010

	Notes	2010 €'000	Before Exceptional item 2009 €'000	Exceptional item (note 6) 2009 €'000	2009 €'000
Continuing Operations					
Revenue	1	371,667	374,921	-	374,921
Operating costs	2	(376,597)	(389,393)	(11,341)	(400,734)
Results from Operating Activities					
		(4,930)	(14,472)	(11,341)	(25,813)
Finance income	3	1,737	1,826	-	1,826
Finance expense	3	(735)	(661)	-	(661)
Net defined benefit pension related finance income / (expense)	3	116	(2,814)	-	(2,814)
Net finance income / (expense)		1,118	(1,649)	-	(1,649)
Deficit Before Income Tax					
	4	(3,812)	(16,121)	(11,341)	(27,462)
Income tax expense	7	(850)	(339)	-	(339)
Net Deficit for the Year					
		(4,662)	(16,460)	(11,341)	(27,801)

On behalf of the Board

Tom Savage
Chairman

Sean O'Sullivan
Board Member and Chairman
of the Audit & Risk Committee

Noel Curran
Director-General

24 March 2011

Group Statement of Comprehensive Income

for the year ended 31 December 2010

	Notes	2010 €'000	2009 €'000
Actuarial (loss) / gain on RTÉ Superannuation Scheme	19	(4,151)	100,124
Actuarial gain on RTÉ "50/50" Risk-Sharing Pension Scheme	19	9	-
Deferred tax on pension assets	20	668	(1,151)
(Expense) / Income recognised directly in equity		(3,474)	98,973
Deficit for the year		(4,662)	(27,801)
Total Recognised (Expense) / Income for the year		(8,136)	71,172

On behalf of the Board

Tom Savage
Chairman

Sean O'Sullivan
Board Member and Chairman
of the Audit & Risk Committee

Noel Curran
Director-General

24 March 2011

Group Balance Sheet

at 31 December 2010

	Notes	2010 €'000	2009 €'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	8	92,115	98,286
Intangible assets	9	3,329	4,711
Pension assets	19	3,861	9,208
Deferred tax assets	20	474	-
Other receivables	12	338	503
Total Non-Current Assets		100,117	112,708
Current Assets			
Inventories	11	35,663	37,156
Trade and other receivables	12	39,778	38,620
Prepayments and accrued income		14,720	14,654
Liquid investments	13	37,182	41,718
Cash and cash equivalents	14	26,035	17,130
Total Current Assets		153,378	149,278
Total Assets		253,495	261,986
EQUITY			
Retained earnings		137,299	145,435
LIABILITIES			
Non-Current Liabilities			
Employee benefits	18	12,805	14,879
Deferred tax liabilities	20	-	969
Total Non-Current Liabilities		12,805	15,848
Current Liabilities			
Trade and other payables	15	67,848	65,115
Taxation and social welfare	16	12,034	10,282
Derivative financial instruments	21	268	184
Employee benefits	18	17,549	19,332
Provisions	17	5,692	5,790
Total Current Liabilities		103,391	100,703
Total Liabilities		116,196	116,551
Total Equity and Liabilities		253,495	261,986

On behalf of the Board

Tom Savage
Chairman

Sean O'Sullivan
Board Member and Chairman
of the Audit & Risk Committee

Noel Curran
Director-General

24 March 2011

Group Statement of Changes in Equity

at 31 December 2010

	2010 €'000	2009 €'000
Retained earnings:		
Balance at 1 January	145,435	74,263
Total Recognised (Expense) / Income	(8,136)	71,172
Balance at 31 December	137,299	145,435

RTE Statement of Changes in Equity

at 31 December 2010

	2010 €'000	2009 €'000
Retained earnings:		
Balance at 1 January	83,581	22,434
Total Recognised (Expense) / Income	(14,545)	61,147
Balance at 31 December	69,036	83,581

On behalf of the Board

Tom Savage
Chairman

Sean O'Sullivan
Board Member and Chairman
of the Audit & Risk Committee

Noel Curran
Director-General

24 March 2011

Group Cash Flow Statement

for the year ended 31 December 2010

	Notes	2010 €'000	2009 €'000
Cash Flows from Operating Activities			
Deficit for the year		(4,662)	(27,801)
Adjustments for:			
Restructuring charge		-	11,341
Depreciation of property, plant and equipment	8	18,548	24,537
Amortisation of intangible assets	9	1,852	1,488
Loss on disposal of property, plant and equipment		5	49
Difference between pension charge and cash contributions		1,321	1,485
Net finance (income) / expense	3	(1,118)	1,649
Income tax expense	7	850	339
		16,796	13,087
Change in inventories and related inventory payables		4,390	(1,557)
Change in trade and other receivables		(982)	14,637
Change in prepayments		57	(3,071)
Change in provisions and trade and other payables		(1,399)	476
Change in taxation and social welfare		127	1,588
Change in employee benefits		(4,508)	(15,837)
Net Cash from Operating Activities		14,481	9,323
Cash Flows from Investing Activities			
Interest received		1,620	1,764
Proceeds from sale of property, plant and equipment		35	64
Acquisition of property, plant and equipment		(11,449)	(19,342)
Acquisition of intangible assets		(318)	(1,228)
Net Cash used in Investing Activities		(10,112)	(18,742)
Cash Flows from Financing Activities			
Decrease / (increase) in liquid investments	13	4,536	(41,718)
Net Cash from / (used in) Financing Activities		4,536	(41,718)
Net increase / (decrease) in cash and cash equivalents		8,905	(51,137)
Cash and cash equivalents at 1 January		17,130	68,267
Cash and Cash Equivalents at 31 December	14	26,035	17,130

On behalf of the Board

Tom Savage
Chairman

Sean O'Sullivan
Board Member and Chairman
of the Audit & Risk Committee

Noel Curran
Director-General

24 March 2011

RTÉ Balance Sheet

at 31 December 2010

	Notes	2010 €'000	2009 €'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	8	33,454	41,690
Intangible assets	9	2,725	4,222
Investments in subsidiaries	10	65,827	65,827
Pension asset	19	3,861	9,208
Deferred tax assets	20	1,148	-
Other receivables	12	338	503
Total Non-Current Assets		107,353	121,450
Current Assets			
Inventories	11	34,644	35,762
Trade and other receivables	12	30,750	31,431
Prepayments and accrued income		12,008	12,197
Liquid investments	13	37,182	34,654
Cash and cash equivalents	14	25,441	10,932
Total Current Assets		140,025	124,976
Total Assets		247,378	246,426
EQUITY			
Retained earnings		69,036	83,581
LIABILITIES			
Non-Current Liabilities			
Employee benefits	18	12,805	14,879
Deferred tax liabilities	20	-	179
Total Non-Current Liabilities		12,805	15,058
Current Liabilities			
Trade and other payables	15	133,230	113,851
Taxation and social welfare	16	9,269	8,961
Derivative financial instruments	21	268	184
Employee benefits	18	17,099	19,001
Provisions	17	5,671	5,790
Total Current Liabilities		165,537	147,787
Total Liabilities		178,342	162,845
Total Equity and Liabilities		247,378	246,426

On behalf of the Board

Tom Savage
Chairman

Sean O'Sullivan
Board Member and Chairman
of the Audit & Risk Committee

Noel Curran
Director-General

24 March 2011

RTÉ Cash Flow Statement

for the year ended 31 December 2010

	Notes	2010 €'000	2009 €'000
Cash Flows from Operating Activities			
Deficit for the year after tax		(11,070)	(37,826)
Adjustments for:			
Restructuring charge		-	11,341
Depreciation of property, plant and equipment	8	12,079	19,705
Amortisation of intangible assets	9	1,704	1,356
Gain on disposal of property, plant and equipment		(2)	(21)
Difference between pension charge and cash contributions		1,321	1,485
Net finance (income) / expense		(942)	1,996
Income tax (credit) / expense		(267)	533
		2,823	(1,431)
Change in inventories and related inventory payables		4,015	(1,165)
Change in trade and other receivables		846	13,094
Change in prepayments		314	(3,404)
Change in provisions and trade and other payables		15,855	21,835
Change in taxation and social welfare		(84)	1,216
Change in employee benefits		(4,625)	(15,712)
Net Cash from Operating Activities		19,144	14,433
Cash Flows from Investing Activities			
Interest received		1,439	1,405
Proceeds from sale of property, plant and equipment		4	44
Acquisition of property, plant and equipment		(3,386)	(5,210)
Acquisition of intangible assets		(164)	(1,154)
Net Cash used in Investing Activities		(2,107)	(4,915)
Cash Flows from Financing Activities			
Increase in liquid investments	13	(2,528)	(34,654)
Net Cash from Financing Activities		(2,528)	(34,654)
Net increase / (decrease) in cash and cash equivalents		14,509	(25,136)
Cash and cash equivalents at 1 January		10,932	36,068
Cash and Cash Equivalents at 31 December	14	25,441	10,932

On behalf of the Board

Tom Savage
Chairman

Sean O'Sullivan
Board Member and Chairman
of the Audit & Risk Committee

Noel Curran
Director-General

24 March 2011

Accounting Policies

1. Basis of accounting

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group and RTÉ financial statements.

(a) Reporting entity

RTÉ is a statutory corporation established under the *Broadcasting Authority Act, 1960* and is domiciled in Ireland. The consolidated financial statements of RTÉ as at and for the year ended 31 December 2010 comprise of the statutory corporation and all entities controlled by it (together referred to as the "Group").

(b) Statement of compliance

The RTÉ and Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations approved by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) that are effective for the year ended 31 December 2010 and are applied in accordance with the provisions of broadcasting legislation. The Group has also elected to present both its consolidated and RTÉ parent entity financial statements in accordance with the provisions of the Irish *Companies Acts, 1963 to 2009* in so far as necessary to give a true and fair view. Accordingly RTÉ's parent balance sheet, statement of cash flows and statement of changes in equity have also been presented with the consolidated financial statements as would ordinarily be required by the Irish *Companies Acts, 1963 to 2009*.

(c) Basis of preparation

The RTÉ and Group financial statements have been prepared on the historical cost basis as modified by the measurement at fair value of derivative financial instruments and retirement benefit obligations.

The Group financial statements are prepared in Euro, rounded to the nearest thousand, which is the functional currency of all the Group entities.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected. The key areas involving significant judgement or complexity, or areas where assumptions and estimates are significant to the Group's financial statements relate primarily to the valuation of the defined benefit pension scheme, financial instruments, provisions and income tax and are documented in the relevant accounting policies below and in the related notes. The accounting policies set out below have been applied consistently by group entities and by RTÉ, where applicable, to all periods presented in these consolidated and RTÉ financial statements.

2. Basis of consolidation

(a) Subsidiaries

The Group financial statements include the financial statements of RTÉ and all of its subsidiary entities drawn up to 31 December each year. Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any realised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3. Significant accounting policies

(a) Revenue recognition

Revenue, which excludes VAT and transactions between companies in the Group, comprises income arising from Licence Fees, advertising sales, sponsorship, the use of the Group's facilities and transmission network, circulation and events income, and content, merchandising and related income. Revenue is stated net of any settlement and volume discounts.

Revenue is recognised to the extent that recovery is probable, it is subject to reliable measurement, it is probable that economic benefits will flow to the Group and that the significant risks and rewards of ownership have transferred to the buyer.

(b) Licence Fee revenue

Licence Fee revenue payable by the Department of Social Protection (DSP) on behalf of individuals eligible for a "free" Television Licence is paid by the DSP to the Department of Communications, Energy and Natural Resources (DCENR). All other Licence Fee revenue is collected by An Post and paid over to DCENR, net of collection costs. DCENR makes a non-repayable "grant-in-aid" to RTÉ from these Licence Fees collected, as provided in Section 123 of the *Broadcasting Act 2009*, in lieu of the amounts collected by An Post, net of collection costs and a 7% levy to the Broadcasting Fund, together with the amounts paid to it by DSP.

Licence Fee revenue payable by the DSP is recognised upon receipt. All other Licence Fee income is recognised upon notification by An Post.

(c) Advertising and sponsorship income

Television advertising income is recognised on delivery of a campaign. All other advertising income is recognised on transmission/publication. Advertising income is stated net of agency commissions. Sponsorship income is recognised evenly over the life of the sponsored programme, publication etc.

(d) Network and facilities income

Network and facilities income arises from the use of and access to, the Group's transmission network and studio facilities provided to third parties. Amounts are recognised as the facilities are made available to third parties.

(e) Circulation and events income

Circulation income arises from the publication and circulation of the RTÉ Guide and is stated net of fees due to the distributor and end-retailer. Revenue is recognised on the basis of the net copies sold at the end of the sales cut-off period for each issue.

Events income arises from public events organised by RTÉ Performing Groups. It is recognised as the events are held and amounts fall due.

(f) Content, merchandising and related income

Content, merchandising and related income represents amounts generated from RTÉ content and services provided to third parties through a range of means, including the Group's internet facilities, Aertel teletext, the external sale of RTÉ content and amounts earned through other commercial services provided by the Group. Revenue is recognised as the service is provided or upon delivery of goods to the third party.

4. Segment reporting

An operating segment is a distinguishable component of the Group that is engaged in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's components.

Arising from the Group's internal organisation structure and its system of internal financial reporting, the Group's primary reporting segment, under IFRS 8 *Operating Segments*, is by Integrated Business Division (IBD). Each IBD is a separate division organised and managed separately according to the nature of the services and products provided. All operating segments' operating results are reviewed regularly by the Director-General and the RTÉ Executive to make decisions about resources to be allocated to the segment and assess its performance and for which financial information is available (see note 1) below.

5. Foreign currency transactions

Transactions denominated in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement.

Foreign currency differences arising on retranslation are recognised in the Income Statement.

6. Property, plant and equipment**(a) Recognition and measurement**

Property, plant and equipment is shown at historical cost, net of accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. All other repairs and maintenance costs are charged to the Income Statement during the financial period in which they are incurred.

(b) Depreciation

Depreciation is provided on all property, plant and equipment, except freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life.

The principal rates used are as follows:

Buildings	2.5% – 25%
Plant and equipment	7.5% – 20%
Fixtures and fittings	10% – 25%

Capital projects in progress represent the cost of purchasing and installing property, plant and equipment ahead of their commission into use. Depreciation is charged on assets from the date of commissioning.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and depreciated accordingly.

(c) Impairment

In accordance with IAS 36 *Impairment of assets* the carrying amount of items of buildings and plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment and are subjected to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, then the assets recoverable amount is estimated.

Accounting Policies (continued)

7. Intangible assets

(a) Recognition and measurement

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The Group's intangible assets are entirely software-related in nature.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(b) Amortisation

Intangible assets, with finite useful economic lives, are amortised to the Income Statement on a straight line basis over their estimated useful lives from the date they are available for use. In the case of computer software, the useful economic lives are generally 3 to 5 years.

(c) Impairment

In accordance with IAS 36 *Impairment of assets* the carrying amount of intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment and are subjected to impairment testing when events or changes in circumstances indicate that the carrying values are not recoverable. If any such indication exists, then the assets recoverable amount is estimated.

8. Financial instruments

(a) Non-derivative financial instruments

Non-derivative financial instruments comprise investment in subsidiaries, trade and other receivables, liquid investments, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Investments in subsidiaries

RTÉ's investments in subsidiary companies in its balance sheet are recognised at cost, less impairment losses.

Trade and other receivables

Trade and other receivables are stated at cost, which approximates to fair value given the short-dated nature of these assets. Trade receivables are carried at original invoice amount less any impairment for potentially unrecoverable amounts. Impairment is recognised if there is objective evidence after initial recognition that a balance may not be recoverable in full or in part.

Liquid investments

Liquid investments comprise short-term deposits and current asset investments which have a maturity date of greater than three months from the date of acquisition but less than twelve months from the balance sheet date. Given that the maturity of these investments falls outside the timeframe for classification as cash and cash equivalents under IAS 7 *Cash Flow Statements*, the related balances are treated as financial assets and are stated at fair value at each balance sheet date. Income on these assets is recognised on an effective interest rate basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are either readily convertible to known amounts of cash at or close to their carrying values and are subject to an insignificant risk of changes in value. Where investments are classified as cash equivalents, the related balances have a maturity of three months or less from the date of acquisition. Income on these assets is recognised on an effective interest rate basis.

Trade and other payables

Trade and other payables are stated at cost, which approximates to fair value given the short-dated nature of these assets.

(b) Derivative financial instruments

Derivative financial instruments are primarily used to manage the Group's exposure to fluctuations in foreign currency exchange rates including US Dollar and Sterling. The Group does not enter into speculative derivative contracts.

Derivative financial instruments are initially recognised at fair value and are subsequently re-measured to fair value at each balance sheet date. Changes in the fair value have been recognised immediately in the Income Statement as the Group has chosen not to hedge account for any derivatives in 2009 or 2010.

9. Inventories

(a) Programme inventories

Programme inventories are valued at the lower of cost and net realisable value.

Indigenous programme inventories are programmes produced in-house by RTÉ or programmes commissioned by RTÉ from independent producers. Costs for in-house programme stock include direct programme costs including production facilities and programme labour costs. Costs for commissioned programme stocks are based on the contract price. Indigenous programme inventories are charged to the Income Statement in full on first transmission.

Acquired programme inventories are programmes and films purchased by RTÉ from third party studios and broadcasters. Costs for acquired programme inventories are defined as the third party licence contract price which RTÉ pays the studio or broadcaster. Acquired programme inventories are charged to the Income Statement based on the expected value of each transmission as follows:

Features: 75% on first transmission, 25% on second transmission
Series: 99% on first transmission, 1% on second transmission

Sports rights inventories are the rights to broadcast sporting events. Costs for sports rights inventories are defined as the contract price agreed by the Group with the relevant sports body or rights holder. Sports rights inventories are charged to the Income Statement as the sporting events relating to the rights are broadcast.

(b) Other inventories

Other inventories consist of stocks of minor spare parts and they are stated at the lower of cost and net realisable value. Other inventories are charged to the Income Statement as they are consumed for repairs and maintenance.

10. Provisions

A provision is recognised when: the Group has a present obligation (either legal or constructive) as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Board members' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Where the Group anticipates that a provision will be reimbursed, the reimbursement is recognised as a separate asset when it is virtually certain that the reimbursement will arise.

11. Employee benefits

(a) Retirement benefit obligations

The Group, through the RTÉ Superannuation Scheme, the RTÉ Defined Contribution Pension Scheme, the RTÉ "50/50" Risk-Sharing Pension Scheme (a hybrid scheme that has both defined benefit and defined contribution elements) and other defined contribution schemes, makes pension contributions for a substantial number of employees.

In relation to the defined contribution schemes and the defined contribution element of the RTÉ "50/50" Risk-Sharing Pension Scheme, contributions are accrued and recognised in the Income Statement in the period in which they are earned by the relevant employees.

For the RTÉ Superannuation Scheme, a funded contributory defined benefit scheme and the defined benefit element of the RTÉ "50/50" Risk-Sharing Pension Scheme, the difference between the market value of the schemes' assets and the actuarially assessed present value of the schemes' liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability in the balance sheet. The amount charged to the Income Statement is the actuarially determined cost of pension benefits promised to employees earned during the year plus any benefit improvements granted to members during the year.

The expected return on the Superannuation and defined benefit element of the RTÉ "50/50" Risk-Sharing Pension Schemes assets during the year and the increase in the scheme's liabilities due to the unwinding of the discount during the year are shown as financing items in the Income Statement. Any difference between the expected return on assets and that actually achieved and any changes in the liabilities due to changes in assumptions or because actual experience during the year was different to that assumed, are recognised as actuarial gains and losses in the statement of recognised income and expense.

(b) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, if it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

(c) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Accounting Policies (continued)

12. Income tax

(a) Recognition

Income tax comprises current and deferred tax. Income tax expense is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(b) Current tax

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years. The Group's taxable income is liable to Irish corporation tax. The Group's Licence Fee revenue earned prior to 31 December 2006 was exempt from corporation tax.

(c) Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are anticipated to apply in the period in which the asset is realised or the liability is settled based on the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting profit or taxable profit or loss at the time of the transaction.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

13. Finance income and expenses

Finance income comprises interest income on cash and liquid investments and fair value movements on derivative financial instruments that are recognised through the Income Statement.

Finance expenses comprise unwinding of the discount on provisions and fair value movements on derivative financial instruments that are recognised through the Income Statement.

14. Operating leases

Payments made under operating leases are recognised in the Income Statement on a straight-line basis over the term of the lease.

15. New standards and interpretations

(a) Adopted during the year

The Group also adopted the following standards in the year which did not have any impact on the Group's 2010 financial statements:

- Amendment to IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations* effective 1 January 2010.
- Revised IFRS 3 *Business Combinations* (2009) incorporating the following changes:
 - The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations
 - Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss
 - Transaction costs, other than share and debt issue costs, will be expensed as incurred
 - Any pre-existing interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

Revised IFRS 3, which became mandatory for the Group's 2010 financial statements did not have any impact.

- Eligible Hedge Items – Amendment to IAS 39 *Financial Instruments: Recognition and Measurement*, clarified the existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. The amendment, which became mandatory for the Group's 2010 consolidated financial statements did not have any impact on the consolidated financial statements.
- Amended IAS 27 *Consolidated and Separate Financial Statements* (2009) required accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which became mandatory for the Group's 2010 financial statements did not have any impact on the financial statements.

(b) Issued but not yet effective

The Group has not applied the following standards and interpretations that have been issued but are not yet effective:

- IAS 24 *Related Party Disclosures (Amendment)* is effective for annual periods beginning on or after 1 January 2011. It clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government-related entities. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard. The Group is currently considering the impact on the consolidated financial statements.
- IAS 32 *Financial Instruments: Presentation - Classification of Rights Issues (Amendment)* is effective for annual periods beginning on or after 1 February 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the Group.
- IFRIC 14 *Prepayments of a minimum funding requirement (Amendment)* is effective for annual periods beginning on or after 1 January 2011. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognised immediately in the Income Statement. The adoption of this interpretation will have no effect on the financial statements of the Group.

- Improvements to IFRSs (issued in May 2010)

The IASB issued *Improvements to IFRSs*, an omnibus of amendments to its IFRS standards. The amendments have not been adopted as they become effective for annual periods on or after either 1 July 2010 or 1 January 2011. The amendments are as follows:

- IFRS 3 *Business Combinations*
- IFRS 7 *Financial Instruments: Disclosures*
- IAS 1 *Presentation of Financial Statements*
- IFRIC 13 *Customer Loyalty Programmes*

The Group is currently considering the impact on the presentation of the consolidated financial statements, however, the Group expects no impact from the adoption of the amendments on its financial position or performance.

Notes

forming part of the Group financial statements

1. Principal activities and segmental information

(a) Principal activities

RTÉ is a not-for-profit organisation whose principal public service activity is the broadcast of a comprehensive range of free-to-air television and radio channels and schedules. These services serve all demographic categories in Irish society with a wide variety of output and genres, irrespective of commercial audience attraction and with specific emphasis on indigenously produced programmes. RTÉ's other public service activities include the operation of the RTÉ National Symphony Orchestra, the RTÉ Concert Orchestra and other performing groups. Within its Publishing division, RTÉ provides an extensive range of free, web-based Online services broadly aimed at Irish audiences. The free, web-based Online service includes the provision via the RTÉ Player of a catch-up service which facilitates the viewing of a variety of programmes after they have been broadcast on RTÉ One and RTÉ Two.

The annual cost to RTÉ of providing and financing these public service activities is substantially in excess of the amount of public funding received in the form of Licence Fee revenue. Accordingly RTÉ also engages in ancillary commercial activities, primarily within the Republic of Ireland, to support its public service activities. These include the sale of advertising and sponsorship, the publication of the RTÉ Guide, the licensing and/or sale of content, programme related merchandising sales, the rental of production facilities and telecoms/text revenue shares. In addition RTÉ Transmission Network Limited (RTÉNL) operates a national broadcast transmission network within the Republic of Ireland, which it makes available to both local and national broadcasters, including RTÉ's own services, on an arm's length basis. RTÉNL also rents surplus tower/mast space to a variety of third party non-broadcast users.

RTÉ's operations and management are organised into six Integrated Business Divisions (IBDs): Television, Radio, News and Current Affairs, Performing Groups, Publishing and Network. For each IBD the Director-General and the RTÉ Executive review internal management reports on a monthly basis. Network IBD is entirely located within RTÉ's wholly owned and separately managed subsidiary company RTÉNL (see above). A detailed list of RTÉ's activities, together with the IBD in which they are carried out and the legal entity in which they are reported, an appreciation of which are necessary to interpret this segmental information, is set out in note 10 to these financial statements.

In addition to the six IBDs RTÉ operates Corporate HQ and Central Shared Services. Corporate HQ consists of general administrative and other activities that arise at the entity level relating to the governance of RTÉ as a Public Service Broadcaster. Central Shared Services' encompass activities which are carried out centrally on behalf of the IBDs. Only those costs relating to Central Shared Services' activities and therefore incurred centrally on behalf of the IBDs, are reported at IBD, channel or service level. The cost of the Corporate HQ is not allocated to IBDs and is reported as a reconciling item between the cost of reportable segments and the total cost.

(b) Segmental information

Segmental analysis, prepared in accordance with IFRS 8 *Operating Segments* is set out in schedules 1(d) and 1(e). RTÉ's primary reporting segments are its IBDs, its business segments.

Segmental analysis by IBD

Segmental analysis by IBD is presented in schedules 1(d) and 1(f). In the schedules set out at 1(d), commercial revenues are reported in the IBD where they are earned. With the exception of the News and Current Affairs IBD, the reporting of Licence Fee revenue within each IBD is a function of the attribution of it to each individual channel and service (see below). In the case of the News and Current Affairs IBD, all of the costs, with the exception of the value of news output supplied to RTÉ 2fm, are covered by attributed Licence Fee revenue.

Costs directly incurred by and for an IBD are reported within that IBD. Where costs are incurred by Central Shared Services on behalf of an IBD, or by one IBD on behalf of another, an appropriate full-cost absorption/usage allocation basis is used to apply a fair and reasonable cost of the inter-divisional services consumed by those IBDs. The allocations are based upon consistently applied and objectively justifiable cost accounting principles.

Costs of production, commissioning and acquisition of television and radio programmes are incurred for the purpose of providing RTÉ's free-to-air television and radio channels. These costs are charged to the Television, Radio and News and Current Affairs IBDs as appropriate. In order to fairly reflect the true cost of providing RTÉ's free-to-air television and radio channels these costs are not apportioned to Publishing IBD where additional opportunities to access the material are provided via RTÉ's free, web-based Online services. Where specific costs are incurred in the acquisition of Online rights or the repurposing of content these are charged to Publishing IBD. Where content is sourced both for inclusion in broadcast programmes and use directly in Online services the cost of sourcing such content is allocated using an appropriate full-cost absorption/usage allocation basis to the broadcast IBDs and Publishing.

For the purposes of the IBD segment analysis, (the schedules set out at 1(d)), the costs of the News and Current Affairs IBD are disclosed separately from Television and Radio.

RTÉNL invoices all IBDs for transmission and distribution services on the basis of a published tariff model, inclusive of margin. Other RTÉNL services are invoiced at appropriate commercial rates.

Television and Radio invoice Publishing for air time advertising at open market rates.

The information presented in respect of the Television and News and Current Affairs IBDs includes costs and charges in relation to RTÉ's statutory obligation to provide programmes to TG4 in accordance with Government policy (see 1(e) below).

In 1(f) below, assets and liabilities by IBD are stated after the elimination of inter-company assets and liabilities and any inter-company profit resulting from internal transfers.

1. Principal activities and segmental information (continued)

(c) Other analysis

Analysis of revenues, costs and surplus/(deficit) by channel, service and broadcasting genre and between public service and non-public service activities.

In the schedules set out at 1(e), costs and commercial revenues are reported within channels, services and broadcasting genres in a manner that is consistent with the same principles used to report IBD revenues and costs.

For the purposes of this channel, service and broadcasting genre segment analysis, News and Current Affairs IBD costs are fully allocated to the relevant Television and Radio channels on an appropriate usage basis and in accordance with consistently applied and objectively justified cost accounting principles.

With the exception of the allocated costs of news output supplied to RTÉ 2fm, all of the costs of the News and Current Affairs IBD are covered by attributed Licence Fee revenue.

Licence Fee revenue is simultaneously attributed to those public service channels and services that have a limited capacity to generate commercial revenue in their own right and therefore are, of necessity, primarily funded by Licence Fee revenue in order to facilitate continued delivery of the public service. The services at issue comprise RTÉ Performing Groups, RTÉ Raidió na Gaeltachta and RTÉ lyric fm.

No Licence Fee revenue is attributed to RTÉ 2fm. RTÉ seeks to operate this public service channel with the objective of generating sufficient commercial revenue to fully cover its costs and to generate a surplus. Adverse economic conditions have resulted in significant reductions in commercial revenue in 2009 and 2010, resulting in deficits being incurred on the operation of the channel.

The funding of RTÉ Radio 1's costs comprises:

- RTÉ Radio 1 advertising and sponsorship;
- surpluses generated by non-channel Radio IBD commercial activities;

with the balance being made up of an attribution of Licence Fee revenue consisting of two elements:

- an amount equivalent to the allocated cost of services supplied to RTÉ Radio 1 by the News and Current Affairs IBD; and
- a balancing contribution towards the production costs of indigenous programmes broadcast on RTÉ Radio 1.

After deduction of the attributions described above, the remaining Licence Fee revenue is attributed as a contribution towards the production costs of indigenous programming on RTÉ's two public service television channels, RTÉ One and RTÉ Two. The amount attributed to each channel is computed by reference to the proportionate costs of indigenous programming for each channel. No element of Licence Fee revenue is attributed to funding the cost of acquired programmes or to the funding of non-programme public service operating costs incurred by the channels.

Licence Fee revenue is not directly attributed to RTÉ Publishing, RTÉ Network, Corporate HQ or to any other non-channel activity or service. Consequently, no element of Licence Fee revenue is attributed to RTÉ's free, web-based, Online public services, which are currently solely financed by surpluses generated from commercial activities.

The residual non-channel and non-service activities are aggregated together under the category "Other" and include RTÉ Network IBD, RTÉ Publishing IBD (excluding Online activities), non-channel activities within RTÉ Television or RTÉ Radio IBDs.

The schedules set out at 1(e) are ordered so that the costs and revenues associated with RTÉ's various public service and non-public service activities are clearly delineated and separated for reporting purposes. As indicated earlier in this report, because the cost to RTÉ of providing the full range of public service activities is substantially in excess of the amount of Licence Fee revenue, it is unavoidable that a considerable amount of RTÉ's public service activity is funded by commercial revenue rather than by public funding. Free, web-based, Online public services are currently financed entirely by commercial revenues generated from other activities and therefore attract no attribution of Licence Fee revenue.

Geographical Information

RTÉ's public services serve Irish society and its ancillary commercial activities are primarily within the Republic of Ireland.

In presenting information on the basis of geographical segment, segment revenue is based on the geographical location in which the service is provided or goods supplied. Segment assets are based on the geographical location of the assets.

Analysis of network charges to all RTÉ services

In 1(g) below, the amounts charged by RTÉNL to each of the RTÉ services are separately identified.

Notes (continued)

forming part of the Group financial statements

1 Principal activities and segmental information (continued)

(d) Revenues, costs and (deficit)/surplus by IBD (continuing operations), in line with RTÉ's organisational structure, year ended 31 December 2010:

	REPORTABLE SEGMENTS						OTHER			Group Total €'000
	Television IBD €'000	Radio IBD €'000	News and Current Affairs IBD €'000	Performing Groups IBD €'000	Network IBD €'000	Publishing IBD €'000	Corporate HQ €'000	Exceptional Item €'000	Consolidation Adjustments * €'000	
Revenue										
Advertising income	100,532	27,724	-	-	-	5,704	-	-	(1,313)	132,647
Sponsorship income	6,236	1,913	-	30	-	750	-	-	-	8,929
Facilities income	1,632	187	-	350	-	-	-	-	(355)	1,814
Circulation and event income	-	-	-	1,781	-	4,566	-	-	-	6,347
Transmission, mast and towers income	-	-	-	-	27,239	-	-	-	(12,154)	15,085
Content, merchandising and related sales	4,674	1,813	-	39	-	6,243	-	-	(2,154)	10,615
Other commercial revenue	242	-	-	-	-	20	40	-	(40)	262
Commercial revenue	113,316	31,637	-	2,200	27,239	17,283	40	-	(16,016)	175,699
Licence Fee revenue attribution	104,387	28,665	50,243	12,673	-	-	-	-	-	195,968
	217,703	60,302	50,243	14,873	27,239	17,283	40	-	(16,016)	371,667
Costs by output category										
Programme costs - by source										
In-house productions	(99,124)	(50,095)	(52,032)	-	-	-	-	-	1,055	(200,196)
Statutory commissions	(39,478)	(686)	-	-	-	-	-	-	-	(40,164)
Non-statutory commissions	(17,410)	-	-	-	-	-	-	-	2	(17,408)
Indigenous programming	(156,012)	(50,781)	(52,032)	-	-	-	-	-	1,057	(257,768)
Acquired programmes - Ireland	(650)	-	-	-	-	-	-	-	-	(650)
Acquired programmes - Overseas	(23,849)	-	-	-	-	-	-	-	-	(23,849)
	(180,511)	(50,781)	(52,032)	-	-	-	-	-	1,057	(282,267)
General broadcast and transmission costs	(22,623)	(2,494)	(407)	-	(21,605)	-	-	-	872	(46,257)
RTÉNL transmission and power charges	(6,442)	(4,667)	-	-	-	-	-	-	11,109	-
Sales costs	(6,018)	(2,791)	-	-	-	(3,618)	-	-	2,632	(9,795)
Other output related costs	(3,969)	(902)	-	(14,873)	-	(15,527)	-	-	1,027	(34,244)
	(219,563)	(61,635)	(52,439)	(14,873)	(21,605)	(19,145)	-	-	16,697	(372,563)
Unallocated revenues and costs										
Restructuring charge	-	-	-	-	-	-	-	-	-	-
Corporate HQ	-	-	-	-	-	-	(3,978)	-	(141)	(4,119)
Interest payable	-	-	-	-	-	-	(650)	-	-	(650)
Interest receivable	1	-	-	-	174	-	1,562	-	-	1,737
IBD (Deficit) / Surplus	(1,859)	(1,333)	(2,196)	-	5,808	(1,862)	(3,026)	-	540	(3,928)
Net defined benefit pension related finance income										116
Deficit before income tax										(3,812)
Income tax										(850)
Net Deficit for the Year										(4,662)

*Elimination of intra-group revenue and costs

Additional Segmental Disclosures

Commercial revenue consists of:

External Customers	110,670	31,328	-	2,200	15,085	16,416	-	-	-	175,699
Revenue from other operating segments	2,646	309	-	-	12,154	867	-	-	(15,976)	-
	113,316	31,637	-	2,200	27,239	17,283	-	-	(15,976)	175,699

One customer of the Television, Radio and Publishing reporting segments represents €39 million of the Group's total revenue while one customer of all the reporting segments represents €202 million of the Group's total revenue.

Material non-cash items included in reportable segment costs include:

Difference between pension charge and cash contributions	585	310	272	102	38	14	-	-	-	1,321
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1 Principal activities and segmental information (continued)

(d) Revenues, costs and (deficit)/surplus by IBD (continuing operations), in line with RTÉ's organisational structure, year ended 31 December 2009:

	REPORTABLE SEGMENTS						OTHER			Group Total €'000
	Television IBD €'000	Radio IBD €'000	News and Current Affairs IBD €'000	Performing Groups IBD €'000	Network IBD €'000	Publishing IBD €'000	Corporate HQ €'000	Exceptional Item €'000	Consolidation Adjustments * €'000	
Revenue										
Advertising income	99,411	29,811	-	3	-	4,104	-	-	(1,658)	131,671
Sponsorship income	5,888	2,040	-	113	-	910	-	-	-	8,951
Facilities income	1,663	242	-	304	-	-	-	-	(436)	1,773
Circulation and event income	-	-	-	1,979	-	4,644	-	-	-	6,623
Transmission, mast and towers income	-	-	-	-	27,862	-	-	-	(12,802)	15,060
Content, merchandising and related sales	4,748	1,831	-	48	-	5,702	-	-	(1,905)	10,424
Other commercial revenue	133	-	-	-	-	69	40	-	(40)	202
Commercial revenue	111,843	33,924	-	2,447	27,862	15,429	40	-	(16,841)	174,704
Licence Fee revenue attribution	99,740	34,563	52,520	13,394	-	-	-	-	-	200,217
	211,583	68,487	52,520	15,841	27,862	15,429	40	-	(16,841)	374,921
Costs by output category										
Programme costs - by source										
In-house productions	(100,086)	(55,547)	(54,682)	-	-	-	-	-	1,149	(209,166)
Statutory commissions	(37,222)	-	-	-	-	-	-	-	-	(37,222)
Non-statutory commissions	(22,863)	-	-	-	-	-	-	-	6	(22,857)
Indigenous programming	(160,171)	(55,547)	(54,682)	-	-	-	-	-	1,155	(269,245)
Acquired programmes - Ireland	(391)	-	-	-	-	-	-	-	-	(391)
Acquired programmes - Overseas	(24,975)	-	-	-	-	-	-	-	-	(24,975)
	(185,537)	(55,547)	(54,682)	-	-	-	-	-	1,155	(294,611)
General broadcast and transmission costs	(23,837)	(3,772)	(261)	-	(19,859)	-	-	-	1,636	(46,093)
RTÉNL transmission and power charges	(6,833)	(4,940)	-	-	-	-	-	-	11,773	-
Sales costs	(6,590)	(2,742)	-	-	-	(2,810)	-	-	2,738	(9,404)
Other output related costs	(4,717)	(762)	(4)	(15,841)	-	(14,258)	-	-	175	(35,407)
	(227,514)	(67,763)	(54,947)	(15,841)	(19,859)	(17,068)	-	-	17,477	(385,515)
Unallocated revenues and costs										
Restructuring charge	-	-	-	-	-	-	-	(11,341)	-	(11,341)
Corporate HQ	-	-	-	-	-	-	(3,769)	-	(145)	(3,914)
Interest payable	-	-	-	-	-	-	(625)	-	-	(625)
Interest receivable	16	-	-	-	347	-	1,463	-	-	1,826
IBD (Deficit) / Surplus	(15,915)	724	(2,427)	-	8,350	(1,639)	(2,891)	(11,341)	491	(24,648)
Net defined benefit pension related finance income										(2,814)
Deficit before income tax										(27,462)
Income tax										(339)
Net Deficit for the Year										(27,801)

* Elimination of intra-group revenue and costs

Additional Segmental Disclosures

Commercial revenue consists of:

External Customers	108,302	33,466	-	2,447	15,060	15,429	-	-	-	174,704
Revenue from other operating segments	3,541	458	-	-	12,802	-	-	-	(16,801)	-
	111,843	33,924	-	2,447	27,862	15,429	-	-	(16,801)	174,704

One customer of all the reporting segments represents €205 million of the Group's total revenue.

Material non-cash items included in reportable segment costs include:

Difference between pension charge and cash contributions	646	358	315	111	40	15	-	-	-	1,485
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Notes (continued)

forming part of the Group financial statements

1 Principal activities and segmental information (continued)

(e) Analysis of revenues, costs and (deficit)/surplus by channel, service and broadcasting genre and between public service and non-public service activities, year ended 31 December 2010:

	RTE One €'000	RTE Two €'000	RTE Radio 1 €'000	RTE 2fm €'000	RTE lyric fm €'000	RTE RnaG €'000	TG4 Support €'000	Performing Groups €'000	Corporate HQ €'000	Online Services €'000	Other €'000	Exceptional Item €'000	Consolidation Adjustments €'000	Group Total €'000
PUBLIC SERVICE ACTIVITIES														
Indigenous programme costs														
In-house productions	(73,888)	(58,947)	(32,720)	(11,240)	(6,349)	(10,661)	(6,869)	-	-	(577)	-	-	1,055	(200,196)
Statutory commissions	(30,289)	(8,524)	(411)	(138)	(34)	(103)	(665)	-	-	-	-	-	-	(40,164)
Non-statutory commissions	(13,531)	(2,280)	-	-	-	-	(1,340)	-	-	(259)	-	-	2	(17,408)
	(117,708)	(69,751)	(33,131)	(11,378)	(6,383)	(10,764)	(8,874)	-	-	(836)	-	-	1,057	(257,768)
Programme costs – By Genre														
Arts	(1,827)	-	(1,800)	-	(198)	(79)	-	-	-	-	-	-	4	(3,900)
Education	(1,186)	-	-	(9)	-	-	-	-	-	-	-	-	-	(1,195)
Religious	(3,277)	-	(588)	-	-	(107)	-	-	-	-	-	-	1	(3,971)
Other factual	(27,574)	(1,743)	(1,665)	-	(219)	(1,313)	(806)	-	-	(41)	-	-	125	(33,236)
Factual	(33,864)	(1,743)	(4,053)	(9)	(417)	(1,499)	(806)	-	-	(41)	-	-	130	(42,302)
Drama	(27,392)	(624)	(541)	-	-	(1)	(426)	-	-	(212)	-	-	5	(29,191)
Entertainment	(21,656)	(6,550)	(2,916)	(4,241)	(721)	(954)	(1,157)	-	-	(6)	-	-	35	(38,166)
Music	(1,104)	(620)	(6,224)	(4,804)	(4,614)	(1,531)	-	-	-	-	-	-	119	(18,778)
News, Current Affairs and Weather	(32,881)	(2,658)	(15,529)	(2,190)	(571)	(5,453)	(5,842)	-	-	-	-	-	724	(64,400)
Sport	(811)	(46,801)	(3,868)	(134)	-	(1,071)	(9)	-	-	-	-	-	28	(52,666)
Young Peoples	-	(10,755)	-	-	(60)	(255)	(634)	-	-	(577)	-	-	16	(12,265)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigenous Programming	(117,708)	(69,751)	(33,131)	(11,378)	(6,383)	(10,764)	(8,874)	-	-	(836)	-	-	1,057	(257,768)
Indigenous non-broadcast output costs														
	-	-	-	-	-	-	(14,873)	-	(6,074)	-	-	-	137	(20,810)
	(117,708)	(69,751)	(33,131)	(11,378)	(6,383)	(10,764)	(8,874)	(14,873)	-	(6,910)	-	-	1,194	(278,578)
Public Funding														
Licence Fee revenue attribution	85,967	50,943	18,439	-	7,085	11,928	8,933	12,673	-	-	-	-	-	195,968
	(31,741)	(18,808)	(14,692)	(11,378)	702	1,164	59	(2,200)	-	(6,910)	-	-	1,194	(82,610)
Other public service activity costs by output category														
Acquired Programmes														
- Ireland	(615)	(35)	-	-	-	-	-	-	-	-	-	-	-	(650)
- Overseas	(12,786)	(11,063)	-	-	-	-	-	-	-	-	-	-	-	(23,849)
General broadcast and transmission costs	(11,712)	(11,147)	(1,424)	(759)	(192)	(223)	(59)	-	-	-	-	-	141	(25,375)
RTÉNL transmission and power charges	(3,221)	(3,221)	(1,844)	(941)	(941)	(941)	-	-	-	-	-	-	-	(11,109)
	(28,334)	(25,466)	(3,268)	(1,700)	(1,133)	(1,164)	(59)	-	-	-	-	-	141	(60,983)
Unallocated revenues and costs														
Corporate HQ	-	-	-	-	-	-	-	-	(3,978)	-	-	-	(141)	(4,119)
Net interest receivable	-	-	-	-	-	-	-	-	912	-	175	-	-	1,087
Net defined benefit pension related finance income	-	-	-	-	-	-	-	-	-	-	116	-	-	116
Deficit on public service activities	(60,075)	(44,274)	(17,960)	(13,078)	(431)	-	-	(2,200)	(3,066)	(6,910)	291	-	1,194	(146,509)
NON-PUBLIC SERVICE ACTIVITIES														
Commercial revenue														
External revenue	73,948	32,542	19,380	10,997	484	-	2,200	-	3,108	33,040	-	-	-	175,699
Internal revenue	212	161	75	-	-	-	-	-	40	735	14,793	-	(16,016)	-
	74,160	32,703	19,455	10,997	484	-	2,200	40	3,843	47,833	-	-	(16,016)	175,699
Non-Public service operating costs														
General broadcast and transmission costs	-	-	-	-	-	-	-	-	-	(21,613)	-	-	731	(20,882)
RTÉNL transmission and power charges	-	-	-	-	-	-	-	-	-	-	-	-	11,109	11,109
Sales costs	(4,152)	(1,866)	(1,809)	(929)	(53)	-	-	-	(849)	(2,769)	-	-	2,632	(9,795)
Other output related costs	-	-	-	(217)	-	-	-	-	-	(14,107)	-	-	890	(13,434)
	(4,152)	(1,866)	(1,809)	(1,146)	(53)	-	-	-	(849)	(38,489)	-	-	15,362	(33,002)
Contribution from non-public service activities	70,008	30,837	17,646	9,851	431	-	-	2,200	40	2,994	9,344	-	(654)	142,697
Restructuring charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Deficit) / Surplus before income tax	9,933	(13,437)	(314)	(3,227)	-	-	-	-	(3,026)	(3,916)	9,635	-	540	(3,812)
Income tax	-	-	-	-	-	-	-	-	-	-	(850)	-	-	(850)
Net (Deficit) / Surplus for the Year	9,933	(13,437)	(314)	(3,227)	-	-	-	-	(3,026)	(3,916)	8,785	-	540	(4,662)

External commercial revenue includes €1.4 million from sales outside of the Republic of Ireland

1 Principal activities and segmental information (continued)

(e) Analysis of revenues, costs and (deficit)/surplus by channel, service and broadcasting genre and between public service and non-public service activities, year ended 31 December 2009:

	RTÉ One €'000	RTÉ Two €'000	RTÉ Radio 1 €'000	RTÉ 2fm €'000	RTÉ lyric fm €'000	RTÉ RnaG €'000	TG4 Support €'000	Performing Groups €'000	Corporate HQ €'000	Online Services €'000	Other €'000	Exceptional Item €'000	Consolidation Adjustments €'000	Group Total €'000
PUBLIC SERVICE ACTIVITIES														
Indigenous programme costs														
In-house productions	(80,621)	(55,398)	(36,241)	(12,583)	(6,710)	(11,533)	(7,108)	-	-	(121)	-	-	1,149	(209,166)
Statutory commissions	(29,493)	(6,543)	-	-	-	-	(1,186)	-	-	-	-	-	-	(37,222)
Non-statutory commissions	(17,305)	(2,923)	-	-	-	-	(2,232)	-	-	(403)	-	-	6	(22,857)
	(127,419)	(64,864)	(36,241)	(12,583)	(6,710)	(11,533)	(10,526)	-	-	(524)	-	-	1,155	(269,245)
Programme costs – By Genre														
Arts	(1,065)	-	(2,223)	-	(322)	(56)	-	-	-	-	-	-	95	(3,571)
Education	(1,176)	-	-	(9)	(69)	(69)	-	-	-	-	-	-	2	(1,321)
Religious	(3,725)	-	(675)	-	-	(86)	-	-	-	-	-	-	26	(4,460)
Other factual	(33,676)	(1,076)	(2,139)	-	(201)	(2,416)	(1,634)	-	-	-	-	-	96	(41,046)
Factual	(39,642)	(1,076)	(5,037)	(9)	(592)	(2,627)	(1,634)	-	-	-	-	-	219	(50,398)
Drama	(31,555)	(420)	(540)	-	-	(65)	(426)	-	-	(403)	-	-	17	(33,392)
Entertainment	(19,634)	(6,156)	(3,264)	(2,112)	(412)	(538)	(1,605)	-	-	-	-	-	46	(33,675)
Music	(1,194)	(761)	(7,042)	(6,506)	(5,108)	(1,535)	-	-	-	-	-	-	92	(22,054)
News, Current Affairs and Weather	(34,601)	(3,189)	(16,056)	(3,847)	(558)	(5,000)	(5,954)	-	-	-	-	-	706	(68,499)
Sport	(793)	(39,413)	(4,302)	(108)	-	(1,237)	(9)	-	-	-	-	-	21	(45,841)
Young Peoples	-	(13,849)	-	(1)	(40)	(531)	(898)	-	-	(121)	-	-	54	(15,386)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigenous Programming	(127,419)	(64,864)	(36,241)	(12,583)	(6,710)	(11,533)	(10,526)	-	-	(524)	-	-	1,155	(269,245)
Indigenous non-broadcast output costs														
	-	-	-	-	-	-	(15,841)	-	(4,653)	-	-	-	19	(20,475)
	(127,419)	(64,864)	(36,241)	(12,583)	(6,710)	(11,533)	(10,526)	(15,841)	-	(5,177)	-	-	1,174	(289,720)
Public Funding														
Licence Fee revenue attribution	87,796	44,693	23,495	-	7,482	12,758	10,599	13,394	-	-	-	-	-	200,217
	(39,623)	(20,171)	(12,746)	(12,583)	772	1,225	73	(2,447)	-	(5,177)	-	-	1,174	(89,503)
Other public service activity costs by output category														
Acquired Programmes														
- Ireland	(306)	(85)	-	-	-	-	-	-	-	-	-	-	-	(391)
- Overseas	(14,402)	(10,573)	-	-	-	-	-	-	-	-	-	-	-	(24,975)
General broadcast and transmission costs	(12,716)	(11,259)	(2,140)	(1,027)	(436)	(229)	(73)	-	-	-	-	-	1,636	(26,244)
RTÉNL transmission and power charges	(3,416)	(3,416)	(1,954)	(996)	(995)	(996)	-	-	-	-	-	-	-	(11,773)
	(30,840)	(25,333)	(4,094)	(2,023)	(1,431)	(1,225)	(73)	-	-	-	-	-	1,636	(63,383)
Unallocated revenues and costs														
Corporate HQ	-	-	-	-	-	-	-	-	(3,769)	-	-	-	(145)	(3,914)
Net interest receivable	-	-	-	-	-	-	-	-	838	-	363	-	-	1,201
Net defined benefit pension related finance income	-	-	-	-	-	-	-	-	-	-	(2,814)	-	-	(2,814)
Deficit on public service activities	(70,463)	(45,504)	(16,840)	(14,606)	(659)	-	-	(2,447)	(2,931)	(5,177)	(2,451)	-	2,665	(158,413)
NON-PUBLIC SERVICE ACTIVITIES														
Commercial revenue														
External revenue	72,315	31,558	17,870	14,457	694	-	-	2,447	-	2,464	32,899	-	-	174,704
Internal revenue	996	537	126	-	-	-	-	-	40	-	15,142	-	(16,841)	-
	73,311	32,095	17,996	14,457	694	-	-	2,447	40	2,464	48,041	-	(16,841)	174,704
Non-Public service operating costs														
General broadcast and transmission costs	-	-	-	-	-	-	-	-	-	-	(19,849)	-	-	(19,849)
RTÉNL transmission and power charges	-	-	-	-	-	-	-	-	-	-	-	-	11,773	11,773
Sales costs	(4,609)	(1,981)	(1,428)	(1,280)	(35)	-	-	-	-	(445)	(2,364)	-	2,738	(9,404)
Other output related costs	-	-	-	(259)	-	-	-	-	-	-	(14,829)	-	156	(14,932)
	(4,609)	(1,981)	(1,428)	(1,539)	(35)	-	-	-	-	(445)	(37,042)	-	14,667	(32,412)
Contribution from non-public service activities	68,702	30,114	16,568	12,918	659	-	-	2,447	40	2,019	10,999	-	(2,174)	142,292
Restructuring charge	-	-	-	-	-	-	-	-	-	-	-	(11,341)	-	(11,341)
(Deficit) / Surplus before income tax	(1,761)	(15,390)	(272)	(1,688)	-	-	-	-	(2,891)	(3,158)	8,548	(11,341)	491	(27,462)
Income tax	-	-	-	-	-	-	-	-	-	-	(339)	-	-	(339)
Net (Deficit) / Surplus for the Year	(1,761)	(15,390)	(272)	(1,688)	-	-	-	-	(2,891)	(3,158)	8,209	(11,341)	491	(27,801)

External commercial revenue includes €1.1 million from sales outside of the Republic of Ireland (restated)

Notes (continued)

forming part of the Group financial statements

1 Principal activities and segmental information (continued)

(f) Assets, liabilities and other information by IBD (continuing operations), in line with RTÉ's organisational structure

	Television IBD €'000	Radio IBD €'000	News and Current Affairs IBD €'000	Network IBD €'000	Publishing IBD €'000	Performing Groups IBD €'000	Unallocated ¹ €'000	Group Total €'000
Year ended 31 December 2010								
Segment assets	92,533	13,273	7,147	72,628	7,142	1,151	-	193,874
Unallocated assets	-	-	-	-	-	-	59,621	59,621
Total Assets	92,533	13,273	7,147	72,628	7,142	1,151	59,621	253,495
Segment liabilities	(48,563)	(4,152)	(1,587)	(12,527)	(4,329)	(447)	-	(71,605)
Unallocated liabilities	-	-	-	-	-	-	(44,591)	(44,591)
Total Liabilities	(48,563)	(4,152)	(1,587)	(12,527)	(4,329)	(447)	(44,591)	(116,196)
Capital expenditure	2,524	749	515	8,453	481	163	-	12,885
Depreciation of property, plant and equipment	6,670	2,698	2,212	6,743	466	299	(540)	18,548
Amortisation of intangible assets	968	585	99	27	161	12	-	1,852
	Television IBD €'000	Radio IBD €'000	News and Current Affairs IBD €'000	Network IBD €'000	Publishing IBD €'000	Performing Groups IBD €'000	Unallocated ¹ €'000	Group Total €'000
Year ended 31 December 2009								
Segment assets	100,777	15,451	8,651	83,838	5,814	1,090	-	215,621
Unallocated assets	-	-	-	-	-	-	46,365	46,365
Total Assets	100,777	15,451	8,651	83,838	5,814	1,090	46,365	261,986
Segment liabilities	(44,303)	(4,085)	(1,602)	(11,775)	(3,447)	(705)	-	(65,917)
Unallocated liabilities	-	-	-	-	-	-	(50,634)	(50,634)
Total Liabilities	(44,303)	(4,085)	(1,602)	(11,775)	(3,447)	(705)	(50,634)	(116,551)
Capital expenditure	2,376	330	704	11,555	278	(12)	-	15,231
Depreciation of property, plant and equipment	12,609	3,697	2,540	5,143	652	387	(491)	24,537
Amortisation of intangible assets	827	367	122	16	144	12	-	1,488

¹ Unallocated assets principally comprise cash, liquid investments and the actuarial surplus on the RTÉ Superannuation Scheme and the RTÉ "50/50" Risk-Sharing Pension Scheme. Unallocated liabilities principally comprise tax and other financial liabilities together with employee benefits and provisions.

Total assets contain €1.2 million situated outside of the Republic of Ireland in 2010 (2009: €1.4 million).

(g) Analysis of network charges to all RTÉ Services

	2010 €'000	2009 €'000
RTÉ One	3,778	3,888
RTÉ Two	3,284	3,502
RTÉ Radio 1	1,942	2,157
RTÉ 2fm	956	1,037
RTÉ lyric fm	965	1,027
RTÉ Raidió na Gaeltachta	1,107	1,127
	12,032	12,738

2 Operating Costs

	2010 €'000	2009 €'000
Employee costs (note 5)	152,955	161,294
Other personnel related costs (including contractors)	33,667	34,103
Personnel Related Operating Costs	186,622	195,397
Direct commissioned programme costs	52,100	52,845
Direct acquired programme costs	23,908	24,455
Sports and other copyrights	24,589	16,541
Outside broadcast contracts	6,770	6,142
Communication circuits	3,544	3,320
RTÉ Guide printing and related costs	2,152	2,378
Network electricity	2,666	2,609
Music licences	6,433	7,462
Insurance policies	1,138	1,514
Other third party costs	46,275	50,705
Non Personnel Related Operating Costs before depreciation and amortisation	169,575	167,971
Depreciation and Amortisation	20,400	26,025
Non Personnel Related Operating Costs	189,975	193,996
Total Operating Costs before Exceptional item (note 6)	376,597	389,393

3 Finance Income and Expense

	2010 €'000	2009 €'000
Interest income on bank deposits	1,737	1,826
Finance income	1,737	1,826
Unwind of discount on restructuring provision (note 18)	(650)	(625)
Fair value losses on derivative financial instruments	(85)	(36)
Finance expense	(735)	(661)
Expected return on scheme assets (note 19)	41,063	44,872
Interest cost on scheme liabilities (note 19)	(40,947)	(47,686)
Net defined benefit pension related finance income / (expense)	116	(2,814)
Net Finance Income / (Expense) recognised in Income Statement	1,118	(1,649)

Notes (continued)

forming part of the Group financial statements

4 Deficit on Continuing Operations Before Income Tax

(a) The Deficit on Continuing Operations Before Income Tax includes the following amounts:

	2010 €'000	2009 €'000
Depreciation and amortisation		
- Depreciation of property, plant and equipment	18,548	24,537
- Amortisation of intangible assets	1,852	1,488
Loss on disposal of property, plant and equipment and intangible assets	5	49
Operating lease rentals, principally vehicles	30	70

The remuneration of Board members and the Director-General are set out on page 51.

	2010 €'000	2009 ¹ €'000
(b) Auditors' remuneration:		
Group		
Audit of the Group and subsidiary accounts	114	117
Other assurance services	84	69
Tax advisory services	68	52
Other non-audit services	111	72
	377	310

¹ Comparative information has been restated under Section 161D of the *Companies Act 1963* by reference to Regulation 120 of *Statutory Instrument 220 of 2010 (SI220)*

	2010 €'000	2009 €'000
RTÉ		
Audit of RTÉ company accounts	90	93
Other assurance services	79	60
Tax advisory services	57	51
Other non-audit services	9	54
	236	258

5 Employee Information

Group staff costs during the year amounted to:

	2010 €'000	2009 €'000
Wages and salaries	130,266	137,240
Social welfare costs	9,235	9,798
Pension costs and life assurance	13,454	14,256
	152,955	161,294

The **total** number of full-time, part-time and casual employees of the Group at 31 December and their full-time equivalent (FTE) were:

	No. of employees		Full-time equivalents	
	2010	2009	2010	2009
RTÉ Group	2,151	2,214	1,987	2,035

The **average annual** number of full-time, part-time and casual employees during the year was:

	2010	2009
RTÉ Group	2,151	2,297

6 Exceptional Item

	2010 €'000	2009 €'000
Restructuring charge	-	11,341
	-	11,341

The 2009 restructuring charge related to the introduction of an Early Retirement & Redundancy Facility and an Incentivised Career Break/Leave of Absence Scheme.

7 Income Tax Expense

	2010 €'000	2009 €'000
Current Tax Expense / (Credit)		
Current corporation tax	1,624	-
Prior period under / (over) provision	1	(402)
	1,625	(402)
Deferred Tax (Credit) / Expense		
Origination and reversal of temporary differences (note 20)	(775)	741
	(775)	741
Total Income Tax Expense	850	339
Reconciliation of Effective Tax Rate	2010	2009
	€'000	€'000
Deficit before income tax multiplied by the standard rate of corporation tax in Ireland of 12.5% (2009: 12.5%)	(477)	(3,433)
Effects of:		
Income taxable at a higher rate of tax	217	150
Recognition of losses forward	(415)	-
Other differences	152	120
Permanent differences	1,372	2,015
Carry back of losses to prior year	-	361
Current year trading losses on which no deferred tax recognised	-	1,528
Prior period under / (over) provision	1	(402)
Total Income Tax Expense	850	339
Deferred Tax Recognised directly in Equity		
Relating to pension assets (note 20)	668	(1,151)
	668	(1,151)

Television Licence Fee income that RTÉ receives by way of "grant-in-aid" is subject to corporation tax with effect from 1 January 2007. The Group has trading losses forward for tax purposes of €540 million at 31 December 2010. Due to the uncertainty surrounding when the losses may ultimately be utilised, a deferred tax asset has only been recognised in respect of IFRS transitional adjustments in respect of which deferred tax liabilities had already been recognised (refer to note 20).

Notes (continued)

forming part of the Group financial statements

8 Property, Plant and Equipment

Group	Land and buildings €'000	Plant and equipment €'000	Fixtures and fittings €'000	Capital projects in progress €'000	Total €'000
Cost					
Balance at 1 January 2009	59,133	158,431	2,844	36,494	256,902
Additions	-	-	-	14,005	14,005
Reclassifications	7,150	12,841	66	(20,057)	-
Disposals and retirements	(385)	(27,618)	(1,240)	-	(29,243)
Balance at 31 December 2009	65,898	143,654	1,670	30,442	241,664
Balance at 1 January 2010	65,898	143,654	1,670	30,442	241,664
Additions	-	-	-	12,415	12,415
Reclassifications	756	12,891	18	(13,665)	-
Disposals and retirements	(31)	(7,533)	(12)	-	(7,576)
Balance at 31 December 2010	66,623	149,012	1,676	29,192	246,503
Depreciation					
Balance at 1 January 2009	34,525	111,441	2,005	-	147,971
Depreciation for the year	10,623	13,686	228	-	24,537
Disposals and retirements	(384)	(27,506)	(1,240)	-	(29,130)
Balance at 31 December 2009	44,764	97,621	993	-	143,378
Balance at 1 January 2010	44,764	97,621	993	-	143,378
Depreciation for the year	3,566	14,803	179	-	18,548
Disposals and retirements	(27)	(7,498)	(13)	-	(7,538)
Balance at 31 December 2010	48,303	104,926	1,159	-	154,388
Net Book Value					
At 31 December 2009	21,134	46,033	677	30,442	98,286
At 31 December 2010	18,320	44,086	517	29,192	92,115

The Board of RTÉ has reviewed the carrying value of property, plant and equipment and is satisfied that the values are worth at least the amount stated above.

RTÉ	Land and buildings €'000	Plant and equipment €'000	Fixtures and fittings €'000	Capital projects in progress €'000	Total €'000
Cost					
Balance at 1 January 2009	51,393	81,730	2,607	14,255	149,985
Additions	-	-	-	2,281	2,281
Reclassifications	6,910	5,680	66	(12,656)	-
Disposals and retirements	-	(21,738)	(1,037)	-	(22,775)
Balance at 31 December 2009	58,303	65,672	1,636	3,880	129,491
Balance at 1 January 2010	58,303	65,672	1,636	3,880	129,491
Additions	-	-	-	3,845	3,845
Reclassifications	637	5,349	18	(6,004)	-
Disposals and retirements	(22)	(2,723)	(6)	-	(2,751)
Balance at 31 December 2010	58,918	68,298	1,648	1,721	130,585
Depreciation					
Balance at 1 January 2009	31,195	57,876	1,776	-	90,847
Depreciation for the year	10,355	9,124	226	-	19,705
Disposals and retirements	-	(21,714)	(1,037)	-	(22,751)
Balance at 31 December 2009	41,550	45,286	965	-	87,801
Balance at 1 January 2010	41,550	45,286	965	-	87,801
Depreciation for the year	3,304	8,599	176	-	12,079
Disposals and retirements	(22)	(2,721)	(6)	-	(2,749)
Balance at 31 December 2010	44,832	51,164	1,135	-	97,131
Net Book Value					
At 31 December 2009	16,753	20,386	671	3,880	41,690
At 31 December 2010	14,086	17,134	513	1,721	33,454

The Board of RTÉ has reviewed the carrying value of property, plant and equipment and is satisfied that the values are worth at least the amount stated above.

9 Intangible Assets

Group

	Software €'000	Software under construction €'000	Total €'000
Cost			
Balance at 1 January 2009	7,228	689	7,917
Additions	-	1,226	1,226
Reclassifications	1,761	(1,761)	-
Disposals and retirements	-	-	-
Balance at 31 December 2009	8,989	154	9,143
Balance at 1 January 2010	8,989	154	9,143
Additions	-	470	470
Reclassifications	369	(369)	-
Disposals and retirements	(18)	-	(18)
Balance at 31 December 2010	9,340	255	9,595
Amortisation and impairment losses			
Balance at 1 January 2009	2,944	-	2,944
Amortisation for the year	1,488	-	1,488
Disposals and retirements	-	-	-
Balance at 31 December 2009	4,432	-	4,432
Balance at 1 January 2010	4,432	-	4,432
Amortisation for the year	1,852	-	1,852
Disposals and retirements	(18)	-	(18)
Balance at 31 December 2010	6,266	-	6,266
Net Book Value			
At 31 December 2009	4,557	154	4,711
At 31 December 2010	3,074	255	3,329

The Board of RTÉ has reviewed the carrying value of intangible assets and is satisfied that the values are worth at least the amount stated above.

RTÉ

	Software €'000	Software under construction €'000	Total €'000
Cost			
Balance at 1 January 2009	6,557	689	7,246
Additions	-	1,136	1,136
Reclassifications	1,719	(1,719)	-
Disposals and retirements	-	-	-
Balance at 31 December 2009	8,276	106	8,382
Balance at 1 January 2010	8,276	106	8,382
Additions	-	207	207
Reclassifications	185	(185)	-
Disposals and retirements	(18)	-	(18)
Balance at 31 December 2010	8,443	128	8,571
Amortisation and impairment losses			
Balance at 1 January 2009	2,804	-	2,804
Amortisation for the year	1,356	-	1,356
Disposals and retirements	-	-	-
Balance at 31 December 2009	4,160	-	4,160
Balance at 1 January 2010	4,160	-	4,160
Amortisation for the year	1,704	-	1,704
Disposals and retirements	(18)	-	(18)
Balance at 31 December 2010	5,846	-	5,846
Net Book Value			
At 31 December 2009	4,116	106	4,222
At 31 December 2010	2,597	128	2,725

The Board of RTÉ has reviewed the carrying value of intangible assets and is satisfied that the values are worth at least the amount stated above.

Notes (continued)

forming part of the Group financial statements

10 Investments in Subsidiaries

RTÉ	Total €'000
Balance at 1 January 2010	65,827
Additions	-
<hr/>	
Balance at 31 December 2010	65,827

RTÉ had the following subsidiaries at 31 December 2010:

Subsidiary companies	Share capital held	Class of business
RTÉ Commercial Enterprises Limited	100%	Publications and other commercial activities
RTÉ Music Limited	100%	Music publishing
RTÉ Transmission Network Limited	100%	Management of transmission network assets
RTÉ Licence Collections Limited	100%	Management of TV Licence collections
DTT Network Company	100%	Dormant
Seirbhísí Theilifís na Gaeilge Teoranta	100%	Dormant

The Board has reviewed the carrying value of the Group's remaining investments and is satisfied that the values are fairly stated.

All subsidiaries operate in Ireland and have their registered offices at RTÉ, Donnybrook, Dublin 4. RTÉ Music Limited is a wholly owned subsidiary of RTÉ Commercial Enterprises Limited.

10 Investments in Subsidiaries (continued)**Classification of RTÉ Group Activities by Integrated Business Division (IBD) and by Legal Entity**

	RTÉ	RTÉ Commercial Enterprises Limited	RTÉ Music Limited	RTÉ Transmission Network Limited
RTÉ TELEVISION IBD				
Free-to-air broadcast of public service television schedules and channels	•			
Commissioning and production of indigenous television programmes	•			
Statutory commissioning of programme content from independent EU producers	•			
Acquisition of domestic/non-domestic television programmes	•			
Statutory provision of non-news and current affairs programming to TG4	•			
Television advertising and sponsorship sales	•			
Hire of television production facilities to third parties	•			
Provision of broadcast circuits and technical facilities to third parties	•			
Maintenance of Television channel archives and news library	•			
Administration of RTÉ Television IBD	•			
Programme merchandising sales		•		
Sale of library and archive material		•		
Sale of programme listings		•		
Television programme sales		•		
IVR/SMS telecoms revenue share		•		
Studio production of television advertisements for third parties		•		
Non-broadcasting advertising revenue share		•		
RTÉ RADIO IBD				
Free-to-air broadcast of public service Radio schedules / channels	•			
Commissioning and production of indigenous radio programmes	•			
Acquisition of domestic/non-domestic radio programmes	•			
Radio advertising and sponsorship sales	•			
Maintenance of Radio channel archive and library	•			
Statutory commissioning of programme content from independent EU producers	•			
Administration of RTÉ Radio IBD	•			
Hire of Radio production facilities to third parties		•		
Programme merchandising sales		•		
Library and listing sales		•		
IVR/SMS telecoms revenue share		•		
Roadcaster mobile studio and promotional sales		•		
Studio production of Radio advertisements		•		
Non-broadcasting advertising revenue share		•		
RTÉ NEWS AND CURRENT AFFAIRS IBD				
Provision of a national and international news gathering service	•			
Production and coverage of television and radio news bulletins, events and programmes	•			
Commissioning and production of current affairs programmes	•			
Statutory provision of news and current affairs programming to TG4	•			
Provision of news and current affairs content to RTÉ's free web based public service Online services	•			
Administration of RTÉ News and Current Affairs IBD	•			
RTÉ NETWORK IBD				
Provision of national analogue radio and television broadcast transmission services				•
Hire of ancillary mast and tower facilities				•
Development and commissioning of a Digital Terrestrial Television Network				•
Administration of RTÉ Network IBD				•
RTÉ PUBLISHING IBD				
Sale of music copyright			•	
Origination and re-purposing of news and other broadcast material in digital format		•		
Provision of RTÉ Aertel teletext services		•		
Provision of a range of free to public, public service web based Online services		•		
Operation of the RTÉ Player to domestic and international audiences		•		
Sale of Online banner advertising and sponsorship		•		
Sale of teletext advertising and sponsorship		•		
Commercial telecoms revenue		•		
Production and publication of the RTÉ Guide magazine		•		
RTÉ Guide advertising sales		•		
Incubation and development of new media technologies		•		
Provision of additional opportunities to access RTÉ's public service news content via RTÉ News Now		•		
Administration of RTÉ Publishing IBD		•		
RTÉ PERFORMING GROUPS IBD				
Orchestral and choir performances	•			
Commission, production, performance and recording of orchestral and choir music	•			
Hire of RTÉ National Symphony and Concert Orchestras	•			
Administration of RTÉ Performing Groups IBD	•			
CENTRALLY INCURRED SHARED SERVICES				
Group Communications, Central HR, Group Legal, Group Treasury, Central IT Support, Donnybrook Site Services, Group Insurance and Group Pensions	•			
CORPORATE HQ				
Direction and overall operation of Public Service Broadcaster	•			
Holding of investments in broadcasting related activities	•			

Notes (continued)

forming part of the Group financial statements

11 Inventories

	Group		RTÉ	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
<i>Work in progress</i>				
In-house programmes	1,212	1,391	1,135	1,268
Commissioned programmes	12,410	12,439	12,410	12,439
<i>Finished programmes</i>				
Acquired programmes and films	16,792	14,642	16,792	14,642
In-house programmes	1,095	600	1,095	600
Commissioned programmes	3,212	6,813	3,212	6,813
Other inventories	942	1,271	-	-
	35,663	37,156	34,644	35,762

Inventories consumed during the year ended 31 December 2010 total €92.0 million (2009: €85.9 million).

Other inventories relate to minor spare parts held in the Network business.

12 Trade and Other Receivables

	Group		RTÉ	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
<i>Current Assets</i>				
Trade receivables	39,606	38,485	30,582	31,307
Other receivables	172	135	168	124
	39,778	38,620	30,750	31,431
<i>Non-Current Assets</i>				
Other receivables	338	503	338	503
	40,116	39,123	31,088	31,934

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 21.

13 Liquid Investments

	Group		RTÉ	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Term Deposits	37,182	41,718	37,182	34,654
Total Liquid Investments	37,182	41,718	37,182	34,654
Weighted average interest rate on term deposits	2.94%	3.07%	2.94%	3.12%

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 21.

14 Cash and Cash Equivalents

	Group		RTÉ	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Bank balances	5	334	5	92
Call deposits	26,030	16,796	25,436	10,840
Total Cash and Cash Equivalents	26,035	17,130	25,441	10,932
Weighted average interest rate on call deposits	3.11%	2.28%	3.11%	2.26%

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 21.

15 Trade and Other Payables

	Group		RTÉ	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Trade payables	6,044	6,309	4,832	5,179
Amounts owed to subsidiary entities	-	-	82,100	64,112
Accruals	54,797	51,258	45,015	42,823
Deferred income	7,007	7,548	1,283	1,737
	67,848	65,115	133,230	113,851

The Group's exposure to currency risk related to trade and other payables is disclosed in note 21.

16 Taxation and Social Welfare

	Group		RTÉ	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
VAT	5,200	5,616	3,760	4,320
Payroll	5,210	5,105	5,118	5,005
Corporation tax	1,624	(439)	391	(364)
	12,034	10,282	9,269	8,961

17 Provisions

	Group		RTÉ	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Balance at 1 January	5,790	4,532	5,790	4,532
Provided during the year	372	2,011	351	2,011
Utilised during the year	(470)	(753)	(470)	(753)
Balance at 31 December	5,692	5,790	5,671	5,790
Analysed as follows:				
Non-Current Liabilities	-	-	-	-
Current Liabilities	5,692	5,790	5,671	5,790
	5,692	5,790	5,671	5,790

Provisions represent an estimate of liabilities that are expected to arise, to third parties, in respect of claims notified or provided for at year end. Due to the nature of its operations, RTÉ is involved in various legal actions, principally in relation to alleged defamation and other similar disputes. The Board is satisfied that it has made the best estimate of the appropriate provision in the financial statements for the likely outcomes of these actions.

Notes (continued)

forming part of the Group financial statements

18 Employee Benefits

(a) Total Employee Benefits

	Group		RTÉ	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Restructuring provision (b)	19,708	24,150	19,708	24,150
Other payroll related accruals (c)	10,646	10,061	10,196	9,730
Total employee benefits	30,354	34,211	29,904	33,880
Analysed as follows:				
Non-Current Liabilities	12,805	14,879	12,805	14,879
Current Liabilities	17,549	19,332	17,099	19,001
	30,354	34,211	29,904	33,880

(b) Restructuring Provision

	2010 €'000	2009 €'000
Group and RTÉ		
Balance at beginning of year	24,150	16,343
Charged during the year	-	11,341
Utilised during the year	(5,092)	(4,159)
Interest charge (note 3)	650	625
Balance at end of year	19,708	24,150
Analysed as follows:		
Non-Current	11,038	13,112
Current	8,670	11,038

The provision for restructuring costs at 31 December 2010 represents the Board's best estimate of the level of provisions required in respect of the Group's remaining obligations under the various restructuring schemes.

(c) Other Employee Related Accruals

Other employee related accruals consist of short-term employee benefits such as employee remuneration and holiday leave provided for in accordance with IAS 19 *Employee Benefits*.

19 Pension arrangements (Group and RTÉ)

The Group is the principal sponsoring employer of the RTÉ Superannuation Scheme (a funded contributory defined benefit pension scheme to which no new employees have been admitted since 1989) and the RTÉ Defined Contribution Pension Scheme and also makes contributions to a number of other smaller defined contribution pension schemes on behalf of employees.

The Trust Deed and Regulations for a new RTÉ "50/50" Risk-Sharing Pension Scheme dated 28 November 2008 were approved and signed by both the Minister for Communications, Energy and Natural Resources and the Minister for Finance on 2 March 2010. This scheme commenced for the first time on 1 September 2010. The RTÉ "50/50" Risk-Sharing Pension Scheme consists of a core defined benefit (DB) promise based on a capped salary level with a defined contribution (DC) arrangement for earnings above the cap.

19 Pension arrangements (Group and RTÉ) (continued)

The employer pension charge in respect of each year for the various schemes were:

	2010 €'000	2009 €'000
RTÉ Superannuation Scheme		
- current service cost	4,371	5,113
- past service cost	-	308
RTÉ "50/50" Risk-Sharing Pension Scheme (DB Section)		
- current service cost	113	-
	4,484	5,421
RTÉ "50/50" Risk-Sharing Pension Scheme (DC Section)	80	-
RTÉ Defined Contribution Pension Scheme	8,694	8,980
Other schemes	105	510

At the balance sheet date the surplus in relation to defined benefit arrangements is as follows:

Group and RTÉ	2010 €'000	2009 €'000
Net pension asset in RTÉ Superannuation Scheme	3,633	9,208
Net pension asset in RTÉ "50/50" Risk-Sharing Pension Scheme	228	-
	3,861	9,208

The movement in the pension assets during the year is as follows:

	RTÉ Superannuation Scheme €'000	RTÉ "50/50" Risk-Sharing Pension Scheme €'000	2010 Total €'000	2009 Total €'000
At 1 January	9,208	-	9,208	(86,617)
Current service costs	(4,371)	(113)	(4,484)	(5,113)
Past service costs	-	-	-	(308)
RTÉ contributions	2,831	332	3,163	3,936
Net DB pension related finance income / (expense)	116	-	116	(2,814)
Net actuarial (loss) / gain on DB Scheme	(4,151)	9	(4,142)	100,124
At 31 December	3,633	228	3,861	9,208

RTÉ Superannuation Scheme:

As is required by the *Pensions Act, 1990*, independent actuarial valuation reports based on actuarially determined long-term funding assumptions are regularly carried out in respect of the RTÉ Superannuation Scheme. The most recent actuarial funding valuation report is dated 1 January 2011 and was completed subsequent to the year end by the actuaries, Mercer, who are neither officers nor employees of the Group. This actuarial funding valuation, which uses the "attained age" method of valuation to derive the future service cost, discloses the scheme to have a surplus of €3.55 million (1 January 2010: surplus €2.6 million), with allowance being made in the liabilities for post retirement increases on a parity basis. The actuarial funding valuation report is not available for public inspection; however, the results of valuations are advised to members.

As required by the accounting standard IAS 19, the actuaries, Mercer, also prepare a report setting out the position of the RTÉ Superannuation Scheme using the accounting valuation methodology specified in IAS 19. The IAS 19 approach to defined benefit fund accounting valuation and reporting uses the projected unit credit method to derive annual future pension charges, values assets at current fair market value and discounts future liabilities (using high grade corporate bond rates of approximate duration to the estimated life of the liabilities of the scheme) to arrive at a net present value of the liabilities of the scheme.

Notes (continued)

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19 Pension arrangements (Group and RTÉ) (continued)

The major assumptions used for the purposes of the IAS 19 based accounting valuation of the RTÉ Superannuation Scheme were:

Valuation method	2010 Projected unit	2009 Projected unit	2008 Projected unit
Average projected rate of increase in salaries			2.75%
Average projected rate of increase in salaries:			
Over the next two years	1.0%	1.0%	
Thereafter	2.5%	2.5%	
Average projected rate of increase in pensions in payment			2.75%
Average projected rate of increase in pensions in payment:			
Over the next two years	0%	0%	
Over the following four years	2.4%	1.8%	
Thereafter	2.5%	2.5%	
Discount rate	5.05%	5.40%	5.90%
Inflation assumption	2.0%	2.0%	1.80%
Mortality	Years	Years	Years
Life Expectancy Future Retirees			
Male of age 65	23.6	21.8	21.4
Female of age 65	24.7	24.8	24.4
Life Expectancy Existing Pensioners			
Male of age 65	22.0	20.5	20.2
Female of age 65	23.5	23.4	23.1

The weighted average plan asset allocation at the year end was as follows:

Asset category	2010	2009
Equities	52.3%	50.6%
Bonds	36.0%	37.7%
Property	5.9%	6.1%
Other	5.8%	5.6%
	100%	100%

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	2010		2009		2008	
	Long term rate of return expected	Fair value €'000	Long term rate of return expected	Fair value €'000	Long term rate of return expected	Fair value €'000
Equities	6.20%	425,294	6.50%	394,878	7.85%	314,298
Bonds	3.50%	292,147	4.00%	293,574	4.80%	298,132
Property	3.75%	48,010	5.00%	47,734	6.00%	58,875
Other	6.20%	47,246	5.00%	42,946	5.35%	62,129
Total fair value of assets		812,697		779,132		733,434
Actuarial value of the liability		(809,064)		(769,924)		(820,051)
Surplus / (Deficit) in RTÉ Superannuation Scheme		3,633		9,208		(86,617)
Net Pension Asset / (Liability) Recognised		3,633		9,208		(86,617)

19 Pension arrangements (Group and RTÉ) (continued)**Movement in Present Value of Defined Benefit Obligations**

	2010 €'000	2009 €'000
Defined Benefit Obligations at 1 January	769,924	820,051
Current service cost	4,371	5,113
Past service cost	-	308
Member contributions	2,559	3,229
Benefits paid by the plan	(37,150)	(40,310)
Interest cost	40,947	47,686
Actuarial losses / (gains) recognised in equity (see below)	28,413	(66,153)
Defined Benefit Obligations at 31 December	809,064	769,924

Movement in Present Value of Plan Assets

	2010 €'000	2009 €'000
Fair Value of Plan Assets at 1 January	779,132	733,434
RTÉ contributions	2,831	3,936
Member contributions	2,559	3,229
Benefits paid by the plan	(37,150)	(40,310)
Expected return on plan assets	41,063	44,872
Actuarial gains recognised in equity	24,262	33,971
Fair Value of Plan Assets at 31 December	812,697	779,132

Expense Recognised in Group Income Statement

	2010 €'000	2009 €'000
Charged to Operating Costs		
Current service costs	4,371	5,113
Past service costs	-	308
	4,371	5,421

Credited to Net Finance Income

Expected return on pension scheme assets	41,063	44,872
Interest on pension scheme liabilities	(40,947)	(47,686)
	116	(2,814)

Actual Return on Plan Assets	65,325	78,843
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Actuarial Gains and Losses Recognised directly in Equity

	2010 €'000	2009 €'000
Cumulative amount at 1 January	(9,340)	(109,464)
Actual return less expected return on pension scheme assets	24,262	33,971
Experience gains arising on the scheme liabilities	1,792	48,910
Changes in assumptions underlying the present value of the scheme liabilities	(30,205)	17,243
Cumulative amount at 31 December	(13,491)	(9,340)

The employer contribution rate to the RTÉ Superannuation Scheme for the year ended 31 December 2010 was 8% of employee members' pensionable earnings (2009: 8%). The actuaries to the scheme have carried out a long term actuarial funding valuation which gave rise to a surplus of €3.55 million as at 1 January 2011 (1 January 2010: surplus of €2.6 million).

The actuaries have also carried out a valuation in accordance with the Minimum Funding Standard provisions of the *Pensions Act, 1990* and have reported a surplus on this basis of €21.9 million (31 December 2009: surplus of €29.7 million).

Notes (continued)

forming part of the Group financial statements

19 Pension arrangements (Group and RTÉ) (continued)

Historical Information

	2010 €'000	2009 €'000	2008 €'000	2007 €'000	2006 €'000
Present value of the defined benefit obligation	(809,064)	(769,924)	(820,051)	(979,195)	(1,023,188)
Fair value of the plan assets	812,697	779,132	733,434	996,730	1,037,060
Surplus / (Deficit) in the plan	3,633	9,208	(86,617)	17,535	13,872
Difference between expected and actual return on assets	24,262	33,971	(295,890)	(77,765)	64,275
Expressed as a percentage of scheme assets	3.0%	4.4%	(40.3%)	(7.8%)	6.2%
Experience gain / (loss) arising on scheme liabilities	1,792	48,910	(3,917)	(2,967)	(30,907)
Expressed as a percentage of scheme liabilities	0.2%	6.4%	(0.5%)	(0.3%)	(3.0%)
Effect of changes in actuarial assumptions	(30,205)	17,243	194,543	74,420	(31,256)
Expressed as a percentage of scheme liabilities	(3.7%)	2.2%	23.7%	7.6%	(3.1%)
Total actuarial gains and (losses)	(4,151)	100,124	(105,264)	(6,312)	2,112
Expressed as a percentage of scheme liabilities	(0.5%)	13.0%	(12.9%)	(0.6%)	0.2%

The Group expects to pay €2.6 million in contributions to the RTÉ Superannuation Scheme in 2011.

RTÉ "50/50" Risk-Sharing Pension Scheme:

The first actuarial funding valuation in respect of the RTÉ "50/50" Risk-Sharing Pension Scheme was carried out as at 1 January 2011 and was completed subsequent to the year end by the Scheme actuary, Mercer. This actuarial funding valuation, which uses the "attained age" method of valuation to derive the future service cost, discloses the scheme to have a surplus of €0.2 million. The actuarial funding valuation report is not available for public inspection; however, the results of valuations are advised to members.

The major assumptions used for the purposes of the IAS 19 based accounting valuation of the RTÉ "50/50" Risk-Sharing Pension Scheme were:

	2010 Projected unit
Valuation method	
Average projected rate of increase in salaries:	
Over the next two years	1.0%
Thereafter	2.5%
Average projected rate of increase in pensions in payment	2.0%
Discount rate	5.05%
Inflation assumption	2.0%
Mortality	Years
Life Expectancy Future Retirees	
Male of age 65	23.6
Female of age 65	24.7

The assets of the Defined Benefit section of the RTÉ "50/50" Risk-Sharing Pension Scheme are invested in the Irish Life Consensus Managed Fund. A long term expected rate of return of 5.51% was assumed based on the asset class split in this managed fund.

The fair value of the assets in the scheme and the present value of the liabilities in the scheme were:

	2010 €'000
Total fair value of assets	508
Actuarial value of the liability	(280)
Surplus in RTÉ "50/50" Risk-Sharing Pension Scheme	228
Net Pension Asset Recognised	228

19 Pension arrangements (Group and RTÉ) (continued)**Movement in Present Value of Defined Benefit Obligations**

	2010 €'000
Defined Benefit Obligations at 1 January	-
Current service cost	113
Member contributions	179
Benefits paid	-
Insurance premium paid	(12)
Interest cost	-
Actuarial (gains) / losses recognised in equity (see below)	-
Defined Benefit Obligations at 31 December	280

Movement in Present Value of Plan Assets

	2010 €'000
Fair Value of Plan Assets at 1 January	-
RTÉ contributions	332
Member contributions	179
Benefits paid	-
Insurance premium paid	(12)
Expected return on plan assets	-
Actuarial gains recognised in equity	9
Fair Value of Plan Assets at 31 December	508

Expense Recognised in Group Income Statement

	2010 €'000
Charged to Operating Costs	
Current service costs	113
	113

Credited to Net Finance Income

Expected return on pension scheme assets	-
Interest on pension scheme liabilities	-
	113

Actual Return on Plan Assets	9
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Actuarial Gains and Losses Recognised directly in Equity

	2010 €'000
Cumulative amount at 1 January	-
Actual return less expected return on pension scheme assets	9
Experience gains and (losses) arising on the scheme liabilities	-
Changes in assumptions underlying the present value of the scheme liabilities	-
Cumulative amount at 31 December	9

The employer contribution rate to the Defined Benefit Section of the RTÉ "50/50" Risk-Sharing Pension Scheme for the four months ended 31 December 2010 was 8.75% of employee members' remuneration (defined as pensionable salary and allowances up to the cap currently €48,000 p.a.). The actuaries to the scheme have carried out a long term actuarial funding valuation which gave rise to a surplus of €0.2 million as at 1 January 2011.

The actuaries have also carried out a valuation in accordance with the Minimum Funding Standard provisions of the *Pensions Act, 1990* and have reported a surplus on this basis of €0.3 million.

The Group expects to pay €1.0 million in contributions to the RTÉ "50/50" Risk-Sharing Pension Scheme in 2011.

Notes (continued)

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19 Pension arrangements (Group and RTÉ) (continued)

Historical Information

	2010 €'000
Present value of the defined benefit obligation	(280)
Fair value of the plan assets	508
Surplus in the plan	228
Difference between expected and actual return on assets	9
Expressed as a percentage of scheme assets	1.7%
Experience gain / (loss) arising on scheme liabilities	-
Expressed as a percentage of scheme liabilities	-
Effect of changes in actuarial assumptions	-
Expressed as a percentage of scheme liabilities	-
Total actuarial gains and (losses)	9
Expressed as a percentage of scheme liabilities	3.2%

20 Deferred Tax

Group

Recognised Deferred Tax Assets and Liabilities

	Assets Net		(Liabilities) Net	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Property, plant and equipment	987	242	-	-
Pension assets	-	-	(483)	(1,151)
Inventories	-	-	(1,253)	(2,505)
Others	-	-	(124)	(248)
Tax losses	1,347	2,693	-	-
Net Tax Assets / (Liabilities)	2,334	2,935	(1,860)	(3,904)

Movement in Temporary Differences during 2010

	Opening Balance	Recognised in Income	Recognised in Equity	Closing Balance
Property, plant and equipment	242	745	-	987
Pension assets	(1,151)	-	668	(483)
Inventories	(2,505)	1,252	-	(1,253)
Others	(248)	124	-	(124)
Tax losses	2,693	(1,346)	-	1,347
	(969)	775	668	474

Movement in Temporary Differences during 2009

	Opening Balance	Recognised in Income	Recognised in Equity	Closing Balance
Property, plant and equipment	(45)	287	-	242
Pension assets	-	-	(1,151)	(1,151)
Trade and other payables	1,059	(1,059)	-	-
Inventories	(3,758)	1,253	-	(2,505)
Others	(372)	124	-	(248)
Tax losses	4,039	(1,346)	-	2,693
	923	(741)	(1,151)	(969)

20 Deferred Tax (continued)**RTÉ****Recognised Deferred Tax Assets and Liabilities**

	Assets Net		(Liabilities) Net	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Property, plant and equipment	1,631	972	-	-
Pension assets	-	-	(483)	(1,151)
Trade and other payables	-	-	-	-
Inventories	-	-	(1,276)	(2,551)
Others	-	-	(71)	(142)
Tax losses	1,347	2,693	-	-
Net Tax Assets / (Liabilities)	2,978	3,665	(1,830)	(3,844)

Movement in Temporary Differences during 2010

	Opening Balance	Recognised in Income	Recognised in Equity	Closing Balance
Property, plant and equipment	972	659	-	1,631
Pension assets	(1,151)	-	668	(483)
Trade and other payables	-	-	-	-
Inventories	(2,551)	1,275	-	(1,276)
Others	(142)	71	-	(71)
Tax losses	2,693	(1,346)	-	1,347
	(179)	659	668	1,148

Movement in Temporary Differences during 2009

	Opening Balance	Recognised in Income	Recognised in Equity	Closing Balance
Property, plant and equipment	786	186	-	972
Pension assets	-	-	(1,151)	(1,151)
Trade and other payables	1,059	(1,059)	-	-
Inventories	(3,826)	1,275	-	(2,551)
Others	(213)	71	-	(142)
Tax losses	4,039	(1,346)	-	2,693
	1,845	(873)	(1,151)	(179)

Unrecognised Deferred Tax Assets (Group and RTÉ)

The Group has trading losses forward of €540 million at 31 December 2010 (2009: €541 million), however given the uncertainty over when these losses may be utilised a deferred tax asset has only been recognised in respect of IFRS transitional adjustments in respect of which deferred tax liabilities had already been recognised.

Notes (continued)

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21 Financial Instruments (Group and RTÉ)

(a) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk.

The Board of RTÉ has overall responsibility for the establishment and oversight of the Group's risk management framework and has approved policies for the main areas of financial risk faced by the Group.

Group Treasury is responsible for managing all treasury activities, in accordance with the treasury policies, including cash management, foreign exchange risk and counterparty credit risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and deposit investments.

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables and other receivables. The Group has credit insurance and sets credit limits for all customers. Given the nature of the advertising and other markets within which RTÉ operates, RTÉ had significant exposures to individual advertising agencies and other customers throughout the year. RTÉ's policy is to assign limits to the aggregate amount of exposure to each individual customer. These exposures and the related limits are subject to ongoing review and monitoring.

Cash and short-term bank deposits are primarily invested with Irish financial institutions covered by the Irish Government Bank Guarantee Scheme with limits on amounts held with individual banks or institutions at any one time. The maximum exposure to credit risk is represented by the carrying amount of the financial assets in the balance sheet.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. RTÉ's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's policy is to invest excess cash, primarily in term deposit accounts, spread over a number of institutions.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The majority of RTÉ's business is transacted in Ireland. Consequently, operating and investing cash flows are substantially denominated in Euro. Foreign currency exposures arise primarily from payments for acquired programmes and sports rights in US dollar and Sterling.

RTÉ's policy is to have the majority of its committed principal foreign currency exposures commercially hedged at the beginning of each financial year by entering into US dollar and Sterling forward contracts. All forward contracts have a maturity date of less than 18 months from the balance sheet date.

RTÉ decides whether to apply hedge accounting to its derivative financial instruments on a transaction by transaction basis. Hedge accounting has not been applied to any of the Group's derivative financial instruments at 31 December 2010 or 31 December 2009.

21 Financial Instruments (Group and RTÉ) (continued)**(b) Credit risk****(i) Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Group		RTÉ	
		Carrying amount		Carrying amount	
		2010	2009	2010	2009
		€'000	€'000	€'000	€'000
Trade receivables	12	39,606	38,485	30,582	31,307
Cash and cash equivalents	14	26,035	17,130	25,441	10,932
Liquid investments	13	37,182	41,718	37,182	34,654

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Group		RTÉ	
	Carrying amount		Carrying amount	
	2010	2009	2010	2009
	€'000	€'000	€'000	€'000
Ireland	37,800	37,128	29,353	30,336
United Kingdom	1,708	1,320	1,229	960
Other Regions	98	37	-	11

All other financial assets are held with counterparties in Ireland.

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Note	Group		RTÉ	
		Carrying amount		Carrying amount	
		2010	2009	2010	2009
		€'000	€'000	€'000	€'000
Non-agency debtors		7,942	6,525	818	911
Other debtors - agency		31,664	31,960	29,764	30,396
Trade Receivables	12	39,606	38,485	30,582	31,307

An agency debtor represents an advertising agent or agency, being a person, firm or company which selects or books advertising space on behalf of the advertiser.

The Group's most significant debtor, an Irish company, accounts for €4.3 million (16%) of the trade receivables carrying amount at 31 December 2010 (2009: €6.2 million).

(ii) Impairment losses

The aging of trade receivables at the reporting date was:

	Group		RTÉ	
	Gross	Impairment	Gross	Impairment
	2010	2010	2010	2010
	€'000	€'000	€'000	€'000
Not past due	20,341	1,340	14,291	742
Past due 0-30 days	20,159	403	16,790	173
Past due 31-120 days	1,091	280	516	139
Greater than 120 days	182	144	92	53
	41,773	2,167	31,689	1,107

The movement in the allowance for impairment in respect of Trade Receivables during the year was:

	Group		RTÉ	
	2010	2009	2010	2009
	€'000	as restated €'000	€'000	€'000
Balance at 1 January	2,237	2,358	1,148	1,243
Bad debts written off in the year	(266)	(121)	(231)	(95)
Provided during the year	196	-	190	-
Balance at 31 December	2,167	2,237	1,107	1,148

Notes (continued)

forming part of the Group financial statements

21 Financial Instruments (Group and RTÉ) (continued)

(c) Liquidity risk

The following are the contractual maturities of financial liabilities:

31 December 2010

	Carrying amount €'000	Contractual cash flows €'000	6 mths or less €'000	6-12 mths €'000	> 1-2 years €'000
Group					
Non-Derivative Financial Liabilities					
Trade payables	6,044	6,044	6,044	-	-
Accruals	54,797	54,797	54,797	-	-
Employee Benefits	30,354	30,354	8,213	9,336	12,805
Derivative Financial Liabilities					
Forward exchange contracts:					
Outflow	268	21,915	12,356	9,559	-
	91,463	113,110	81,410	18,895	12,805

31 December 2009

	Carrying amount €'000	Contractual cash flows €'000	6 mths or less €'000	6-12 mths €'000	> 1-2 years €'000
Group					
Non-Derivative Financial Liabilities					
Trade payables	6,309	6,309	6,309	-	-
Accruals	51,258	51,258	51,258	-	-
Employee Benefits	34,211	34,211	13,813	5,519	14,879
Derivative Financial Liabilities					
Forward exchange contracts:					
Outflow	184	17,704	8,875	8,829	-
	91,962	109,482	80,255	14,348	14,879

31 December 2010

	Carrying amount €'000	Contractual cash flows €'000	6 mths or less €'000	6-12 mths €'000	> 1-2 years €'000
RTÉ					
Non-Derivative Financial Liabilities					
Trade payables	4,832	4,832	4,832	-	-
Accruals	45,015	45,015	45,015	-	-
Employee Benefits	29,904	29,904	7,763	9,336	12,805
Derivative Financial Liabilities					
Forward exchange contracts:					
Outflow	268	21,915	12,356	9,559	-
	80,019	101,666	69,966	18,895	12,805

31 December 2009

	Carrying amount €'000	Contractual cash flows €'000	6 mths or less €'000	6-12 mths €'000	> 1-2 years €'000
RTÉ					
Non-Derivative Financial Liabilities					
Trade payables	5,179	5,179	5,179	-	-
Accruals	42,823	42,823	42,823	-	-
Employee Benefits	33,880	33,880	13,482	5,519	14,879
Derivative Financial Liabilities					
Forward exchange contracts:					
Outflow	184	17,704	8,875	8,829	-
	82,066	99,586	70,359	14,348	14,879

21 Financial Instruments (Group and RTÉ) (continued)**(d) Currency risk****(i) Exposure to currency risk**

The functional currency of all Group entities is Euro.

Due to the nature of certain aspects of its business, in particular acquired television programmes and rights from overseas, RTÉ is exposed to the effects of fluctuations in foreign currency exchange rates. The currencies that give rise to this risk are US Dollars and Sterling.

The Group primarily uses forward exchange contracts to hedge its currency risk. Changes in the fair value of forward foreign exchange contracts are recognised in the Income Statement. The fair value of forward exchange contracts is based on their spot price.

At 31 December 2010 the fair value of forward contracts was €268,000 (2009: €184,000).

Breakdown of Trade Payables by Currency

	2010 €'000	2009 €'000
Euro	5,260	5,868
GBP	489	361
USD	13	8
Other	282	72
	6,044	6,309

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2010 Euro	2009 Euro	2010 Euro	2009 Euro
USD 1	1.3257	1.3948	1.3362	1.4406
GBP 1	0.8578	0.8909	0.8606	0.8881

(ii) Sensitivity analysis

In managing currency risks, the Group aims to reduce the impact of short term fluctuations on the Group's earnings. Foreign currency forward purchase contracts are used by the Group to reduce volatility arising from these foreign currency exposures. As a result the Group mitigates significant risk of movements in foreign exchange rates.

(e) Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2010 €'000	2009 €'000
Fixed Rate Instruments		
Financial assets	63,212	58,514
Variable Rate Instruments		
Financial assets	5	334

Notes (continued)

forming part of the Group financial statements

21 Financial Instruments (Group and RTÉ) (continued)

(f) Fair Values

(i) Fair Values versus Carrying Amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	31 December 2010		31 December 2009	
	Carrying amount €'000	Fair value €'000	Carrying amount €'000	Fair value €'000
Trade receivables	39,606	39,606	38,485	38,485
Cash and cash equivalents	26,035	26,035	17,130	17,130
Liquid investments	37,182	37,182	41,718	41,718
Forward exchange contracts:				
Assets	-	-	-	-
Liabilities	(268)	(268)	(184)	(184)
Trade payables	(6,044)	(6,044)	(6,309)	(6,309)
Accruals	(54,797)	(54,797)	(51,258)	(51,258)

(ii) Valuation of financial instruments

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 2: The fair value of forward exchange contracts is based on forward pricing.

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	31 December 2010 Level 2 €'000	31 December 2009 Level 2 €'000
Forward exchange contracts:		
Liabilities	(268)	(184)

(iii) Interest rates used for determining fair value

All derivative financial instruments at 31 December 2010 and 31 December 2009 had a maturity of less than 18 months from the balance sheet date and therefore the net present value of the derivative financial instruments have not been discounted in determining their fair value as the impact of discounting is not considered to be material.

(g) Borrowing facilities

On 22 December 2010, RTÉNL entered into a five year loan facility agreement amounting to €38.25 million.

It was one of the conditions to the availability of the loan facility that RTÉNL execute a security deed agreement and provide the lender security as follows:

- Lands of 13 main DTT transmission sites;
- All RTÉNL present and future fixtures and fittings on the DTT transmission sites;
- All RTÉNL rental income and occupational leases;
- Rights and benefits of RTÉNL insurance policies;
- Certain bank accounts of RTÉNL relating to the DTT project (i.e. the Sinking Fund Account and the Insurance Proceeds Account); and
- Deeds of Assignment creating security assignments in respect of certain commercial contracts and DTT Construction Contracts.

No amounts were drawn down under the facility agreement at year end.

RTÉ has entered an undertaking to pay RTÉNL by way of a loan an amount equal to any interest and/or fees falling due under the loan facility agreement should RTÉNL not have sufficient funds to do so. The undertaking is subject to specific terms and conditions which determine when this obligation arises.

22 Financial Commitments and Contingencies

(a) Capital Commitments

	Group		RTÉ	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Contracted but not provided for	14,083	2,244	909	35
Authorised but not contracted for	6,231	1,010	684	-
	20,314	3,254	1,593	35

(b) Programme/Rights Purchase Commitments

	Group		RTÉ	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Contracted but not provided for	97,476	74,164	97,476	74,164

(c) Operating Lease Commitments

Gross operating leases, principally in respect of motor vehicles, payable in the future in respect of leases expiring:

	Group		RTÉ	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Within one year	-	31	-	10
Within two to five years	-	-	-	-
	-	31	-	10

(d) Contingent Liabilities

Certain regulatory authorities are conducting ongoing reviews in relation to aspects of RTÉ's activities. At this juncture, it is not possible to determine the extent, if any, of financial exposure which might arise as a consequence.

Notes (continued)

forming part of the Group financial statements

23 Related Party Transactions

(a) Transactions with related parties excluding key management personnel

RTÉ is a statutory corporation, originally established under the *Broadcasting Authority Act, 1960*. The members of the RTÉ Board are appointed by the Government.

The Group provides advertising and other similar services, and purchases goods and services, in the ordinary course of its business to/from Government departments and to entities controlled by the Irish Government. An Post collects the Television Licence Fee on behalf of the Department of Communications, Energy and Natural Resources.

At 31 December 2010, the total payables to RTÉ subsidiary undertakings was €82.1 million (2009: €64.1 million).

(b) Transactions with key management personnel¹

For the purposes of the disclosure requirements of IAS 24 the term "key management personnel" (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the company) comprises the RTÉ Board, the Director-General, the Chief Financial Officer, the Heads of the Integrated Business Divisions and of the principal corporate functions, including all of the team reporting directly to the Director-General. The total amount of remuneration paid to key management personnel in 2010 was €3.8 million (2009: €3.7 million) the majority of which comprises short term employee benefits.

Purchases by RTÉ from a company owned/controlled by Board members, other key management personnel and/or their close family members in 2010 amounted to €2.7 million (2009: €0.1 million) primarily in respect of commissioned programmes. Sales by RTÉ to a company owned/controlled by Board members, other key management personnel and/or their close family members in 2010 amounted to €0.02 million (2009: €0.02 million). There were no material amounts outstanding at either year end.

Programme contributions paid by RTÉ to Board members, other key management personnel and their close family members in 2010 amounted to €9,921 (2009: €6,729).

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions.

¹ Related parties include key management personnel, their immediate families and external entities controlled by them.

24 Board Approval

The Board of RTÉ approved the financial statements on pages 55 to 98 in respect of the year ended 31 December 2010 on 24 March 2011.

Other Reporting Requirements

Audience Council

Section 96 of the *Broadcasting Act 2009* established the RTÉ Audience Council on a statutory basis. It provides a voice for the viewers and listeners with regard to RTÉ's output and delivery on its public remit. The Council, which is chaired by Professor Gearóid Ó Tuathaigh, held its inaugural meeting on 29 July 2010 and will serve for a period of four years to 31 December 2014. In total, two meetings of the Audience Council took place in 2010.

The 15 members are selected by the members of the RTÉ Board taking into account the requirements of the *Broadcasting Act 2009*. The RTÉ Board appoints one of its members as an ex officio member of the Council. The members serve in a voluntary capacity, but may receive such out-of-pocket expenses as may be reasonably incurred in the performance of their functions.

Further information on the Audience Council, its members and a summary of the meetings held during the year is available at www.rte.ie/about/audiencecouncil.html

RTÉ Annual Statement of Performance Commitments 2010

Introduction

Under the provisions of the *Broadcasting Act 2009* (the Act) RTÉ was to fulfil three new reporting requirements: preparation of a statement of strategy; preparation of a public service statement, following a public consultation; and preparation of annual statements of performance commitments.

RTÉ's *Statement of Strategy* demonstrates how RTÉ aims to fulfil its public service objects over the five-year period 2010-2014, with strategic priorities, actions and targets. RTÉ's *Public Service Statement 2010*, informed by a consultative process to gain the perspectives of the Irish public, sets out the principles to be observed and activities to be undertaken by RTÉ in fulfilling its public service objects. In fulfilment of statutory requirements both were submitted to the Minister during 2010 and are publicly available on RTÉ.ie.

RTÉ's *Annual Statement of Performance Commitments 2010* (ASPC) was prepared in accordance with its objects and drew directly from the six high level strategic objectives in RTÉ's *Statement of Strategy 2010-2014* that are intended to guide the business over the five year period. RTÉ's ASPC 2010 identified key performance measures, qualitative and/or quantitative, for each commitment, and targets where appropriate. RTÉ aimed to meet and exceed its targets in all cases. Pursuant to section 102(3) of the Act RTÉ's ASPC 2010 was submitted to the BAI and the Minister on 3 February 2010 and is published on RTÉ.ie.

This performance summary is presented in fulfilment of section 102(5) of the Act and in compliance with section 102(4) of the Act, a separate and more detailed report on fulfilment or otherwise of commitments was submitted to the BAI and the Minister by 31 March 2011.

Throughout this section a traffic light system has been used, denoting where activities and targets were either:

- **Green - met or exceeded**
- **Amber - missed by a very slight under-achievement**
- **Red - missed by a significant under-achievement**

Other Reporting Requirements (continued)

Objective 1, Excellence in Public Service

Fulfil all our Public Service Objects and strive for the highest standards in ethics and accountability, on and off-air

RTÉ has delivered well on this objective however some targets were missed.

Green: Targets met or exceeded

- Committed hours for a range of genres across both RTÉ Television and RTÉ Radio have been delivered i.e. entertainment, factual, education, Young Peoples and News and Current Affairs. RTÉ Junior has delivered approximately 500 original hours, five-times more than its stated target.
- RTÉ Performing Groups gave 185 public performances one in excess of target and RTÉ Radio met its target of covering 10 music festivals. The RTÉ Vanbrugh Quartet successfully achieved its target of 12 free performances.
- RTÉ wishes to place itself at the centre of Irish life and society, to provide a forum for debate, and to promote inclusiveness and diversity. Almost all specific RTÉ Television and RTÉ Radio programme commitments in these areas have been met including: a range of Irish language and cultural programming; cross-platform coverage of national and international sporting events including GAA Championship games and the FIFA World Cup; a number of social and religious series, plus news and current affairs. Outreach and educational initiatives were also delivered.
- All service provision targets were met. RTÉ provided: universal analogue television and radio signals; 52% population coverage for DAB Digital Radio; two television, four FM and seven digital radio services; services for the Irish diaspora including the International RTÉ Player: as well as delivering on all sub-titling targets.
- RTÉ Radio (86.1) and RTÉ Television (85.1) both exceeded targets of 80 for Audience Connection scores¹ and RTÉ's 'relevance' score has improved to 65%, exceeding its target.
- Although RTÉ Television and RTÉ Radio have missed some reach targets, average monthly 15+ minute reach² for RTÉ Television among all individuals (aged 4+) was 3 points ahead of target at 92%, RTÉ One was 0.8 points ahead of its over-35s target at 94.8%. RTÉ Radio 1 met its 35-54s reach target of 28%³. RTÉ.ie exceeded its target with 3.7 million unique browsers.
- A new policy on social media and a new communications strategy were implemented, the annual Corporate Social Responsibility Report published and Performance Development Systems re-aligned with objectives. RTÉ reviewed new and existing Codes of Practice and completed relevant actions to ensure compliance.
- A public consultation on the Public Service Statement was completed as committed and the proposed statement was submitted to the Minister in July.

Amber: Missed by a very slight under-achievement

- RTÉ Performing Groups narrowly missed its target of 77 educational performances, talks or workshops by four performances. This target would have been achieved had December's adverse weather not caused the cancellation of a number of concerts.
- RTÉ Raidió na Gaeltachta missed its target of 788 young people's hours by just 9.5 hours (98% delivered) due to schedule changes.
- In guaranteeing a space where national conversation, reflection and debate can take place, RTÉ had committed to 12% reach or 400,000 listeners for RTÉ Radio 1's *Liveline*. *Liveline* achieved an average reach of 11% or 392,000 adults aged 15+ during 2010: this minor under-achievement was against the backdrop of fewer people listening to radio on the average weekday. 'Any Radio' reach was down from a high of 87% of adults in 2009 to 85% in 2010.
- RTÉ continues to participate in DCENR's Analogue Switch-Off Group and its contribution report was submitted to the Minister, however after quarter one as committed. A Digital Switch-Over Group, among other groups, was established.
- Staff reductions meant that RTÉ lyric fm could only deliver seven live on-air sessions, five short of the 12 committed to. However, the significant number of live sessions on RTÉ Radio 1, RTÉ Raidió na Gaeltachta and RTÉ 2fm demonstrate alternative fulfilment of this cultural commitment.
- RTÉ Two's average monthly 15+ minute reach among 15-34 year olds was 78% (2 points below target). RTÉ Television's average monthly 15+ minute reach among 4-14 year olds is 88% (1 point below target).
- Some activities under accountability and standards were missed: two due to the publication of the Annual Report and Group Financial Statements in August (RTÉ submitted to DCENR during quarter one); a draft rather than final register of Regulatory Submissions was compiled; and three complaints were upheld by the BAI in breach of the Advertising code (out of a total of 20 complaints against a target of zero).

Red: Missed by a significant under-achievement

- On RTÉ Radio, 'Total RTÉ Radio' reach was below its 39% target (by 3 points) and RTÉ 2fm's reach among 25-44 year olds was below its 21% target (by 3 points). These targets were missed in a radio listenership environment where 'Any Radio' weekday reach fell from a high 87% in 2009 to 85% in 2010 for both adults aged 15+ and adults aged 25-44.

¹ Unless otherwise stated, research source is RTÉ commissioned research conducted by independent research agencies.

² Source for all TV viewing data = TAM Ireland/Nielsen TAM. This figure is the percentage of the Irish population aged 4+ who watched either RTÉ One or RTÉ Two continuously for 15 minutes or more during a calendar month.

³ Source for all radio listening data = JNLR /Ipsos MRBI: 2010/4 or 2009/4 as referenced.

Objective 2, Quality Irish Content

Be the leading provider of the best quality, distinctively Irish content and the premier and most trusted source of Irish news and current affairs

Strong performance on this objective as RTÉ has achieved most of its targets.

Green: Targets met or exceeded

- In aiming to be the primary source of independent news and current affairs, RTÉ News and Current Affairs performed well. RTÉ Television News and RTÉ Radio News met their targets of above 80 for Appreciation Indices (AIs), by 4.2 points and 3.6 points respectively. *RTÉ Six One* and *RTÉ Nine o'clock News* cumulatively reached 36.7% of adults each week, 1.7 points ahead of target, *Morning Ireland* met its target of 13% reach among adults aged 15+ and foreign news coverage was also enhanced.
- RTÉ Radio and RTÉ Television programmes performed well in quality assessments, each exceeding their AI target of 79 by 3.2 points. Other research shows an increase in perception of quality for RTÉ overall. Many programmes received awards and nominations in international competitions. RTÉ Radio had 19 out of the top 20 national radio programmes, exceeding its target by 1 programme.
- Home-produced content targets were met. Indigenous hours accounted for 50% of total peaktime hours on RTÉ Television and 66% on RTÉ One. Regional hours from RTÉ Radio were more than double the target at 666 hours and RTÉ Performing Groups recorded over 170,000 attendances, which was more than 5,000 in excess of target.
- Scores of affinity with RTÉ have improved to 65% and developments in the Audience Reaction Panel (ARP) allow for audience needs to be better understood, through improved software functionality and capacity to survey younger people. The number of ARP users has increased as has use of the tool for bespoke commissioned projects.
- RTÉ aims to deliver innovative programming and services. In fulfilment of this objective, three major cross-media initiatives were delivered, RTÉ Performing Groups provided 'meet and greet' opportunities and open rehearsals and RTÉ Radio 1 programme teams were trained on web page maintenance.

Amber: Missed by a very slight under-achievement

- RTÉ News aims to maintain perceptions of fairness and impartiality for its *Nine o'clock News*. This target was narrowly missed 0.9 points, however 94.2% of viewers agreed that *RTÉ's Nine o'clock News* was fair and impartial.
- RTÉ Television continued to perform very well with 17 of the top 20 Television programmes, but was one short of target.
- RTÉ aims for the highest editorial standards. While some targets were met, the Revised Programme Makers Guidelines were published in quarter three, and not during quarter two as committed, and eight out of 246 programme complaints were upheld (3% vs. a target of zero). A complaint against *Drivetime* on RTÉ Radio 1 was partially upheld, five complaints against an item in the *Prime Time* broadcast on 8 April and two complaints against *No Frontiers*.

Red: Missed by a significant under-achievement

- Two projects committed to under innovation were not completed during 2010. RTÉ News assessed the potential to increase output from an automated studio, and negotiated associated roster changes during quarter four. As a result increased output is now planned for 2011. The launch of the new RTÉ Radio Player was deferred to 2011 due to resource restrictions arising from significant revenue shortfalls.

Other Reporting Requirements (continued)

Objective 3, Technology

Harness technologies to ensure delivery of and access to our content across the widest range of platforms and devices to meet the needs of the audience

RTÉ met the majority of targets under this objective.

Green: Targets met or exceeded

- Increased accessibility to RTÉ content has been delivered. Podcast downloads averaged at almost 1 million per month. A digital signage version of RTÉ News Now launched in four major transit hubs. Three online archive projects were completed. The RTÉ Player exceeded its target with 2.25 million streams and 495k unique browsers in December. In addition a large screen interface for the RTÉ Player was deployed for television and for Sony PS3 gaming consoles.
- RTÉ Network met its population coverage target of 90% for the DTT Public Service Broadcast multiplex. The number of digital radio households increased to 7%. Following a review of data and market best-practice, enhanced online radio measures were agreed and will be implemented under web development projects.
- Seven mobile applications were launched. Five from radio including *Documentary on One* and the RTÉ Pocket Player for iPhones, a GAA app and two specifications of the RTÉ News Now applications. Aertel digital mobile also launched in quarter one.
- In finding new avenues to connect with audiences, RTÉ Performing Groups are now on Facebook and Twitter and have created a YouTube channel. *Morning Ireland's* website is more interactive enabling greater engagement with the programme on major news stories.
- Targets on technological changes in programme production have all been met, with significant over-achievement on the number of staff trained on the Avid editing system.
- The end-to-end digitisation programme has progressed to target with tenders completed for both the acquisition of third-party content over the internet and for migration to High Definition Television, as well as a Radioman upgrade completed.
- Planning consent for the first phase of Project 2025 was achieved in November.

Amber: Missed by a very slight under-achievement

- RTÉ Television deferred development of a Right of Reply feature to 2011, however roll-out of social networking across a number of programmes enabled RTÉ to connect with audiences in more diverse ways.

Red: Missed by a significant under-achievement

- RTÉ intended to launch a new RTÉ Radio 1 website during 2010 with enhanced user functionality. Resource restrictions arising from the challenging commercial radio environment of 2010 required delivery of this project to be postponed to 2011.

Objective 4, Finances**Effectively manage RTÉ's finances into the future through optimising funding sources and controlling costs**

Financial targets were particularly challenging during 2010 and a number of targets were missed.

Green: Targets met or exceeded

- RTÉ aims to prudently manage its finances. The target of available cash reserves was met. In implementing Enterprise Resource Planning, a Corporate Applications Team was established to support key business applications.
- Some funding optimisation targets have been met. RTÉ Television exceeded its commercial income target of €112 million by 1%. Commercial income from new sources was up on 2009 and partnerships such as Advertiser Funded Programmes have enabled cost reductions.
- RTÉ Television has met its market share target of 41%.
- RTÉ aims to deliver value for money and has re-negotiated a range of supplier contracts and engaged in co-productions notably the six-part drama *Single-Handed*.
- All personnel related costs and efficient resource management targets have been met. RTÉ reduced its Personnel Related Operating Costs (PROC) to 50% of Total Operating Costs, delivering significant cost reductions.

Amber: Missed by a very slight under-achievement

- RTÉ Television's Operating Costs were over budget by 1%. This was a managed over-spend as part of an agreed additional programme investment in the autumn schedule.
- RTÉ Network earned €27.2 million in commercial revenue, which was 6% below target. Commercial DTT did not launch as expected, with consequent loss of revenue. Other Network income was ahead of budget. RTÉ Publishing increased its revenue by 6.4% compared to 2009, just slightly behind its target of a 7% increase.
- RTÉ incurred a Deficit for the year of €4.7 million [2009: Deficit of €16.5 million Before Exceptional Item – Restructuring Charge] based on Revenues of €372 million (2009: €375 million), reflecting a robust financial performance against the back-drop of an exceptionally turbulent domestic economic environment.

Red: Missed by a significant under-achievement

- 2010 was an exceptionally difficult trading environment and RTÉ Radio's commercial income was €31.6 million and 7% below target. RTÉ Radio Commercial share was 32.6% (2.4 points below target).
- Audience perception that RTÉ is good value for money decreased to 55%, 3 points behind target. A decrease in this score is expected in the current climate and is apparent across numerous markets and categories.

Other Reporting Requirements (continued)

Objective 5, Organisation, Structures and Staff

Ensure that RTÉ has a high quality workforce and is optimally organised to deliver the best value for money service to the Irish public

RTÉ has met most of its targets under this objective.

Green: Targets met or exceeded

- Most commitments around developing people and skills were met. A cost-neutral pilot mentoring programme was initiated. Dignity and Respect workshops were delivered via a train-the-trainer approach. New media training sessions were delivered in RTÉ News.
- A review of succession planning processes was completed and presented to the Director-General.
- Headcount was reduced in line with target. A review of HR structures was completed and HR Shared Services implemented.
- IBD manpower plans were adhered to and progress made in preparing monthly management information. Work practices have been reviewed and various changes have been implemented.

Red: Missed by a significant under-achievement

- A workshop for Radio Producers to identify a bank of diverse voices was targeted for quarter two. This was deferred due to resource restrictions and is to take place in 2011.
- RTÉ's employee survey findings were collated for distribution to staff. This communication was postponed due to implementation of a planned programme of staff briefings on economic developments and their impact on RTÉ.

Objective 6, Partnerships

Establish and maintain collaborative partnerships and take a leadership role in the creative and digital economies in Ireland

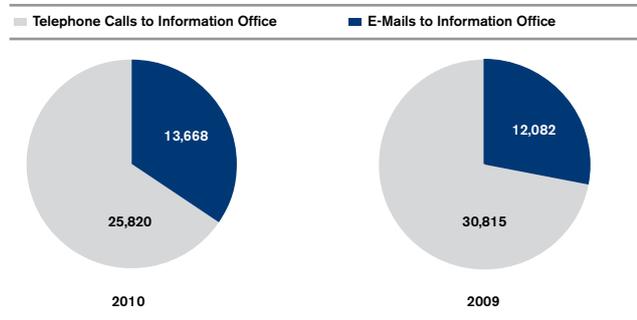
RTÉ has met all of its targets under this objective.

Green: Targets met or exceeded

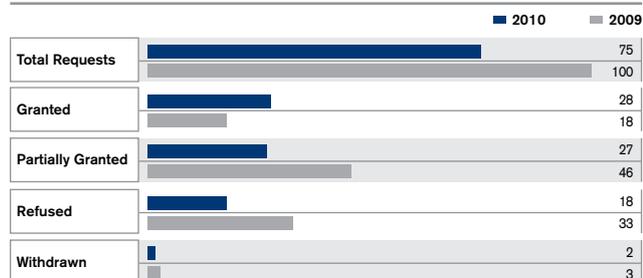
- RTÉ extended its collaborative relationships with the Independent Sector and has exceeded its required statutory spend by more than €14 million, spending a total of €54 million on independent commissions. RTÉ hosted open days briefing Independent Radio Producers. The Independent Radio Productions (IRP) was up and running in March and IRP productions airing over the summer. A second commissioning round took place in October. RTÉ proposed training initiatives to the BAI, which will be funded by RTÉ.
- RTÉ hosted the FIAT / IFTA International Conference 2010 in Dublin, hosted the RTÉ Media Sales Conference and co-hosted the EBU Digital Radio Conference in Belfast with BBC Northern Ireland.
- RTÉ Performing Groups have documented a network of partnership contacts, including local authorities, Electric Picnic, the Cork Opera House and the Carlow Opera Project.
- Targets around supporting cultural and minority interest events have been exceeded with an RTÉ presence at more than the three committed events, RTÉ Radio coverage of five arts festivals and three student drama events.
- There were a significant number of new faces on RTÉ Television and Young Peoples programmes and six new voices on RTÉ Radio.
- Commitments to foster creativity, new ideas and cultural expression were met. RTÉ Radio commissioned two new musical works and produced three CDs supporting Irish and Irish-based composers, RTÉ Television commissioned new feature length dramas and RTÉ Radio established the first Electroacoustic Composition Competition.
- RTÉ committed to exploring new creative and cultural partnerships and all targets were met, including contributing to the international Gateway Ireland portal (Global Irish Economic Forum) and attending a Gateway Ireland seminar.

Other Statistical Information

RTÉ Information Unit - enquiries handled



Freedom of Information Requests to RTÉ



Complaints to Broadcasting Authority of Ireland about RTÉ Output



In 2010, the BAI upheld five complaints concerning a Prime Time report on school management structures. Of the remaining six complaints, three were upheld against various programmes and three related to advertisements broadcast by RTÉ.

RTÉ Awards 2010

RTÉ won 147 awards this year – an increase of 35% on last year. There were 214 nominations (2009: 213). RTÉ Radio, Television, News and Current Affairs and RTÉ.ie all performed successfully in the major competitions at home and abroad.

RTÉ Radio awards included a prestigious Prix Europa award, 11 awards at the New York Festivals and 24 PPI Awards, including nine Gold Medals. Other awards included The New York Festivals TV (4); Celtic Media (6); Radharc (2); Justice Media (2); Medical Media (3); Digital Media (5); The Appys (4) and 20 IFTA Awards. Prestigious European awards featured strongly this year with European Year Journalist, Prix Jeunesse, EBU Connect, European Independent Film Festival, European Religious Television Festival and the Cinéma Tous Ecrans awards. RTÉ's in-house Promotions and Programme Design teams also won significant industry awards.

Competition	Entry	Category
Agricultural Journalism Awards	Higher Ground	National Broadcast
Ake Blomstrom Award	Eight Years On: Christopher Cleary	Scholarship Award
British Animation Awards	The Secret Of Kells	Best European Feature
Cancon CVB International Journalism Awards	Deirdre Mullins, rte.ie/travel	Internet Category: Honourable Mention
Cartoons On The Bay, Italy	Granny O'Grimm's Sleeping Beauty	Best Animated Character
Celtic Media Festival	If I Should Fall Behind	Short Drama
Celtic Media Festival	Jump, Spin, Grind	Children's, TV
Celtic Media Festival	Looking For Fairytale Castles	Radio Documentary
Celtic Media Festival	Prime Time Investigates: Travellers - On The Edge	Current Affairs
Celtic Media Festival	The Secret Of Kells	Animation
Celtic Media Festival	Seamus Heaney: Out Of The Marvellous	Arts
Cinanima Short Film Festival, Portugal	Granny O'Grimm's Sleeping Beauty	Best Animated Film - Special Mention
Cinema Tous Écran	Love/Hate	Best Series
Cork Film Festival	Passing	Best Irish Short Film
Corona Fastnet Film Festival	Tufty	Shorts: Best Direction
Corona Fastnet Film Festival	Tufty	Shorts: Best Original Music
Crossroads Film Festival, Mississippi	The Last Confession Of Alexander Pearce	Best Narrative Feature
Crystal Clear Literacy Health Awards	Operation Transformation	Best Health Communication Through Journalism
David Manley Emerging Entrepreneurs Awards	The Business: John Murray	Media Award
Desmond Wetttern Maritime Media Awards	Tom MacSweeney, Marine Correspondent	For Raising Awareness Of Maritime Issues
Digital Media Awards	Documentary On One	Best In Podcasting: Gold
Digital Media Awards	Granny O'Grimm's Sleeping Beauty	Special Merit Award For Outstanding Achievement
Digital Media Awards	Morning Ireland	Best In Media: Silver
Digital Media Awards	RTÉ News Now	Best In Media: Bronze
Digital Media Awards	RTÉ Player	Best Digital Design: Bronze
EBU Connect Awards	Late Late Toy Show: Nigel Gordon	Silver: Comedy, Reality or Entertainment Promo
Entertainment.ie Awards	Rick O'Shea	Sexist Radio Voice
Entertainment.ie Awards	The Colm and Jim Jim Show	Best Breakfast Show
European Independent Film Festival	The Last Confession Of Alexander Pearce	Best Non-European Dramatic Feature
European Religious Television Festival	Would You Believe: My Father's House	Best Documentary
European Year Journalist Award	Music Changes Lives	To mark Year for Combatting Poverty and Social Inclusion
Hot Docs, Canada	Autumn Gold	Filmmaker's Award
HSE Community Games Media Awards	Ciarán Mullooly	For contribution to awareness
Hugo Awards, Chicago International Film Festival	A 100 Dead People In My Truck	Gold Plaque: Social/Political Documentary
IFTA Awards	Blood Of The Irish	Documentary Series
IFTA Awards	Grand Slam Journey	Sports
IFTA Awards	Harper's Island: Elaine Cassidy	Actress In A Lead Role
IFTA Awards	On The Block: Tory Island	Children's/Youth
IFTA Awards	Ondine: Anna Rackard	Production Design, Film
IFTA Awards	Ondine: Colin Farrell	Actor In A Lead Role, Film
IFTA Awards	Ondine: Deasy, Johnson and Gaines	Sound, Film
IFTA Awards	Ondine: Dervla Kirwan	Actress In A Supporting Role, Film
IFTA Awards	Runners	Short Film
IFTA Awards	Seamus Heaney: Out Of The Marvellous	Single Documentary
IFTA Awards	The Frontline	Current Affairs
IFTA Awards	The Secret Of Kells	Animation
IFTA Awards	Tomm Moore	Rising Star
IFTA Awards	Zonad: Brian Byrne	Original Score
IFTA Awards	Father & Son	Actor In Supporting Role: TV: Stephen Rea
IFTA Awards	Father & Son	Script TV: Frank Deasy
IFTA Awards	The Clinic	Drama Series/Soap

Competition	Entry	Category
IFTA Awards	The Eclipse	Best Feature Film
IFTA Awards	The Eclipse: Aidan Quinn	Actor In Supporting Role: Film
IFTA Awards	The Eclipse: Conor McPherson, Billy Roche	Script Film
Inside Film Awards (Australia)	The Last Confession Of Alexander Pearce	Best Documentary Award
Institute Of Designers In Ireland Awards	Does God Hate?	Title Design And Branding
Institute Of Designers In Ireland Awards	Podge And Rodge's Stickit Inn	Set Design: Highly Commended
Institute Of Designers In Ireland Awards	RTÉ Sports Awards 2009	Title Design And Branding: Highly Commended
Institute Of Designers In Ireland Awards	RTÉ Two Rebrand	Title Design And Branding: Highly Commended
Institute Of Designers In Ireland Awards	That's All We've Got Time For	Set Design
Institute Of Designers In Ireland Awards	The Frontline	Set Design: Highly Commended
Irish Contract Cleaning Awards	Cleaner Of The Year : Momentum, Jacek Worcik	Offices Over 100,00 Square Feet
Irish Medical Media Awards	Fergal Bowers on Tallaght X-Ray Backlog	Journalist Of The Year
Irish Medical Media Awards	Nationwide Report on Men's Health	News - Consumer Broadcast
Irish Medical Media Awards	Prime Time Investigates: A Shocking Truth - The Michael Shine Scandal	Documentary: Consumer Broadcast
Justice Media Awards	Prime Time: Crime And Punishment	TV Documentary
Justice Media Awards	Six One News: Community Service	TV Documentary
Kerry Film Festival	Passing	Best Short
Kerry Person Of The Year	Daithí Ó Sé	Person Of The Year
Kidscreen	Aisling's Diary: TV Movies	TV Movie
Leinster Society of Chartered Accountants	RTÉ Annual Report	Statutory Unquoted Large Entities
Malibu Film Festival	Runners	Best International Short Film
Net Visionary Awards	RTÉ Player	Best Business Video and Podcasting
New York Festivals Radio	8 Years On	Human Relations: Bronze World Medal
New York Festivals Radio	Annotated Jack	Profiles/Community Portraits: Silver World Medal
New York Festivals Radio	Dancing With Two Left Legs	Human Relations: Bronze World Medal
New York Festivals Radio	Deadly Sleeper	Health/Medical: Finalist Certificate
New York Festivals Radio	Forgotten People	Best Editing: Silver World Medal
New York Festivals Radio	Grace Notes: Scots Traditional Awards	Best Music Special: Bronze World Medal
New York Festivals Radio	Silver Stars Unplugged	Culture And Arts: Silver World Medal
New York Festivals Radio	Songs From The Inside	Educational: Finalist Certificate
New York Festivals Radio	The Blue Tar Road	Music Special :Bronze Award
New York Festivals Radio	The Carberry's - Running In The Family	Sports Commentary/Analysis: Finalist Certificate
New York Festivals Radio	The Runners	Social Issues/Current Affairs: Gold World Medal
New York Festivals Television	A 100 Dead People In My Truck	Health/Medical Information: Gold Medal
New York Festivals Television	Seamus Heaney: Out Of The Marvellous	Arts : Bronze Medal
New York Festivals Television	The House	Community Portraits: Bronze Medal
New York Festivals Television	Single Handed 3	Drama: Silver Medal
Newport International Film Festival	The Last Confession Of Alexander Pearce	Special Jury Prize
Oireachtas Media Awards	Daithí Ó Sé	Gael Star Of The Year
Oireachtas Media Awards	Rónán Beo@3	Radio Series Of The Year
Oireachtas Media Awards	Rónán MacAodha Bhuí	Radio Personality Of The Year
People Of The Year Awards	Gerry Ryan	For Services To Irish Broadcasting
PPI Awards	Ball Busters	Sports: Silver Award
PPI Awards	Cian McCormack	News Reporter Of The Year: Gold Award
PPI Awards	Countrywide	Speech Driven Magazine Programme: Silver Award
PPI Awards	Dave Fanning	Specialist Music Broadcaster Of The Year : Gold Award
PPI Awards	Deirdre Gribbin Special	New Irish Music/Musical Talent Programme: Silver Award
PPI Awards	Documentary On One: 8 Years On	Documentary: Gold Award
PPI Awards	Drivetime: The Murphy Report	Current Affairs Programme: Gold Award
PPI Awards	Glórtha ón Ghorta	Craolthoireacht Le Gaeilge: Gold Award
PPI Awards	In My Place (RTÉ Junior)	Short Feature: Bronze Award
PPI Awards	Jim Jim's Bits	Entertainment Inserts : Bronze Award
PPI Awards	Larry Gogan	Outstanding Achievement Award
PPI Awards	Liveline	Community/Social Action Programme: Silver Award
PPI Awards	Morning Ireland	News Programme: Silver Award
PPI Awards	Morning Ireland - 25th Anniversary Programme	Innovation: Silver Award
PPI Awards	Nob Nation	Entertainment Inserts: Gold Award
PPI Awards	Philip Boucher Hayes	News Reporter Of The Year : Silver Award
PPI Awards	Portrane - The Big Move	On-The-Air Promotion: Bronze Award

RTÉ Awards 2010 (continued)

Competition	Entry	Category
PPI Awards	RTÉ 2fm	Music Station Of The Year: Bronze Award
PPI Awards	RTÉ lyric fm	Music Station Of The Year : Gold Award
PPI Awards	RTÉ Radio News At One	News Programme : Gold Medal
PPI Awards	Seán O'Rourke	News Reporter Of The Year : Gold Award
PPI Awards	The Blue Tar Road	Music Special: Bronze Award
PPI Awards	The Mooney Show	Music Special: Gold Award
PPI Awards	The Tubridy Show: OB Natural History Museum	Speech Driven Show : Bronze Award
Prix Europa	The Runners	Radio Documentary
Prix Jeunesse	The Shrinks	7-11 Non Fiction
Radharc Awards	Music Changes Lives	Highly Commended
Radharc Awards	The House	Best Irish Documentary Film
Radio Advertising Awards	Licence Fee Ad ("Auntie")	Best Business - Financial, Insurance, Assurance
RNLI Maritime Person Of The Year Award	Tom MacSweeney, Maritime Correspondent	For contribution to maritime awareness
Screen Music Awards, Australia	The Last Confession Of Alexander Pearce	Best Music For A Telemovie
Shanghai International Film Festival	Ondine	Christopher Doyle Golden Goblet Award for cinematography
Sydney Morning Herald TV Awards	The Last Confession Of Alexander Pearce	Best Local Telemovie
The Accolade Competition	Seamus Heaney: Out Of The Marvellous	Documentary Feature: Award Of Merit
The Accolade Competition	Single Handed 3	Drama Program/Series: Award Of Excellence
The Appys	RTÉ News App	Best Apple App
The Appys	RTÉ News App	Best Media App
The Appys	RTÉ News App	Overall Grand Prix App
The Appys	RTÉ Sports App	Best Sports App
Travel Extra Journalism Awards	Kathryn Thomas: No Frontiers	Television
Travel Extra Journalism Awards	Valerie Cox: Drivetime	Radio
Tregor International Film Festival	The Last Confession Of Alexander Pearce	Best Film, Under 60 Minutes
TV Now Awards	Anne Doyle	Favourite News/Current Affairs Presenter
TV Now Awards	Bill O'Herlithy	Favourite Sports Presenter
TV Now Awards	Gerry Ryan	Hall Of Fame Award
TV Now Awards	Kathryn Thomas	Favourite Female Presenter
TV Now Awards	Ryan Tubridy	Favourite Male Presenter
TV Now Awards	The Clinic	Favourite Drama
TV Now Awards	The Late Late Show	Favourite Irish TV Show
TV Now Awards	Tony Tormey	Favourite Male Soap Star
UCD	John Bowman	Award For Services To Broadcasting
UCD Smurfit Business Journalist Awards	David Murphy	Business Interview Category
VIP Style Awards	Daithí Ó Sé	Most Stylish Man In Ireland
Waterford Institute Of Technology	Michael Ryan	Honorary Fellowship Award

RTÉ Acquired: RTÉ continues to licence international series of the highest quality, which won the following awards in 2010:

Golden Globes	Mad Men	Best Television Drama
Golden Globes	The Good Wife: Julianna Margulies	Best Actress, TV Series Drama
Golden Globes	United States Of Tara: Toni Collette	Best Actress, TV Series Comedy/Musical
Primetime Emmy Awards	Mad Men	Outstanding Writing, Drama Series
Primetime Emmy Awards	Mad Men	Outstanding Drama Series
Primetime Emmy Awards	Nurse Jackie: Edie Falco	Outstanding Lead Actress, Comedy Series
Primetime Emmy Awards	The Big Bang Theory: Jim Parsons	Outstanding Lead Actor, Comedy Series
Primetime Emmy Awards	The Good Wife: Archie Panjabi	Outstanding Support Actress, Drama Series

Financial History

	IFRS 2010 €'000	IFRS 2009 €'000	IFRS 2008 €'000	IFRS 2007 €'000	IFRS 2006 €'000
INCOME STATEMENT					
Television Licence Fees	195,968	200,217	200,852	195,699	182,835
Commercial income	175,699	174,704	239,908	245,453	222,186
Total revenue	371,667	374,921	440,760	441,152	405,021
Operating costs	(376,597)	(389,393)	(460,510)	(430,189)	(403,660)
(Deficit) / Surplus before financing and tax	(4,930)	(14,472)	(19,750)	10,963	1,361
Finance income	1,737	1,826	5,363	3,970	2,392
Finance expense	(735)	(661)	(764)	(1,534)	(1,227)
Net defined benefit pension related finance income / (expense)	116	(2,814)	5,725	16,184	14,485
Tax	(850)	(339)	9,459	(3,154)	937
(Deficit) / Surplus before Exceptional Item	(4,662)	(16,460)	33	26,429	17,948
Exceptional Item (restructuring charge)	-	(11,341)	-	-	-
(Net Deficit) / Surplus for the year	(4,662)	(27,801)	33	26,429	17,948
BALANCE SHEET					
Non-current and current assets					
Property, plant and equipment	92,115	98,286	108,931	79,096	80,012
Intangible assets	3,329	4,711	4,973	4,515	3,346
Pension assets	3,861	9,208	-	17,535	13,872
Inventories	35,663	37,156	41,314	44,387	41,453
Other assets	118,527	112,625	134,418	175,922	154,855
Total assets	253,495	261,986	289,636	321,455	293,538
Non-current and current liabilities					
Employee benefits - restructuring provision	19,708	24,150	16,343	17,439	20,510
Deferred tax liability	-	969	-	10,365	11,471
Pension liability	-	-	86,617	-	-
Other liabilities	96,488	91,432	112,413	112,922	100,487
Total liabilities	116,196	116,551	215,373	140,726	132,468
Equity	137,299	145,435	74,263	180,729	161,070
Total equity and liabilities	253,495	261,986	289,636	321,455	293,538
CASH FLOW					
Net cash generated from operating activities	14,481	9,323	18,437	31,224	25,611
Net cash flow from acquisition of property, plant, equipment and intangible assets	(11,732)	(20,506)	(45,907)	(22,689)	(13,612)
EMPLOYEE HEADCOUNT					
RTÉ	2,151	2,214	2,351	2,307	2,283
Total at 31 December	2,151	2,214	2,351	2,307	2,283



RTÉ

Raidió Teilifís Éireann
Donnybrook
Dublin 4

T: 01 208 3111
F: 01 208 3080

www.rte.ie