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Raidió Teilifís Éireann Board

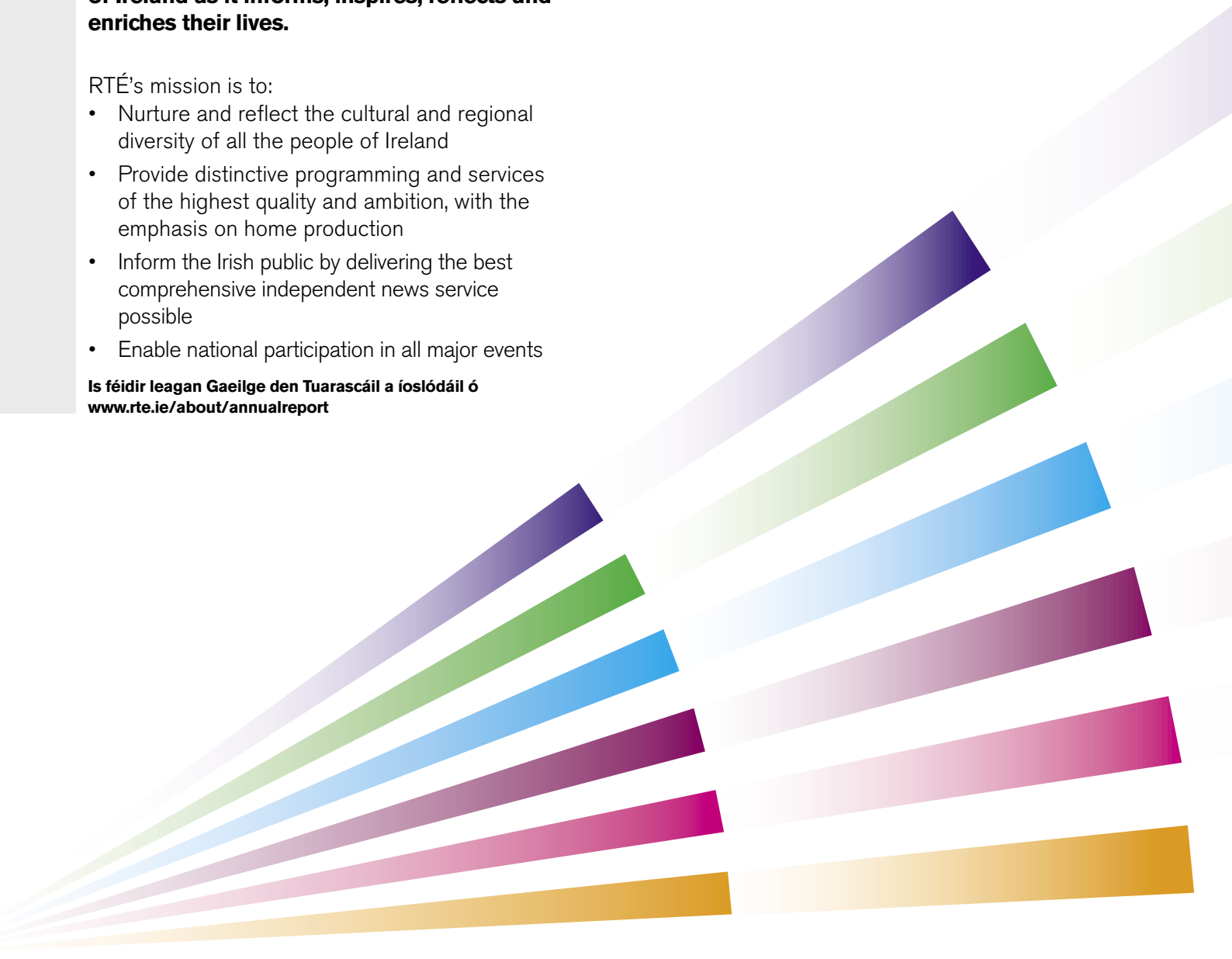
49th Annual Report and Group Financial Statements for the 12 months ended 31 December 2009, presented to the Minister for Communications, Energy and Natural Resources pursuant to section 109 of the *Broadcasting Act 2009*.

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

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



Highlights



Whether it's Ireland winning the Grand Slam or Bernard Dunne winning the world title, throughout 2009 RTÉ continued to provide **live sporting action** and analysis **free-to-air** for everyone



The Heaney At 70 celebrations in April across all of RTÉ's services were a fitting and **special tribute** to one of Ireland's most exceptional creative talents



RTÉ's comprehensive reporting on the floods in November was a clear demonstration of RTÉ's **commitment to local communities**



RTÉ incurred a **deficit of €16.5* million** in 2009 based on Revenues of €375 million



In April RTÉ launched the **RTÉ Player**, an industry leading online TV catch up service

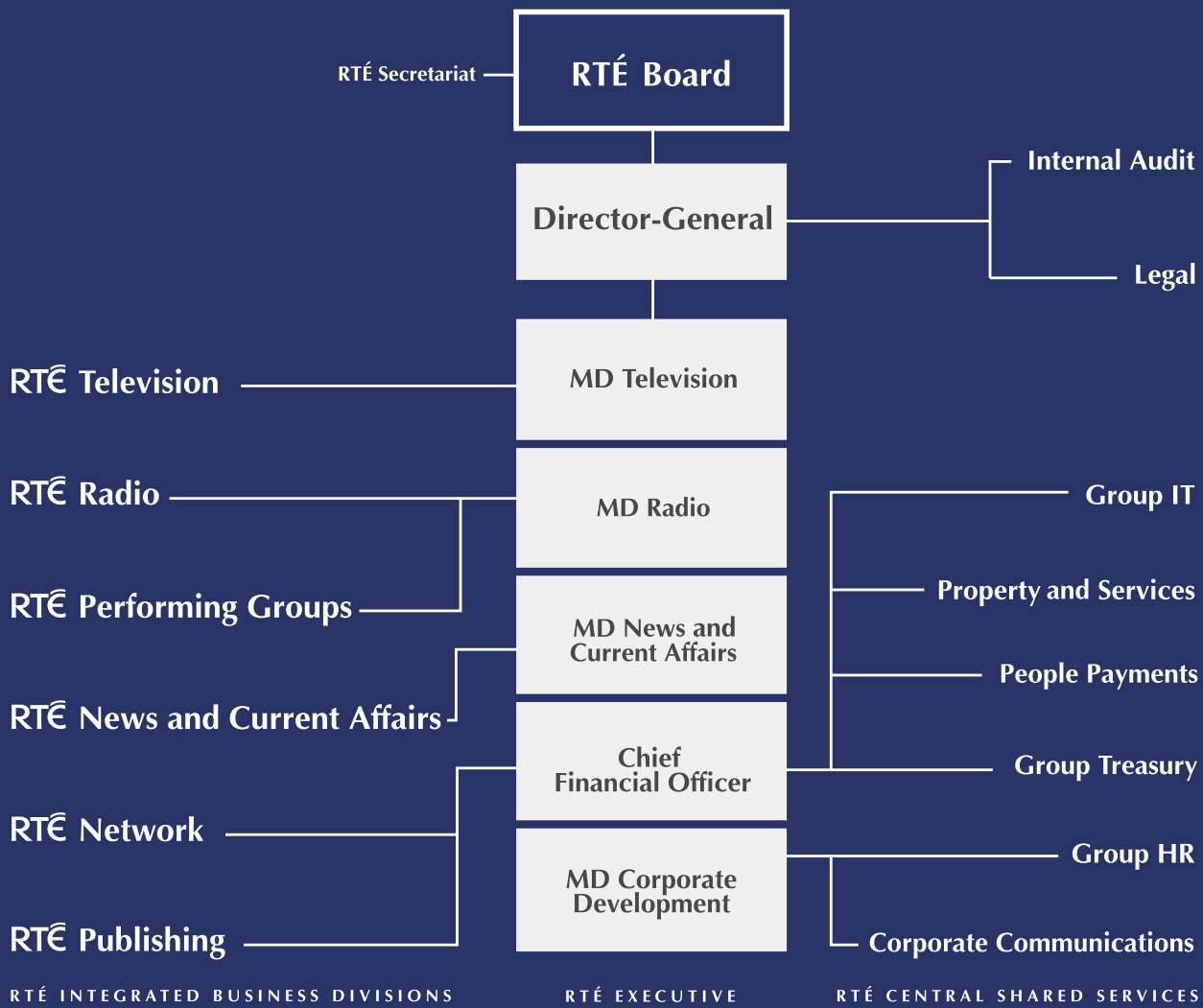


Overall **operating cost savings of €71.1 million** were achieved in 2009, a cost reduction of some **15%** compared to 2008

* before an Exceptional Item (Restructuring charge) of €11.3 million.

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 four 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 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

The effect during 2009 of the global and domestic economic crisis on Ireland, a small open economy, was profound. Unemployment rose sharply, businesses struggled to survive and the Government was forced into making difficult choices. Anger, frustration and recrimination dominated politics and public discourse through the year as many with much to lose felt desperately vulnerable and feared their ambitions for themselves and their families had been severely undermined.

statement

Within this context RTÉ became a central forum for debate and discussion throughout the year. Public service media play an important role in difficult and uncertain times. During 2009 the trust that RTÉ has earned with its audience over many years became critical as people tuned to our services in growing numbers to try to make sense of the turbulent events shaping their lives.

As a dual funded broadcaster reliant on commercial and licence fee income, RTÉ also faced a turbulent year. By a combination of adverse domestic economic pressures together with the collateral impact of the deepest global recession in decades all advertising spending, especially television advertising, was significantly reduced during 2009. As a result and as this report details, RTÉ suffered a major decline in its commercial revenue. This in turn required decisive and difficult action by the Board and the Executive to reduce costs and protect revenues, while at the same time fulfilling our statutory obligations, protecting our schedules and maintaining employment as best we could. Through a range of measures RTÉ turned a large predicted potential shortfall into a manageable operating deficit for the year. This was a considerable achievement.

As part of the savings achieved I am proud to report that RTÉ, in July 2009, became the first public body to agree and implement reductions in basic salary for all staff. In doing so our staff demonstrated a clear understanding and awareness of the difficulties facing not only the organisation in which they work but faced by many of our audience too.

It is this understanding of our audience that has enabled RTÉ, against a difficult financial backdrop, to continue through 2009 to innovate and put on air, on screen and online the best programming and content. For example 2009 saw: the launch of an entirely new online platform, the RTÉ Player; the renewal of the longest running TV talk show in the world; the provision of an entirely new forum for current affairs debate on Monday nights; and - each quarter - rising RTÉ Radio listenership figures. At a time when competition has never been greater and resources are reduced, increased productivity, creativity and resourcefulness were required from all staff to continue to fulfil our public purpose and deliver for our audience. It says a lot about an organisation that staff who have endured painful adjustments in pay, budget cutbacks and the disruption caused by staff departures, continue to put the public first.

Through a range of measures RTÉ turned a large predicted potential shortfall into to a manageable operating deficit for the year. This was a considerable achievement.



The establishment of a **viable digital alternative** to analogue transmission is a key strategic priority for RTÉ.

The *Broadcasting Act 2009* (Act) was passed into law in July 2009. The Board welcomes its enactment and the consolidation of all broadcasting legislation into one Act. The Act contains a significant number of measures which impact upon RTÉ both financially and from a governance perspective. It will take time before the full effects of the Act are felt by broadcasters but the Board would hope that in the context of the current commercial pressures on the sector, the discretionary financial provisions within the Act be carefully considered. I wish the new Broadcasting Authority of Ireland (BAI) well and look forward to developing a positive relationship between the Authority and RTÉ.

The establishment of a viable digital alternative to analogue transmission is a key strategic priority for RTÉ. Delays during 2009 in securing an agreement with a commercial DTT operator have meant key steps towards the establishment of a compelling digital alternative for the public have also been critically delayed. Given the looming deadline of 2012 for switching off analogue transmission, the Board hopes that timely progress can be made during 2010 to ensure Irish viewers have access to the best that digital technologies can offer, free-to-air.

2009 would seem like an unlikely time to launch ambitious long-term plans for the redevelopment of the RTÉ campus in Donnybrook but the fast changing nature of production and broadcast technology obliges us to plan and provide for the future. While the realisation of Project 2025 is a number of years away, the redevelopment - if realised - will secure RTÉ's future position at the centre of the Irish media landscape for many years to come.

Finally, I would like to thank my colleagues on the Board for their dedication and support, the Executive and the staff of RTÉ whom I am proud to represent, and of course the viewers and listeners who continue to place faith in us every day and every night. I would also like to thank Minister Ryan for his enthusiasm and trust, and his officials in the Department of Communications, Energy and Natural Resources for their courtesy and cooperation during the year. 2010 will bring new challenges as the economic environment remains very uncertain.

Underpinning all our efforts will be our stated aim of protecting output and jobs as best we can, while fulfilling our public purpose.

Tom Savage

Director-General's Review

The RTÉ Annual Report for 2008 reflected a changed world and anticipated significant challenges in 2009. The extent of those challenges was not fully appreciated even by the most prescient of observers. For RTÉ the very real and ever growing financial pressures were matched by the requirement to continue to fulfil our core public purpose and plan responsibly for the future. Throughout 2009 we continued to serve the audience by keeping our programming competitive and relevant; to provide coverage of key events in the exercise of democracy; to celebrate creative excellence; to adapt to a new regulatory dispensation and to progress RTÉ's transition to a fully digital environment.


Review

This Report and Group Financial Statements detail the major decline in commercial revenue in 2009 and the resolute response by RTÉ to arrest that decline. Early in 2009, RTÉ forecast a potential shortfall in commercial revenue for the year of the order of €68 million. In response RTÉ introduced a series of cost reduction and revenue protecting measures to offset the shortfall while protecting output and employment to the greatest extent possible. Every area of expenditure was addressed. Personnel Related Operating Costs, which account for approximately 50% of RTÉ's Total Operating Costs, were reduced through a series of concerted actions. These included, among many measures, negotiated pay cuts by all members of staff, the suspension of all performance related pay, the introduction of early retirement and incentivised career break schemes and reductions in travel and subsistence costs. Equally, contractors and third parties have responded positively to the changed circumstances and played a major part in achieving very significant and necessary savings. The anticipated shortfall of €68 million was reduced through these actions to a Deficit for the year of €16.5 million before an Exceptional Item (Restructuring charge) of €11.3 million.

As will be apparent from the reviews of the activities of individual Integrated Business Divisions which follow, the focus on cost reduction and containment involved difficult choices and had knock-on effects – the full impact of which may only be wholly appreciated in 2010. But despite the challenges, the services RTÉ offers to the audience continued to find favour across the board. This is most evident in the continuing strong performance of RTÉ Radio 1 and RTÉ One and in the dynamic growth in unique users and page impressions for RTÉ.ie. Any temptation towards complacency is tempered by the full appreciation that RTÉ 2fm and RTÉ Two have performed less well. Initiatives to address slippage in these services' performance with the target audiences are already under way.

We can reflect with satisfaction on comprehensive coverage of the European and Local Elections' campaigns and counting of results on all media. In the same manner, the challenges of engaging with a second referendum on the Lisbon Treaty were met with fresh programming and information initiatives on RTÉ Radio, RTÉ Television and RTÉ.ie. Sporting highlights included the memorable capture of The Grand Slam in The Six Nations' Rugby Championship, Kilkenny's fourth in a row McCarthy Cup and Kerry's supremacy in Gaelic Football. RTÉ Television also saw Pat Kenny step down as presenter of *The Late Late Show* after ten very successful years and effect a telling transition to *The Frontline* where his skills are fully utilised in facing the pressing issues of the day in a new and fresh way. Ryan Tubridy moved with aplomb and acclaim to Friday nights and *Prime Time* and *Prime Time Investigates* were the benchmark for authoritative current affairs programming throughout the year. The celebration of Seamus Heaney's 70th birthday in April across RTÉ services was a real highlight and a strong example of what can be achieved when the whole of RTÉ works together. As indeed was RTÉ's comprehensive coverage of the flooding in November which was a clear demonstration of the strength of our national network and the genuine commitment to local communities of RTÉ's regional teams.

Despite the depressed economic climate and financial pressures, RTÉ, working within existing resources, launched the RTÉ Player in 2009. The new online TV catch-up service has already proved a real success, underlining the changes in viewing and access behaviour which will characterise our engagement with our various audiences in the digital age. Building on that success and on our commitment to the Irish Diaspora, the international version of the RTÉ Player was designed as the natural extension of the domestic facility and its launch was achieved as planned at the start of 2010.



RTÉ's range of services in both Irish and English is what makes RTÉ special and worth all our concerted efforts to preserve, maintain and develop in its role at the centre of Irish life.

RTÉ, working within existing resources, **launched the RTÉ Player** in 2009

The *Broadcasting Act 2009* came into operation in July 2009. From its enactment flow a number of consequences for RTÉ - the full impact of which will only be measured with the passage of time. The immediate effects are: the regulatory oversight of RTÉ in the performance of its statutory obligations is now a function of the Broadcasting Authority of Ireland (BAI); the increase in the minimum required spend by RTÉ with the Independent Production sector to €40 million per annum; the introduction of a new statutory requirement for a minimum spend in the independent radio production sector; the increase in the percentage of net licence fee revenues ring-fenced for the BAI's Sound & Vision Scheme from 5% to 7%; and the introduction of a new funding mechanism for the BAI through a levy charged on all qualifying broadcasters including RTÉ. RTÉ looks forward positively to the new regulatory relationship with the BAI and to improved transparency in the discharge of its statutory obligations. 2010 will see further initiatives flowing from the new legislation and we look forward to consultation across a number of areas with the aim of building on RTÉ's core proposition of Putting The Audience First.

The transition to a digital world continues apace notwithstanding current financial difficulties. The most obvious immediate pressure in this regard is the looming requirement for analogue switch-off by the end of 2012. Throughout 2009 RTÉNL, on RTÉ's behalf, continued the construction of infrastructure to support the introduction of Digital Terrestrial Television which will facilitate universal free-to-air reception of licensed services post analogue switch-off. RTÉNL has also been engaged in extensive negotiations with One Vision - the consortium awarded the contract in principle by the BAI to roll-out three additional commercial digital terrestrial multiplexes, following the decision by Boxer, the original chosen contractor, to withdraw from the process. At the time of writing, contracts have not been agreed. It is a matter of growing concern to RTÉ that time pressures will require significant decisions to be made in 2010 which extend well beyond RTÉ's current statutory obligations

and capabilities if a successful and fully coordinated analogue switch-off is to be achieved by the end of 2012.

The current configuration of buildings and production methods on the RTÉ site at Donnybrook bears testimony to the gradual expansion of services over many years. It is clearly unsuitable for the efficient deployment of resources and talent for the digital age. For a period of time now, having looked closely at developments in other countries, RTÉ has been developing a plan for a fully integrated embrace of digital technologies in the phased construction of a multi-media centre on the Donnybrook site. Project 2025 is the articulation of that vision and it has been submitted for consideration for planning permission to the relevant authorities. Its realisation and development are clearly at a remove at the moment, but the formulation of this approach is a clear indication of RTÉ's long term commitment to its audiences through the most efficient deployment of all its resources.

Flexibility, resourcefulness and resolve have been hallmarks of RTÉ's response to the ongoing downturn. We do not anticipate significant changes in the external environment in 2010 and the determination demonstrated during 2009 will continue to focus on what we offer in the most efficient way to our various audiences through music performance, on RTÉ Radio, on RTÉ Television and RTÉ.ie. RTÉ's range of services in both Irish and English is what makes RTÉ special and worth all our concerted efforts to preserve, maintain and develop in its role at the centre of Irish life.

Cathal Goan

Ireland win the 6 Nations Championship



Jamie Heaslip scoring against Scotland during the 2009 Six Nations (Photo: Inpho)

A core part of RTE's mission is to enable national participation in major events. Ireland's Grand Slam victory in the 2009 Six Nations Championship was, after a wait of 61 years, a huge sporting moment for the country. Through extensive coverage on RTE Television, RTE Radio and RTE.ie of the build up, full match coverage and the final homecoming celebrations in Dawson Street in Dublin, RTE allowed the entire country share in our team's historic victory. At a time when much of live professional sport is only accessible through subscription television services, RTE continues to provide live sporting action and analysis free-to-air for everyone.



Operational Review



The cast of *Fair City* celebrating 20 Years



Single-Handed 3 - The Drowning Man - Ciaran O'Malley played by Peter Gowen



The Rutland - Jessica Leonard

RTÉ Television

More than 4,600 hours of indigenous, distinctively Irish programming, were broadcast by RTÉ Television in 2009, against a difficult financial backdrop.

At the heart of everything we do in RTÉ Television is the desire to create programmes that innovate and entertain, that inform and initiate. 2009 saw this ambition realised in many cases across the genres.

RTÉ Drama

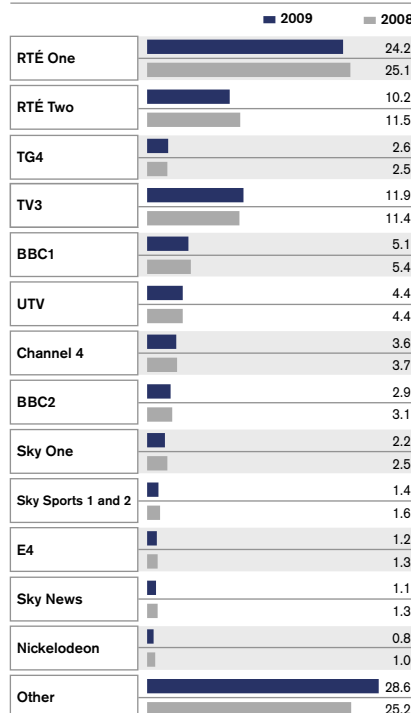
2009 saw *Fair City* celebrating its 20th birthday and RTÉ launch a powerful new drama in *Father and Son*. *Storyland*, a drama writing and producing competition for the web generated a huge online following for *Hardy Bucks*, the winning commission.

UK commercial broadcaster ITV acquired RTÉ drama *Single Handed* for their Sunday evening 9pm slot. Not only was this the first time an RTÉ drama programme was broadcast on ITV primetime in the UK, it also achieved a very healthy 20% share. ITV Regional Scottish Television also acquired *Single Handed* along with the drama series *Proof* and the television movie *'Damage'* for broadcast in primetime.

RTÉ Factual

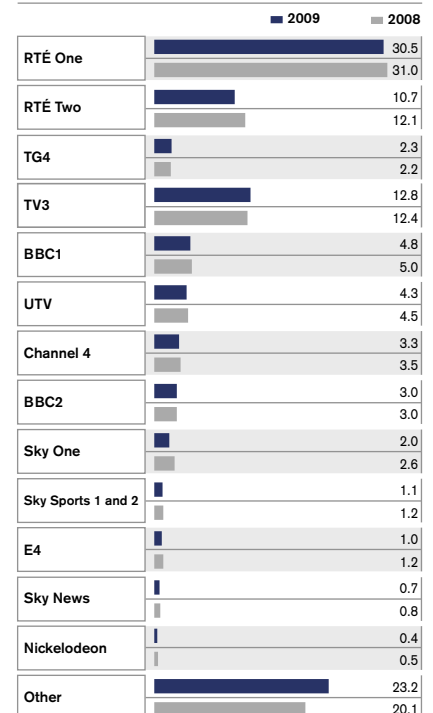
Factual programming reflected, challenged and explored how we view and understand ourselves as a people and as a nation. In *I See A Darkness* and *The Rutland* a spotlight was shone on two taboos in contemporary society: suicide and addiction.

National Individual 4+ All Day Channel Shares



Source: AGB Nielsen Media Research

National Individual 4+ Peaktime Channel Shares



Source: AGB Nielsen Media Research

The Late Late Toy Show

topped the ratings with
1,388,000 viewers



21st Century Child - David Coleman



If Lynch Had Invaded - Jack Lynch



Meet the Neighbours - Oz Raza

Top 10 Programmes 1st January - 31st December 2009 All Channels National Individuals 4+

Rank	Description	Channel	Day	Date	Time	TVR	000s	Share
1	The Late Late Toy Show	RTÉ One	Fri	27/11/2009	21:34 - 23:38	33.51	1388	74.1
2	World Cup Qualifier - Play Off France v Ireland	RTÉ Two	Wed	18/11/2009	19:23 - 23:33	25.92	1074	62.4
3	Six Nations - Wales vs. Ireland	RTÉ Two	Sat	21/03/2009	17:30 - 20:26	22.92	945	66.1
4	RTÉ News: Nine O'Clock	RTÉ One	Sun	08/02/2009	21:02 - 21:21	19.98	824	44.1
5	The X-Factor - The Results	TV3	Sun	22/11/2009	20:00 - 20:56	19.75	818	40.6
6	RTÉ News: Six One	RTÉ One	Wed	30/12/2009	18:02 - 18:27	18.68	774	52.9
7	The Rose Of Tralee	RTÉ One	Tue	25/08/2009	21:38 - 23:30	18.08	748	53.3
8	Sunday Game Live Hurling Final Tipperary vs Kilkenny	RTÉ Two	Sun	06/09/2009	15:30 - 17:39	18.05	748	64.9
9	The All Ireland Talent Show	RTÉ One	Sun	08/02/2009	18:32 - 19:28	17.44	719	44.5
10	All Ireland Talent Show - Results	RTÉ One	Sun	08/02/2009	20:31 - 20:58	17.38	716	39.2

Source: AGB Nielsen Media Research

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

Minimum programme duration is 20 minutes.

More than **4,600**
hours of indigenous,
distinctively Irish
programming,
were broadcast by RTÉ
Television in 2009

Among the landmark documentary series broadcast were the what-if scenario posited in *If Lynch Had Invaded* and the merging of science and cutting-edge genealogical science in *Blood of the Irish*. The riches of the RTÉ archive were harnessed in stories about epidemics in *Outbreak* and changes in rural life *The Way We Worked* amongst others; innovations in religious programming included new series *Spirit Level* and *Meaning of Life* and a new look for the *Angelus*. Arts documentaries complementing the weekly Arts digest *The View*, ranged from *Seamus Heaney Out Of The Marvellous*, commissioned as a cross-media project to mark the poet's 70th birthday, to the social history captured in *The Riordans: Tea, Taboos and Tractors*.

A dedicated Documentary Unit was established for in-house production, while a rolling commissioning system for independent producers was introduced. Both initiatives bore fruit in 2009, bringing a season of documentaries and short vignettes capturing personal experiences from a transformative year in Irish history.

RTÉ Diversity

Programming portraying the experience of the new Irish, including *Meet The Neighbours* and *Welcome to My World*, were broadcast alongside Cláracha Gaeilge, including *An Bhfuil Cead Agam?*, in which parents were catapulted into student life in the Gaeltacht, and new series of *Oileán*, *Scannal* and *Garda Ar Lár*. Aspects of life from all corners of the country were covered in rural entrepreneur series *Higher Ground* alongside the continuing success of *Ear to the Ground*.

Programming targeted at distinct audiences included *Written Off* for those with literacy difficulties, but which brought in a broader audience, and *Hands On* for the hard-of-hearing. The country's young were treated to clinical psychologist David Coleman's two series focussed at either end of the youth spectrum: *21st Century Child*, looking at early childhood, and *Teens in the Wild*, which concentrated on understanding and helping teenagers and their families.

RTÉ Lifestyle

Contemporary lifestyles were explored across themes from fashion in *Off The Rails* to interior architecture in *Room To Improve*; from the galvanising and energising cross-platform call to lose weight and get fit in *Operation Transformation* to *Living Lightly*, which reflected the recessionary appetite to live more frugally and also captured in the cross-platform event *Spend Clever & Live Better*.

Subtitling hours RTÉ Television

	2009	2008
RTÉ One	4,999	4,885
RTÉ Two	2,999	2,744
All RTÉ	7,998	7,629

Source: RTÉ

Operational Review

Pat Shortt's Mattie maintained Pat's 7-year-long record as Ireland's favourite for Christmas Day



Den Tots - Emma O'Driscoll and Soky



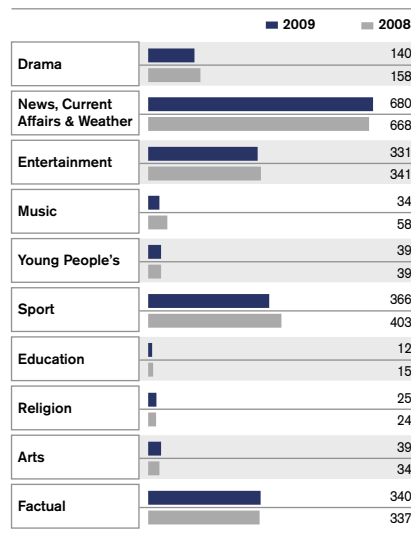
New Late Late Show host Ryan Tubridy



Cast of Mattie

RTÉ Television continued

Indigenous hours broadcast on RTÉ Television in peak time by genre



Source: RTÉ

RTÉ Entertainment

Entertainment was a key genre to raise spirits in harsh times. It delivered the most-watched programme of the decade in *The Late Late Toy Show*, with a 1.38 million audience on average, presented by new host Ryan Tubridy. *The All Ireland Talent Show* was also introduced this year to huge audiences, ensuring its place in the Top 10 of the year while Pat Shortt's *Mattie* maintained Pat's 7-year-long record as Ireland's favourite for Christmas Day. A myriad of new faces were introduced across innovative entertainment programming on RTÉ Two including Maeve Higgins and Dave McSavage, to critical acclaim.

RTÉ Young People's

RTÉ Two's Den – including *Den Tots*, *ICE*, *TTV* and *Two Tube* - is Ireland's only dedicated original programming for young people. Two major animation series were launched: *Ballybraddan* and *Garth & Bev*. These were complemented by a range of other new series

including *C'mon Camán*, in which young players were mentored by established hurlers, and *The Art Factory* in which artists taught children how to create installations, as well as returning series such as *Kazoo*, *The Café*, *Watch Your Language* and *Quizzone*. Innovative cross-media models plugged into young audiences online with the 'home of Irish alternative comedy', *RED*, targeted at teens.

RTÉ Sport

The RTÉ Television Sports Department produced over 700 hours of national and international programming in 2009. The highlights of that programming included the successful campaign of the Irish rugby side to win their first Grand Slam in 61 years and the disappointment of the soccer team who lost their play-off for the World Cup Finals in the most controversial of circumstances. Both broadcasts proved to be events of significant national importance and secured viewing figures that ensured their presence in the Top 10 most viewed programmes of the decade. It is worth noting that both these events were available to the Irish audience on other channels but were watched by multiples on RTÉ.

Wales v Ireland March 2009 (Grand Slam Rugby)

RTÉ	945,000	66% Share
BBC	110,000	8% Share

France v Ireland November 2009 (World Cup Play-Off)

RTÉ	1,074,000 viewers	62% Share
Sky Sports 1	9,000 viewers	0.5% Share

Source: AGB Nielsen Media Research

RTÉ also secured the DVD rights to Ireland's Grand Slam victory, which was awarded to RTÉ by the 6 Nations following intense competition from rival companies. Following a comprehensive marketing strategy the DVD went on to reach number 3 in the Christmas charts with sales of 65,000 units in one of the most difficult retail markets to date.



Brian O'Driscoll with Des Cahill after the Grand Slam victory in 2009 (Photo Inpho)

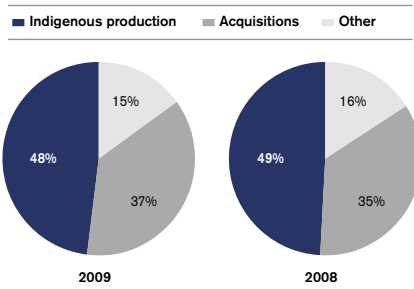


Launch of GAA Championship 2009 on RTÉ



Pride of the Parish - Joe Canning

RTÉ Television peak time content analysis



Source: RTÉ

RTÉ Television Sport also produced live coverage of thirty seven games from the 2009 GAA Championship season and extensive highlights and analysis of every game on the *Sunday Game* throughout the summer months. As part of the commitment to our national games there were a number of special programmes to mark the 125th anniversary of the GAA. With invited audiences that reflected the diversity of the organisation and its achievements, these "special" programmes were particularly well received. Also in 2009, RTÉ Television Sport commissioned a six-part documentary *Pride of the Parish* with funding from the BAI that examined the importance and significance of the local GAA clubs throughout Irish society.

Despite the well documented financial constraints, RTÉ Television Sport continued its commitment to the highest quality programming in all sports in 2009. From International events such as the Champions League, Confederations Cup, Heineken Cup and Premier League to national events in Horse Racing, Basketball, Soccer, Rugby, Hockey, Boxing and Greyhound Racing every effort was made to ensure a broad and relevant range of quality sport for the audience. The year culminated in RTÉ Television Sport host broadcasting the European Cross Country Championships from Santry.

Off-screen there were also significant developments for RTÉ Sport. In an effort to ensure the most coherent service across all platforms and to harness and maximise resources, all four output areas (RTÉ Television, RTÉ Radio, RTÉ News and Current Affairs and RTÉ.ie) responsible for sport have been brought together. This move ensures that RTÉ Sport is well placed for the challenges of 2010 and beyond.

Commercial Activity and Performance

2009 was undoubtedly one of the most difficult years for RTÉ Television driven largely by the significant decline in commercial revenue. In the context of the country's economic crisis the advertising market was one of the most severely impacted. RTÉ Television advertising revenue experienced the full force of the market decline, compounded by retail pressure on FMCG companies and the perceived high cost of television ad production.

In a very significant move and in an attempt to stop spiralling deflation in television advertising prices RTÉ made a decision to suspend its floating price trading mechanism and adopt a fixed price trading mechanism effective from June 2009. This move made it possible to offer stability to the market place. Notwithstanding this, commercial revenue fell in 2009 to the levels experienced in 2003/2004, wiping out the double digit growth witnessed in the intervening period.

While Television advertising declined significantly year on year, sponsorship performed satisfactorily in 2009. It is clear that clients see the value of engaging in this activity, including Advertiser Funded Programming, even in difficult times. Some high profile sponsorships during the year included the first production of *Dragons' Den* (Bank of Ireland), Ryan Tubridy's new *The Late Late Show* (Quinn Group), *Fair City* (Kelloggs), Ireland's World Cup Qualifiers (Eircom) and *EastEnders* (Reid Furniture).

Cross Media projects also performed appropriately in a difficult year. Key projects during the year included the cross-IBD sponsorship of the *All Ireland Talent Show* by Maxwell House, Airtricity's *Spend Clever & Live Better* sponsorship during September/October, and Bord na Mona's *In for the Night* themed sponsorship across the last quarter.

Operations

The Avid Interplay system was rolled-out in 2009 to programme makers for the viewing and editing of material. This will give programme makers even more control over their content.

Secondly, 2009 saw the start of electronic acquisition of content direct onto servers. All programmes bought from the BBC are now delivered direct to a server rather than being copied onto tape and sent via courier. The saving in time and money is significant and has cut the time to air significantly. The system will be rolled out to other content providers as soon as possible.





Photo: John Minihan

Commemorating Seamus Heaney's 70th birthday

Over the Easter weekend 2009 RTE celebrated the 70th birthday of Nobel Laureate Seamus Heaney with a range of output on RTE Radio, RTE Television and RTE.ie. Ranging from a live interview with Marian Finucane on RTE Radio 1; to specially commissioned works by the RTE Vanbrugh Quartet; to a landmark 15-CD box set of the poet reading his own Collected Poems, RTE's Heaney At 70 celebrations were a fitting and special tribute to one of Ireland's most exceptional creative talents. See www.rte.ie/heaneyat70

Operational Review

RTÉ Radio



Cathal MacCoille, Aine Lawlor, David Hanly, David Davin Power celebrating 25 years of *Morning Ireland*



Joe Duffy of RTÉ Radio 1's *Liveline*

Top 10 All-Week National Radio Programmes - Adults 15+ Timeblock Reach for National Commercial Stations January - December 2009

Rank	Programme	Station	Timeblock	Period	% Reach	No. of Adults 15+ (000s)
1	Morning Ireland	RTÉ Radio 1	07:00-09:00	Mon-Fri	13%	464
2	Liveline with Joe Duffy	RTÉ Radio 1	13:45-15:00	Mon-Fri	12%	424
3	Marian Finucane	RTÉ Radio 1	11:00-13:00	Sat	11%	381
4	The Tubridy Show	RTÉ Radio 1	09:00-10:00	Mon-Fri	10%	363
5	News at One	RTÉ Radio 1	13:00-13:45	Mon-Fri	10%	357
6	Today with Pat Kenny	RTÉ Radio 1	10:00-12:00	Mon-Fri	10%	339
7	Marian Finucane	RTÉ Radio 1	11:00-13:00	Sun	10%	337
= 8	Playback/ Others	RTÉ Radio 1	09:00-10:00	Sat	9%	310
= 8	The Business	RTÉ Radio 1	10:00-11:00	Sat	9%	310
10	Gerry Ryan	RTÉ 2fm	09:00-12:00	Mon-Fri	9%	307

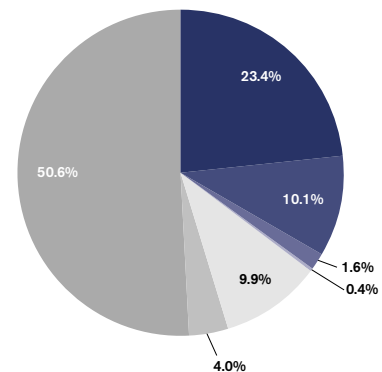
Source: Joint National Listenership Research Surveys Jan - Dec 09 (Ipsos MRBI)

2009 was a year of consolidation for RTÉ Radio with the stations continuing to build on the upward listenership trends of 2007 and 2008.

New arts, documentary and regional programming were introduced against a challenging fiscal backdrop and RTÉ Radio continued strategic development of digital radio and radio on the web; with parallel restructuring in the communications, sales and online divisions. The audience for RTÉ Radio 1 grew across all primetime daytime slots with nine programmes in the JNLR Top 10. RTÉ 2fm retained its position as Ireland's second most-listened-to radio station, with six of the top ten programmes for listeners aged 20 to 44, RTÉ 2fm's new target demographic. RTÉ lyric fm grew its share in Dublin and at weekends. Meanwhile, RTÉ Raidió na Gaeltachta published one of its most promising survey results in years. The TNS MRBI (now Ipsos MRBI) report recorded the highest station reach since surveys began; reach was recorded at 41% in 2000; the latest survey (2009) recorded it at 60% of the targeted area.

National Share of Radio Listening 2009 (weekday and peak time)

RTÉ Radio 1	23.4%
RTÉ 2fm	10.1%
RTÉ lyric fm	1.6%
RTÉ Raidió na Gaeltachta	0.4%
Today FM	9.9%
Newstalk 106 - 108fm	4.0%
Regional/local stations	50.6%



Source: Joint National Listenership Research Surveys Jan - Dec 09 (Ipsos MRBI)

RTÉ lyric fm celebrated its **10th** anniversary on May 1st

John Creedon of RTÉ Radio 1's *The John Creedon Show*Miriam O'Callaghan host of new weekend show *Miriam Meets*

RTÉ 2fm's new look website

RTÉ Radio 1

RTÉ Radio 1 led a year of celebration and remembrance in 2009, with broadcasts marking John Montague and Brian Friel at 80, a major project for Seamus Heaney's 70th year, and a suite of programmes looking back at Ireland's role in the Great War. Evenings on RTÉ Radio 1 were revitalised with the introduction of a new arts and entertainment show *Arena*, a complementary arts-digest *Arts Tonight*, and new sport programme *Sport @ 7*; weekends were made-over with a range of new programmes including *Miriam Meets...* with Miriam O'Callaghan and *CountryWide*, a new regional magazine programme.

RTÉ Radio 1 provided comprehensive coverage and analysis of the second Lisbon Referendum, the European and Local Elections and the Ryan and Murphy reports into clerical child abuse. Coverage of the inauguration of President Barack Obama saw international outside broadcasts from Washington.

2009 was a very busy year for RTÉ Sport on RTÉ Radio with all major domestic and international events covered. All games in Ireland's triumphant Grand Slam campaign were broadcast live, with extensive analysis and reaction across daytime programmes. RTÉ Radio held exclusive rights for the Heineken Cup and RTÉ Sport also provided comprehensive radio coverage of the Irish soccer team's world cup campaign. Many games in both GAA Championships were carried live and a series of extra programmes were broadcast to cover the qualifying rounds. RTÉ Radio 1 also provided extensive coverage of the National Leagues in hurling and football.

2009 was a productive year for Irish-language programmes on RTÉ Radio 1. A number of new series were commissioned. *Cuisle na nEalaíon* explored different aspects of the arts through some of its leading exponents. *Plandail Uladh* commemorated the 400th anniversary of the Plantation

of Ulster with a special four-part series. *Toraíocht Teamhrach* explored the history and significance of the Hill of Tara.

A new evening music programme presented by John Creedon has enhanced specialist music output on RTÉ Radio 1. Programmes from the Americana Music Festival in Nashville and Irish festivals like the Willie Clancy Summer School and Oireachtas na Gaeilge were transmitted and there has been a significant increase in the volume of live music performed on RTÉ Radio 1. Programmes such as *Today with Pat Kenny*, *Mooney*, *Arena* and *The Tubridy Show* brought attention to established and emerging Irish artists through live performance.

JNLR listening figures trended up year-on-year, and RTÉ Radio ended the year with a straight flush across the Top Ten most-listened-to programmes in Ireland. *Morning Ireland* entered the top 20 programmes for 15 – 34 year olds for the first time.

RTÉ 2fm

Despite increased competition in the younger end of the radio market, RTÉ 2fm provided over 1,000 hours of cutting-edge brand-new live music in 2009. Together with its digital sister-station RTÉ 2XM, RTÉ 2fm provided unrivalled coverage from both Oxegen and Electric Picnic. Whilst RTÉ 2fm concentrated on the big names, 2XM focused on emerging talent and offered listeners access to live performances from the main and secondary stages.

In March RTÉ 2fm re-launched its online presence. The new site links the RTÉ 2fm studios directly with the three major online music social networks (YouTube, MySpace and Facebook) in an internet first for music discovery. The new site also offers a new radio player capable of playing podcasts, archived programs, a live flash stream and associated videos. Since re-launching, the site has served almost 4.5 million page

views and offers 30 day 'listen back' for all broadcast shows. The new RTÉ 2fm website got its first festival outing at Oxegen and featured live sets on-demand, interviews, special acoustic sessions, reviews and photographs from around the festival site as well as exclusive back-stage video performances and interviews in the RTÉ 2fm Green Room.

For younger listeners, the acclaimed RTÉ 2fm *School of Rock* talent competition paved the way for promising new Irish bands. RTÉ 2fm also broadcast 16 hours of exam information and advice for Junior and Leaving Certificate students while continuing the station's cross-media involvement in projects like the 360° commission *Operation Transformation*.

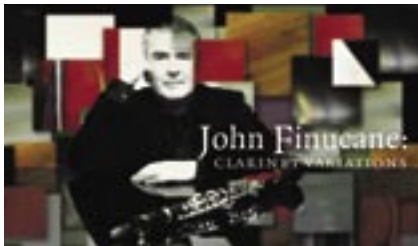
Later in the year RTÉ 2fm repositioned itself to more accurately reflect its audience needs and interests, and committed to launching a new music policy, new production structures, new programmes and a new direction for 2010. After 11 years at the helm, John Clarke stepped down as Head of RTÉ 2fm in September and was replaced by John McMahon.

RTÉ lyric fm

RTÉ lyric fm celebrated its 10th anniversary on May 1st with celebrations from the National Concert Hall and University Concert Hall, Limerick. Complementary programming for the birthday included a *Classical Top 100*, a repeat of Pavarotti's concert in Stormont and the added bonus of a special *Sunday Miscellany* on RTÉ Radio 1.

As part of the wider celebrations, the station worked in conjunction with Limerick Printmakers on a project to bring together artists and presenters. Other projects included a new Quiet Quarter book celebrating ten years of new Irish writing, as well as a CD of 10 years of lyric music

Operational Review



John Finucane: Clarinet Variations released by RTÉ lyric fm



Marty Whelan host of *Marty Whelan at Midday* on RTÉ lyric fm



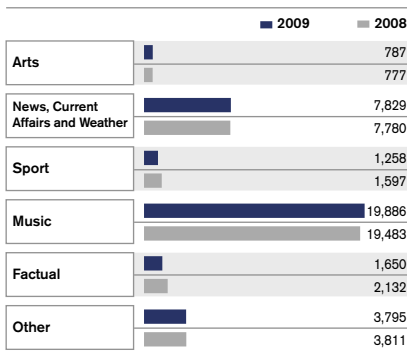
Gerry Ryan and Evelyn O'Rourke launching *Operation Transformation*

RTÉ Radio continued

commissions. Other CD releases on the RTÉ lyric fm label this year included a young Irish trio, Triocca, clarinettist John Finucane, and Hiccup, a free CD produced as part of the EBU Handel in New Clothes Project. RTÉ lyric fm made significant schedule changes in the autumn of 2009. Marty Whelan and Deirdre Purcell joined the existing line-up of presenters which includes other notable names such as Gay Byrne, George Hamilton and Eileen Dunne.

RTÉ lyric fm continued to support RTÉ Performing Groups and provide a broadcast platform both at home and abroad. During 2009 RTÉ lyric fm aired a series on musical performance which focused specifically on the orchestras, choirs and other groups; including the RTÉ Vanbrugh Quartet.

RTÉ Radio hours by genre



Source: RTÉ

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

Other on-air highlights in this anniversary year have included live broadcasts from the Metropolitan Opera House in New York; performances from the National Concert Hall's Celebrity and Orchestral series; live Coffee Concerts from the West Cork Chamber Music Festival in Bantry and, for the first time, RTÉ lyric fm was able to offer live broadcasts from the Wexford Festival Opera to European audiences.

RTÉ lyric fm continues its close association with the BAI Sound and Vision Scheme including the 2009 broadcast of the PPI award-winning feature *Tower Songs*, as well as its own in-house features including the excellent series *Fifty Years of Music* in Dublin, *Notes from the Fire: The Journey of Anita Lasker Wallfisch*, and *Ernest de Regge - The Man and Musician from Overmere*.

Various competitions throughout the year included Primary School Music Teacher of the Year, a piano give-away in association with Pianos Plus and RTÉ lyric fm's annual Choirs for Christmas competition, which saw over 200 participating choirs from around the country.

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. RTÉ Raidió na Gaeltachta continued to be the primary and pre-eminent forum for debate, discussion and entertainment for the Irish language community at home and beyond.

Results of a listenership poll carried out by TNS MRBI (now Ipsos MRBI) on behalf of RTÉ Raidió na Gaeltachta in 2009 have been among the most positive findings of recent years for the Irish-language station. The report recorded a daytime share of 45% in Gaeltacht regions, the highest daytime share recorded to date. The report also indicated a 91% total satisfaction rating for RTÉ Raidió na Gaeltachta.

Almost
9 million
 podcasts were
 served by RTÉ Radio's
 websites in 2009



Pobal ar Aire – Cearta Siabhliolta na Gaeltachta 1969-2009



Maeve Upton gets behind the mic for RTÉ Junior's Halloween Special

News reporting and public affairs coverage included impartial and authoritative coverage of the second Lisbon Treaty Referendum. The 30th Anniversary of the Gaeltacht Authority - Údarás na Gaeltachta, was remembered with a strand of programming which examined the work and effect of the Authority on the Gaeltacht landscape. *Pobal ar Aire – Cearta Siabhliolta na Gaeltachta 1969 – 2009* looked back at the setting up of the Civil Rights Gaeltacht Movement 40 years ago.

Funding was secured from the BAI Sound and Vision Fund for new Irish Language programming. Darach Ó Scolaí penned two hour-long dramas *An Braon Aníos* and *Coinneáil Orainn*.

Major cultural, sports and music festivals were covered, with over 20 hours of live broadcasts from Oireachtas na Gaeilge, held in Letterkenny, Co. Donegal, a weekend of Inter-Gaeltacht football live from Ros Muc, Co. Galway, and over 10 hours of live broadcasts from the *Willie Clancy Summer School*, from Miltown Malbay, Co. Clare.

Commercial Activity and Performance

RTÉ Radio's commercial activity and performance, in common with all RTÉ IBDs, was strongly affected by a weak market and negative sentiment in 2009. Versus other media, the effect was somewhat mitigated by RTÉ Radio's low production costs, speed-to-air and growing listenership levels but overall RTÉ Radio's airtime sales were significantly down on 2008. In this context it is encouraging that other RTÉ Radio sales activities, such as sponsorship and promotions, outperformed both 2008 figures and market expectations.

Certain sectors utilised the strength of RTÉ Radio in these difficult times and these included the retail, food, energy, leisure, entertainment and household goods sectors. In addition there were a number

of clients who were able to invest in their products through increased marketing spends; delivering substantive results and a high return on investment. After a difficult middle of the year, RTÉ Radio's commercial activity and performance grew towards the end of the year with a strong finish in quarter four.

There were numerous initiatives launched in 2009 including a cross-industry B2B national marketing campaign, jointly run by RTÉ Radio and the IBI (Independent Broadcasters of Ireland). In-house, work on a new RTÉ Radio Sales website concluded in time for launch in quarter one 2010.

The imminent launch of more commercial radio stations in early 2010 combined with continued uncertainty in the economy will add to the commercial challenges.

Network Changes

A new shortwave service was launched over Africa. RTÉ Radio consolidated some network resources, including the discontinuation of RTÉ Radio 1 on the HotBird satellite. Services remain throughout Europe on the Astra and Eurobird satellites, Online, on Long Wave and on the U.K. Freesat platform.

New Media Digital Radio

RTÉ's Digital Radio services celebrated their first birthday in December 2009. Schedule and content development of the stations in tandem with concerted communications campaigns continued to attract new audiences, both from digital radio and online. These low-cost services benefit from a voluntary and highly spirited ethos that is facilitating innovation and a fertile testing ground for the development of radio's future. RTÉ Junior's Halloween schedule and RTÉ Choice's special Christmas programming did much to raise awareness.

JNLR figures indicate that 6% of the population now live in a household with a digital radio. This indicates a level of ownership in excess of our target set in 2005. RTÉ used the occasion of digital radio's first birthday to extend coverage with the launch of a transmitter at Kippure now bringing coverage to 52% of the population.

RTÉ received a national multiplex licence for digital radio from ComReg this year. RTÉ policy remains that the full engagement of the industry is vital for the success of digital radio. In that context, RTÉ welcomes the BAI report, *Digital Radio for Ireland*, published in September 2009, whose recommendations include the establishment of a Digital Radio Forum and the development of a policy White Paper for digital sound broadcasting in 2010.

Online

Audiences for all forms of web engagement continue to grow. Almost 9 million podcasts were served by RTÉ Radio's websites in 2009. Innovations included the RTÉ 2fm website and a new site for RTÉ Radio 1's *Documentary on One*, which now regularly attracts more than 50,000 downloads per month. Work was ongoing throughout 2009 across all the RTÉ Radio sites, with an emphasis on social media, convergence and uniformity laying the foundations for a full re-launch in 2010.

Mobile

Multi-platform advertising, a project initiated by RTÉ and funded by the BAI via the Station Innovation Fund, committed RTÉ Radio to trials of a simultaneous delivery of advertising messages to different platforms (FM, digital, online, iPhone). The trial was conducted in partnership with Phantom FM.



Photo: Joe O'Shaughnessy



in November Ireland
faced some of the

worst flooding in living memory

In November 2009 communities in many parts of the South and West of Ireland suffered some of the worst flooding in living memory. All of RTÉ's main News and Current Affairs programmes on both RTÉ Radio and RTÉ Television covered the immediate and long term impacts, the responses of local communities and state services, and the underlying reasons for increased flood vulnerability. RTÉ has a clear statutory responsibility to provide comprehensive regional coverage. However, the value of such a regional network can often only be realised during a crisis such as that which occurred in November. The quality and extent of RTÉ's reporting on the floods was a clear demonstration of the strength of RTÉ's national coverage and commitment to local communities.

Operational Review



Elections 2009



RTÉ All Island School Choir Competition final

RTÉ News and Current Affairs

Domestic Coverage

The economy dominated much of the news agenda during 2009 with a supplementary budget in April and Budget 2010 in December as well as the publication of 'The McCarthy Report', the Commission of Taxation and the establishment of NAMA (the National Asset Management Agency). There were also two major set-piece events with the Local, European and two Dublin By-Elections in June and the second Lisbon Referendum in October.

The year started with extra programmes to cover two special events – the 90th Anniversary of the First Dáil in Dublin and the inauguration of Barack Obama as the 44th President of the United States in Washington.

RTÉ provided immediate, comprehensive live results of the Local, By-Elections and European Elections in June via RTÉ Television, RTÉ Radio, RTÉ.ie, RTÉ Aertel and mobile, including the results of an Exit Poll on RTÉ Radio 1 early the following morning.

The Lisbon Referendum campaign was notable for the amount of information programming provided by RTÉ, including regular appearances by Mr Justice Frank Clarke, the chairman of the Referendum Commission and detailed analysis from our Europe Editor, Sean Whelan.

The RTÉ Belfast office instigated the first ever school choir competition involving schools from the entire island of Ireland in the autumn and in November the *All Island School Choir Competition Final* was broadcast live from the Ulster Hall, Belfast. RTÉ has committed to broadcasting the competition again in 2010.

In November, RTÉ's flagship current affairs radio programme, *Morning Ireland*, celebrated its 25th anniversary with a special

programme in front of a live audience. With the appointment of a web producer, *Morning Ireland* has been making efforts to reach a new audience by strengthening its presence on the internet. A visual version of the programme is now broadcast on RTÉ News Now on the RTÉ website.

With major national stories such as the extensive flooding which impacted on thousands of people, public reaction to the report on clerical abuse in the diocese of Dublin and public sector protest, the year finished with consistently strong viewing figures for News and Current Affairs programming. The comprehensive coverage of the flooding and the later snow falls underlined the value of RTÉ's regional network.

Foreign Coverage

Foreign coverage was affected by the financial cutbacks – however RTÉ News was able to deploy to and comprehensively report on some of the major stories of 2009. Tony Connelly covered the earthquake in l'Áquila, Italy, in April, while Margaret Ward reported from a similar disaster in Indonesia in September. She also travelled to the Philippines in November to interview Fr Michael Sinnott after his kidnapping ordeal. Brian O'Connell reported from Majorca following the death of Boyzone's Stephen Gately.

Aside from breaking news there was a focus on carefully-planned series. Charlie Bird filed reports from Guantanamo, following President Obama's announcement about the future of the camp. Tony Connelly undertook a journey through Hungary, the Czech Republic, Poland and Germany to mark the 20th anniversary of the collapse of the Berlin Wall. He and Paul Cunningham reported from the UN Climate Change Conference in Copenhagen, alongside a series of reports from the US, Uganda and India.

The **new**
RTÉ Television News
studio came into
operation in February



Pat Kenny host of RTÉ's new current affairs programme *The Frontline*



Prime Time Investigates

Current Affairs

The first edition of *Prime Time Investigates* (PTI) was in March when *Vicious Circle*, an exposé of drug and gang crime, highlighted the grim human tragedy behind the murder headlines. In May, *After the Goldrush* revealed the frightening reality for many people in Ireland for whom the recent economic collapse hurt the most. In June, *A Shocking Abuse* told the story of Dr. Michael Shine and his 30 year reign of abuse involving young boy patients at an Irish hospital.

Prime Time Investigates returned with three in-depth reports in December. In *Welfare Fraud*, PTI went undercover to expose the increasing number of welfare cheats who are milking the system. In *Crime and Punishment*, it investigated so called 'petty' crime, the lives of some of the habitual offenders and the damage they inflict on victims and to the public purse. And in *Meet the Bankers*, it asked what was happening within the Irish banking system that led our economy to the verge of collapse.

A new programme, *The Frontline*, presented by Pat Kenny came into the schedule in September. Its live debates on the most important stories affecting the country and dedicated programmes on issues such as the Flooding, Clerical Abuse, the Public /Private sector and the Banking industry became immediately popular with viewers.

Nuacht

Difficult finances made 2009 a challenging year for all output areas and *Nuacht* was no exception. However the year saw positive changes which showed again the resourcefulness and innovation of the team.

In March, the second phase of the new technology installation in Baile na hAbhann brought the commissioning of a new control room. This is a two-person operation where only a BSO/Vision Mixer and director transmit the *Nuacht* RTÉ and *Nuacht* TG4 bulletins. This allowed the transfer of the *Nuacht* RTÉ bulletin to Baile na hAbhann. Full functionality in the control room will be delivered in 2010 when upgrades to the automation system are installed.

Nuacht RTÉ moved to Baile na hAbhann in July, and the new service was launched by the chair of the RTÉ Board Tom Savage, chair of Bord TnaG Peter Quinn, Director-General Cathal Goan and Príomhfheidhmeannach TG4 Pól Ó Gallchóir. Messages of congratulation and encouragement were recorded by An Taoiseach and all political party leaders for the launch. The move allowed *Nuacht* to get a new time slot at 5:45p.m. seven days a week, a move which has seen a growth in audience figures.

News Operations

The new RTÉ Television News studio came into operation in February. The enlargement means that far more programmes can now be made from there including special events, Election and Budget coverage and breaking news stories. The refurbished studio is based on flexible work practices – on the studio floor there are now no manned cameras nor a floor manager. It is also far more energy-efficient than the old studio.

comprehensive
live results

of the Local,
By-Elections and
European Elections in
June via

**RTÉ Television,
RTÉ Radio, RTÉ.ie,
RTÉ Aertel and
mobile**



democracy, Lisbon Local, BY-Elections and Euro Elections



Central to RTÉ's Vision of growing the trust of the people of Ireland is to provide news and current affairs that is accurate, impartial and fair. At no time is this more important than during elections or referenda.

During 2009, RTÉ played its part in the European Elections, By-Elections, Local Elections and in the second Referendum on the Lisbon Treaty both during the campaigns and after the votes had been cast. By providing a forum for lively debate, fair reporting and special programming in two languages and across four different media platforms, RTÉ played a key role in helping the Irish public make more informed choices.

Operational Review

The **Broadcasting Act 2009** further clarified the requirements for **ATT switch off** and **DTT switch on**



RTÉ Network

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 infrastructure is primarily situated at high altitude in remote locations that are not always appropriate for some emerging technologies, such as 3G mobile phone services and wireless broadband, which require compact cell size local to the consumer.

The demand for Analogue Terrestrial Television (ATT) services remains static as they will be switched off in late 2012 or early 2013. The transmission network for Digital Terrestrial Television (DTT), the replacement for ATT, is currently being installed and will be put into service in advance of the ATT services being switched off.

Commercial Revenue

The small growth in revenue was driven by a steady overall increase in services provided across all markets.

- One new customer was secured 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 rollout of the TETRA system did provide new business. There will however be a related reduction in

business as older emergency services are decommissioned in 2010 and 2011.

- The Digital Audio Broadcasting (DAB) radio test service for the RTÉ radio channels was expanded to the RTÉNL transmission site in Kippure which extended coverage to Co. Kildare, parts of Co. Laois, Co. Offaly and Co. Wicklow. The continued absence of a policy and licensing framework for commercial DAB services is not assisting the development of the DAB platform.
- ComReg completed its consultation process on Digital Video Broadcasting - Handheld (DVB-H) in 2009 and plans to run license competition in 2010. TV on mobile phones made an entry in the Irish market with some positive tests and trials in 2006. These trials continued from 2006 into the second half of 2008.
- In August and September 2009 RTÉNL successfully trialled Digital Mobile Broadcasting (DMB) services from its Three Rock transmission site.

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 2009. This was a very satisfactory outcome given the considerable infrastructural works undertaken on the transmission network to facilitate the upcoming Digital Terrestrial Television (DTT) services.

Television

The main operational challenge in 2009 was facilitating the installation of infrastructure for the upcoming Digital Terrestrial Television (DTT) services. This included the installation of new transmission sites in Wicklow, Waterford, Wexford and Galway. The same challenge will continue into 2010 and 2011.

Analogue Terrestrial Television

(ATT) services remain static and will be switched off in late 2012 or early 2013

Radio

In 2008 the Digital Audio Broadcasting (DAB) radio service that has been operating in Leinster along the coast between Dublin and Dundalk was extended to Cork and Limerick cities. In 2009 the services were extended to the Kippure transmission site which covers Co. Kildare and parts of Co. Wicklow, Co. Laois and Co. Offaly. The DAB service is carrying eleven RTÉ radio services.

Digital Terrestrial Television (DTT)

The *Broadcasting Act 2009* further clarified the requirements for ATT switch off and DTT switch on. The capacity for content on the DTT platform continues to be ultimately split between 1/3 Public Service and 2/3's Commercial. The competition run by the then Broadcasting Commission of Ireland (latterly the Broadcasting Authority of Ireland "BAI") to licence Commercial DTT in Ireland in March 2008 has not yet led to the licencing of the Commercial Multiplex Operator.

The competition was originally won by Boxer Ireland Limited, a joint venture comprising Communicorp Group Ltd. and the Swedish digital terrestrial television operator, Boxer TV-Access AB ("Boxer Sweden"). This joint venture did not proceed and the BAI then offered the contract, in principle, to One Vision, a joint venture comprising of Eircom, Arqiva, Setanta and TV3. Discussions are ongoing between the BAI and One Vision aimed at securing a commercial multiplex operator's licence agreement. Discussions are also ongoing between RTÉNL and One Vision aimed at securing a Transmission and Distribution contract once the BAI licence is in place. A total of six national DTT multiplexes are catered for in the legislation. However, for spectrum availability reasons, multiplexes five and six are not possible until ATT is switched off.

RTÉNL has continued to build the necessary infrastructure for DTT throughout 2009.

DTT offers the following advantages over traditional analogue television system:

- **Extra TV channels as standard**
Within each multiplex it will be possible to deliver a number of television and radio services. It is anticipated that between eight and ten standard definition (SD) television channels will fit on a multiplex. It is also anticipated that between two and three high definition (HD) channels will fit on a multiplex (and/or various SD/HD combination).
- **Subscription channels**
A number of subscription services can be provided by the commercial multiplex operator in addition to free-to-air services. If viewers wish to take out a subscription, it may be possible to access dedicated television services including sports, film and music channels and also to access services that allow viewers to watch what they want, when they want.
- **Improved Quality**
DTT will improve both the television video/picture and sound quality.
- **New Features**
New features will include television listings on-screen (Electronic Programme Guide, EPG), true widescreen picture, enhanced teletext and red-button interactivity.
- **Access Services**
DTT incorporates the potential to make available special features for people with visual and hearing impairments, such as audio description, screen zooming and subtitling.

Operational Review

RTÉ.ie ranks **No 1** among Irish media sites with a **monthly reach of 18.3%**



RTÉ.ie homepage



RTÉ News Now iPhone application

RTÉ Publishing

RTÉ.ie

2009 witnessed further growth for RTÉ.ie in terms of traffic, users, and streaming. As traffic increased the number of unique users to the site grew to 2.9 million users, an increase of 22.4% year on year. Page impressions grew by 22% to 67.52 million and streaming traffic grew 29% to 3.85 million streams. RTÉ.ie continued to attract a sizeable overseas audience of 1.1 million users with significant increases in traffic from Europe and Australia. *Source: ABCe October 2009.*

RTÉ.ie ranks No 1 among Irish media sites with a monthly reach of 18.3% of the adult internet population. *Source: comScore Media Metrix December 2009.*

Growth on RTÉ.ie is attributable to enhanced activity across News, Business, Sports and Entertainment sites, and to the launch of the RTÉ Player.

The News site experienced a 23% year-on-year increase in traffic in 2009, and a 27% increase in unique users. Special sites or standalone sections were created for the European and Local Elections, the Global Irish Economic Forum at Farmleigh, the 2009 referendum on the Lisbon Treaty, and for Budget 2010. Additional significant News website developments included the redesigned *Morning Ireland* website which was launched in quarter two with a studio webcam, as well as a dedicated website for *The Frontline* in September. An iPhone application of RTÉ News Now was developed to make RTÉ News and Current affairs accessible to iPhone and iPod touch users. In December, RTÉ News Now was added to the channel line-up in Dublin Airport so as to make the service available on large public screens.

Traffic and unique users to the Sport site increased by 24% and 17% respectively in 2009. Special sites were created for the Six Nations Rugby, the GAA Championships and the Lions Tour to South Africa, and ongoing visual and content enhancements were introduced throughout the year. As well as the simultaneous live streaming of the majority of RTÉ Sport's television and radio programming, a major increase in web-only live video content was prioritised on the RTÉ Sport website in 2009. This extra video content included 12 non broadcast GAA Championship matches; a special behind-the-scenes programme from Croke Park on All-Ireland Football Final day; Six Nations Rugby U-20s and Club internationals; European Indoor and Cross-Country Athletics Championships; extended soccer and rugby specials; and the homecoming of the Leinster team after their Heineken Cup triumph.

Traffic and unique users to the Entertainment site increased by 32% and 5% respectively and was driven by the expansion of celebrity news coverage, an increase in TV blogs, and more feature and video content. There was a continued focus in expanding the range of additional video content with initiatives such as behind the scenes online shows for the entire first series of *The All Ireland Talent Show* last Spring and behind the scenes at *The Late Late Toy Show*. A key change in the RTÉ Aertel Entertainment section was the revamp of the TV Extra section and the creation of a new county-based structure for cinema listings creating a more user-friendly service for out of Dublin cinemas. In the lifestyle section a dedicated exams website was created for Leaving Certificate students in conjunction with RTÉ 2fm's *Countdown to 306*.



Heaney At 70 website



RTÉ Player

RTÉ Publishing also engaged in a number of key cross media editorial and commercial activities. Key highlights included the dedicated *Heaney at 70* website, *The Look of the Irish*, *Spend Clever & Live Better* and *Operation Transformation*. RTÉ Publishing participated in the development of Group Revenue initiatives within RTÉ as well as extending its clients' reach across RTÉ.ie, RTÉ Aertel and the RTÉ Guide. Commercial success stories include micro sites for World Animal Week with Pedigree and Kelloggs 'Lets Get Active' campaign as well as the group initiative around *Spend Clever & Live Better* in October 2009.

During the year RTÉ Publishing also increased activity across social media platforms to increase access to RTÉ online content and aid marketing efforts. RTÉ "water cooler" moments were highlighted on the RTÉ YouTube channel.

RTÉ.ie continues to lead the market in terms of leading brand advertising. Commercial revenue on RTÉ.ie performed strongly in a very difficult market. The introduction of new, larger advertising formats and the addition of new third party sites within the RTÉ.ie site, aided in producing strong results.

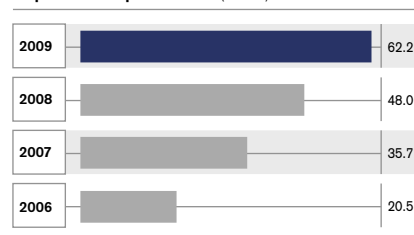
RTÉ Player

In April 2009 RTÉ Publishing launched the RTÉ Player, RTÉ's online TV catch up service. By the end of December 2009 5.5 million programme streams had been viewed with an average of 784,609 streams and 300,000 unique users per month. RTÉ Player was launched in April and promoted from September to December using Television, Radio and Online advertising to generate public awareness. More than 200 hours of programmes each week were made available on RTÉ Player from all categories of the RTÉ broadcast schedule including Entertainment, Factual, Lifestyle,

Sport and News and Current Affairs as well as from popular international programmes. The most popular programmes watched on RTÉ Player included: *The Late Late Show*, *Late News*, *The Frontline*, *Savage Eye*, *Prime Time*, *Grey's Anatomy*, *Private Practice*, *The Panel*, *Addicted to Money*, and *Val Falvey TD*. Rights clearance for programmes were negotiated on a continual basis including all new independently produced programmes and key acquired programmes including *Grey's Anatomy*, *Desperate Housewives*, *Private Practice*, *Brothers & Sisters*, *Home and Away*, *Holby City* and *Doctors*. Rights for the popular *Mad Men* series 1 and 2 were negotiated to run for an extended catch up period prior to the launch of series 3 and non broadcast content was also made available, as were final episodes of *StoryLand* and past programmes from *Look of the Irish* series. During 2009 the necessary development work was completed for an international version of RTÉ Player which was launched in January 2010.

The RTÉ Player was successful in opening up an additional, albeit small, revenue stream in online video advertising.

RTÉ.ie average page impressions per month (millions)



Source: RTÉ

Programme streams had been viewed with an average of **784,609 streams** and **300,000 unique users** per month

Operational Review



RTÉ Guide



RTÉ Aertel

RTÉ Publishing *continued*

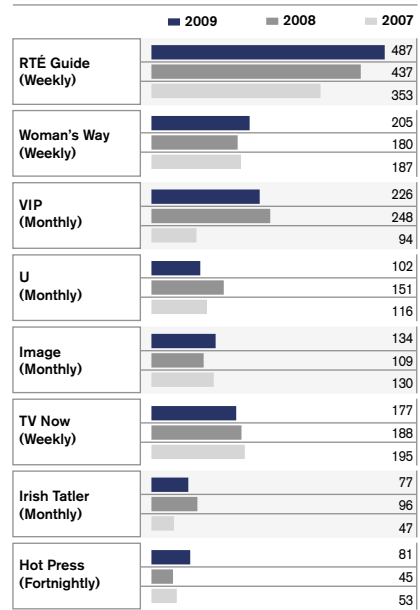
RTÉ Guide

The RTÉ Guide faced a challenging year in terms of circulation sales in 2009 due to market contractions at retail level and an overall decline in the consumer magazine market of 11%. Overall circulation for 2009 was an average of 87,561 weekly copy sales, a decline of 7.7% year on year (Source: ABC Jan-Dec 2009). The year was marked by a number of sales highlights driven by intense editorial, marketing and promotional activity. The Christmas 2009 RTÉ Guide sold 402,000 copies. In November price promotion initiatives delivered week on week gains of up to 67% (46,000 additional copies). During the year, bespoke CD initiatives focused on promotions through schools. The joint RTÉ Guide and RTÉ Weather Calendar initiative delivered 21,000 additional copy sales. The Christmas subscriptions target was exceeded by 85%.

Readership figures released from TGI in September 2009 showed a year on year increase of 11% from 437,000 adult readers to 487,000 adult readers for the RTÉ Guide.

The print advertising market was one of the worst hit sectors in the decline of advertising market revenues and the RTÉ Guide was not immune from this situation, as the year overall saw revenues decline by over 35% on 2008 figures. A key highlight however was the Christmas double issue which earned increased revenues year on year.

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.

RTÉ Aertel

RTÉ Aertel's multi-platform strategy continued throughout 2009. With digital penetration increasing on Sky and UPC platforms, a strategy to drive audiences to RTÉ Aertel online and on mobile helped to protect an important brand and strategic asset for RTÉ and at the same time helped to retain the audience which would otherwise decline.

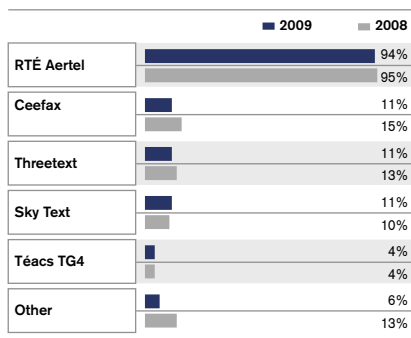
RTÉ Aertel has 1.02 million daily analogue users (Source: TGI 2009). RTÉ Aertel on RTÉ.ie has an average of 120,000 monthly users generating nearly 6 million monthly page impressions – a 13% increase year-on-year. The RTÉ Aertel mobile site generated an average of 496,356 page impressions per month which is an 11% increase year-on-year, (Source: RTÉ).

Increase of **11%**
to **487,000** adult
readers for the RTÉ Guide



GAA Media Player on RTÉ.ie

Type of teletext in all households who make use of teletext



Source: AGB Nielsen Media Research Establishment Surveys

RTÉ Aertel on
RTÉ.ie has an
average of
120,000
monthly users
generating nearly
6 million
monthly page
impressions

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

While having over 1 million viewers daily, commercial revenue in RTÉ Aertel came under severe pressure with some key bookmaker clients cutting back on teletext services, across both Ireland and the UK. This was partly as a result of the imminent shut down of the UK Analogue Teletext service affecting UK bookmakers specifically, but also as a result of an increasing number of all bookmaker clients migrating to online activity. While it has proven difficult to attract new clients to the platform, Travel still performs well alongside Sport sponsorship.

Content

2009 was a difficult year for content syndication with business models changing rapidly in tandem with key partners reviewing their own businesses. While some agreements were not renewed some new opportunities were identified. The GAA Video on Demand rights were further developed with a packaged feed to one of the Official Hurling Championship Sponsors.

RTÉ Publishing also provided SMS alerts across Breaking News and business stories, entertainment news, racing tips and event led news (e.g. 6 Nations alerts). The number of subscribers to these services increased by over 30% throughout the year.

Programme Interaction and Competitions

The Programme Interaction & Competitions team developed and managed SMS and IVR services for more than 140 programmes across RTÉ Television, RTÉ Radio and RTÉ Publishing platforms. Over 11 million interactions were generated and managed by the Programme Interaction & Competitions division in 2009, with over 1,500 individual interactive event set ups required. In 2009 greater emphasis was put into aligning in-programme competitions and prizes with the demographic audience of the specific programme. As a result, audience engagement increased to record levels during the year.



the launch of RTÉ Player



In April 2009 RTÉ launched the RTÉ Player, RTÉ's online TV catch up service. By the end of December 2009 5.5 million programme streams had been viewed with an average of 784,609 streams and 300,000 unique users per month. More than 200 hours of programmes each week were made available on the RTÉ Player from all categories of the RTÉ broadcast schedule including Entertainment, Factual, Lifestyle, Sport, News and Current Affairs and popular international programmes. In addition to the catch-up services, RTÉ News Now, RTÉ's 24-hour live and looped online news service is also available on the RTÉ Player. See www.rte.ie/player

Operational Review



RTÉ Philharmonic Choir

George Daugherty in rehearsals with RTÉ CO for *Bugs Bunny on Broadway*

RTÉ Performing Groups

Programming and Artists

In 2009, the RTÉ Performing Groups presented 226 live concerts and events to 168,219 people in addition to 77 education-related activities. Gerhard Markson stepped down as Principal Conductor of the RTÉ National Symphony Orchestra (RTÉ NSO) and an entirely new artistic team was announced for the 2010/11 season – Principal Conductor, Alan Buribayev, Principal Guest Conductor, Hannu Lintu with Finghin Collins in the newly created role of Associate Artist. John Wilson, Principal Guest Conductor RTÉ Concert Orchestra (RTÉ CO) enjoyed some striking successes and he has had a very positive effect on the orchestra.

In spite of the economic downturn both orchestras continue to engage with leading internationally acclaimed soloists many of whom have attracted enthusiastic audiences and critical comment: in the case of the RTÉ NSO these include Sarah Chang, Elizabeth Leonskaja, Antti Siirala, Pieter Wispelwey, Colin Currie, Simon Trpceski, and Alexander Toradze.

Strong performances were noted from Irish artists in high profile performances such as Robin Tritchler, Celine Byrne, Orla Boylan, Patricia Bardon, John O'Connor, Cian Ó Dúill, Tara Erraught, Finghin Collins, Elizabeth Cooney, Claudia Boyle, Peter Tuite, Sharon Carty, Raphaela Mangan, Ailish Tynan, Ross Scanlon and Chloe Hinton.

The results of working with guest conductors of outstanding ability was clear in concerts with Kirill Karabits, Hannu Lintu, Kristjan Jarvi, Douglas Boyd, Pascal Rophe, Vladimir Altschuler and Kenneth Montgomery. A successful summer lunchtime concert series was sustained from mid June to the end of August with strong audience loyalty and many sold out performances by both orchestras.

Among many highlights for the RTÉ CO *Messiah* in the Vatican in the presence of Pope Benedict XVI stands out. The range of the orchestra's output remains wide and diverse – opera performances included Verdi's *Macbeth*, Mozart's *Don Giovanni*, Tchaikovsky's *Mazeppa* and *Das Rheingold* by Wagner (all with Opera Ireland), collaborative performances with the Cork School of Music, the UCD Scholars, Galway Baroque Singers and Our Lady's Choral Society and concerts with high profile artists such as Ute Lemper, Russell Watson, Aled Jones and Curtis Stigers. The editorial requirement for the RTÉ CO to re-imagine itself remains paramount, if potentially risky in box office terms: several RTÉ CO presentations deserve special mention – *Jesus Christ Superstar*, *Bugs Bunny on Broadway* and *Rodgers and Hammerstein*. A new family concert was devised with animator Paul Rissman.



Russell Watson on stage with the RTÉ CO

RTÉ Performing Groups
presented **226** live
concerts and events to
168,219 people

RTÉ Philharmonic Choir performed to a consistently high standard in works as diverse as Janacek's *Glagolitic Mass*, Beethoven's *9th Symphony*, Mahler's *2nd Symphony*, Haydn's *Nelson Mass* and a recording of Fleischmann's *Clare's Dragoons* for release to mark the composer's centenary. RTÉ Cór na nÓg had a busy year with ten appearances in Dublin in addition to workshops for over 900 children, a concert in Waterford as part of the *John Roberts Waterford Festival* in addition to various broadcasts across RTÉ's platforms.

The RTÉ Vanbrugh Quartet gave 30 concerts in 2009, several in new locations (Newry, Armagh, Castleconnell, Dungarvan, Ravensdale, Ballina): the Quartet's performances of three RTÉ commissions (by Rachel Halstead, Kevin O'Connell and Ian Wilson) to mark *Heaney at 70* (live from IMMA on RTÉ lyric fm) attracted much praise. During 2009 an independent report was commissioned to assist RTÉ's thinking in relation to the provision of chamber music services beyond 2010.

Broadcasting

In addition to weekly concert relays by the RTÉ NSO on RTÉ lyric fm and the orchestral lunchtime concerts on *In Tempo* with Paul Herriott, the RTÉ Concert Orchestra underscored its broadcast commitments through associations with several RTÉ Radio 1 programmes (*The Tubridy Show*, *Mooney*, *Christmas Miscellany*) in addition to some high profile television appearances – *Carols from Wexford Opera House*, *Messiah* on Easter Sunday (courtesy of Vatican Television) and *Altan and the Orchestra*. The new *Late Late Show* signature tune was recorded by the RTÉ CO to mark Ryan Tubridy's tenure as presenter.

The 10th anniversary of RTÉ lyric fm was marked by two celebratory concerts with the RTÉ NSO, one in Dublin (including Beethoven's *Choral Symphony*) and the other in Limerick with James Galway as special guest. The RTÉ NSO, with RTÉ lyric fm, participated in two EBU Special Days – Handel Day to mark the 250th anniversary of the composer's death (14th April) and the 2009 Special Day of Christmas Music (December 21st).

Building Audiences

Particular audience-focused initiatives included wider Performing Groups participation in Culture Night, the instigation of a meet and greet scheme for our musicians and concert attendees, a widening of those commissioned to write notes for printed programmes and a widening of the contributor-base to the 33 pre-concert talks and interviews. Those featured included Minister of State Martin Mansergh, Frank McNally, Helen Meany, Eugene Downes, Senator David Norris, Barry McGovern, Dr. Walter Haag, Ambassador of Austria and many soloists and conductors.

Operational Review

Among many highlights for the RTÉ CO *Messiah* in the Vatican in the presence of **Pope Benedict XVI** stands out



RTÉ CO and Our Lady's Choral Society at their performance of Handel's *Messiah* in the Vatican in the presence of His Holiness Pope Benedict XVI

RTÉ Performing Groups *continued*

The loss of the RTÉ Living Music Festival and the RTÉ NSO regional residency enabled other initiatives to happen: these included workshops for leaving certificate music students, open rehearsals, and a drumming spectacular co-ordinated by Noel Eccles and presented for the RTÉ Performing Groups at the National Concert Hall (NCH) by Brian Ormond.

There were a significant number of collaborations in 2009 – AXA Dublin International Piano Competition, a Feis Ceoil Benefit Concert, a renewed mentoring scheme with both RTÉ orchestras and advanced students from the RIAM and the DIT Conservatory of Music and Drama, a bespoke community project in Ballymun in association with the DIT, RTÉ lyric fm (CD release and composer in residence in association with the RTÉ NSO), a workshop in partnership with the NCH and outstanding percussionist Colin Currie and partnership with the NCH in a series of leaving certificate music workshops involving the RTÉ NSO.

New Music

The RTÉ Performing Groups presented 10 world premieres of RTÉ commissioned works by Gerald Barry, Fergus Johnston, Rachel Holstead, Ian Wilson, Kevin O'Connell, Elaine Agnew, Vincent Kennedy, Ciaran Farrell, Donnacha Dennehy and Siobhan Cleary in addition to world premieres of four works by Derek Ball (non-RTÉ commissions). Four composers (Seirse Bodley, John Buckley, Ben Dwyer and Derek Ball) were featured in the RTÉ NSO Horizons series (4 free concerts at the NCH) and a CD of music by Seirse Bodley was released in association with the Arts Council under an agreed five year audio publishing framework.

Operations

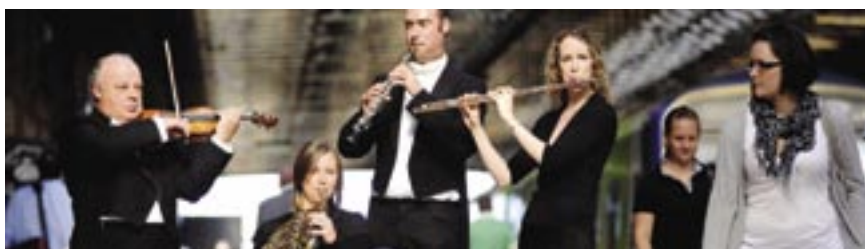
In conjunction with the NCH, RTÉ Performing Groups undertook research to gauge audience preferences for concerts during the redevelopment of the Earlsfort Terrace site. Further tests were conducted to measure the effects of noise in the workplace (noise audits) and a Noise Monitoring Report was issued. Financial restraints required that RTÉ Performing Groups update manpower plans, output and regional strategies. As with all RTÉ activities, third party relationships with Performing Groups were analysed, re-evaluated and re-negotiated.

Commercial Revenue

Commercial revenue fell by 13% as compared with 2008. Anglo Irish Bank's five year sponsorship of the RTÉ NSO subscription season concluded at the end of the 2008/2009 season (May 2009).

Competitive Challenges and Opportunities

Commercial business opportunities will be challenging across all revenue streams in 2010 – facilities hires, box office targets and sponsorship. With the new artistic team in place for the RTÉ NSO 2010/11 season, there is much to explore in terms of programming, profile building and public connectedness. News is awaited on the timeline for the NCH redevelopment and the Grand Canal Theatre and the National Conference Centre will each open in 2010.



RTÉ NSO 2009 Season Launch

With the **new artistic team** in place for the RTÉ NSO 2010/11 season, there is **much to explore** in terms of programming, profile building and public connectedness

RTÉ Performing Groups attendances (and performances)

	2009	2008	Attend ¹	Perf ²
Guest Ensembles	1,956	1,176	(2)	(3)
RTÉ Choirs Educational	0	0	(0)	(0)
RTÉ Choirs General	2,519	2,239	(9)	(8)
RTÉ Choirs Total	2,519	2,239	(9)	(8)
RTÉ VQ	3,247	3,479	(30)	(30)
RTÉ CO Educational	17,155	19,987	(22)	(22)
RTÉ CO General	70,795	69,853	(78)	(83)
RTÉ CO Total	87,950	89,840	(100)	(105)
RTÉ NSO/Phil Choir	4,887	6,211	(5)	(6)
RTÉ NSO Educational	14,435	16,462	(18)	(17)
RTÉ NSO General	52,165	51,104	(60)	(62)
RTÉ NSO Total	66,600	67,556	(78)	(79)
Overall Educational	32,650	36,449	(42)	(39)
Overall General	135,569	134,062	(184)	(192)
Overall Total	168,219	170,511	(226)	(231)

RTÉ Performing Groups educational activities

	2009	2008
Educational Performances	42	39
Workshops etc.	2	14
Pre-concert talks	33	33
Total Educational Activity	77	86

RTÉ Performing Groups contemporary music activities

	2009	2008
World premieres of RTÉ commissioned works	10	6
Dedicated contemporary music concerts	4	11

Financial Review

Results

RTÉ incurred a Deficit Before Exceptional Item (Restructuring charge) of -€16.5 million (2008: €0.0 million) based on Revenues for the year of €375 million (2008: €441 million).

Together with an Exceptional Item of €11.3 million in respect of a "Restructuring charge" (2008: €0), this resulted in an overall Deficit for 2009 of -€27.8 million (2008 Surplus €0.0 million).

The Exceptional Item (Restructuring charge) arises from the cost reduction programme put in place during the year. Provision of €11.3 million was made in 2009 in respect of the introduction of an Early Retirement & Redundancy Facility and an Incentivised Career Break/ Leave of Absence Scheme.

In summary terms, 2009 (the first year since 2002 that RTÉ has incurred a Deficit) in comparison to 2008 was characterised by a -15% (€66 million) fall in total revenue offset, in part, by an -11% (€49 million) reduction in total net costs (*operating cost & net finance (expense)/income & income tax expense/(credit)*) excluding restructuring charges.

Interpretation Framework

The interpretation of RTÉ's financial performance is especially impacted by the scale of the RTÉ Superannuation Scheme (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).

Under International Financial Reporting Standards (IFRS), the separate liabilities of Defined Benefit pension schemes are reflected in the sponsor's Financial Statements in a manner akin to Debt (measured by reference to Corporate Bond rates of proximate duration). In RTÉ's case the Liabilities of the RTÉ Superannuation Scheme remain at over five times greater than the reported Net Assets of RTÉ and thus the scale of this imbalance has the ongoing potential to detract from a meaningful understanding of RTÉ's underlying operational financial performance.

Accordingly the divisional commentary below separates commentary on the results of the RTÉ Group excluding the net defined benefit pension related finance expense or income arising on the assets and liabilities within the Scheme.

Divisional Results

The integrated business divisions (IBDs) and HQ contributed to the annual result as follows:

	2009 €m	2008 as restated ¹ €m
Television	(15.9)	(17.6)
Radio	0.7	2.8
News and Current Affairs	(2.4)	(2.8)
Performing Groups	0.0	0.0
Network	8.3	8.3
Publishing	(1.6)	(2.1)
Corporate HQ	(2.9)	(4.4)
Consolidation Adjustments	0.4	0.6
Sub-Total	(13.4)	(15.2)
Net Defined Benefit Pension Related Finance (expense)/income	(2.8)	5.7
Income Tax (expense)/credit	(0.3)	9.5
(Deficit) / Surplus before Exceptional item	(16.5)	0.0
Exceptional Item - Restructuring charge	(11.3)	-
(Deficit)/Surplus for the year	(27.8)	0.0

¹ With effect from 1 January 2009, RTÉ adopted IFRS 8 Operating Segments. Comparative segment information has been re-presented in conformity with IFRS 8.

15%
(€66 million)
fall in total revenue

Commercial Revenue

The fall in RTÉ Commercial Revenues, which first emerged during the second half of 2008, accelerated dramatically in 2009 reflecting the unstable and turbulent economic conditions which have emerged in Ireland and internationally and which resulted in a -7.2% fall in Irish GDP in 2009.

A combination of especially low levels of consumer confidence allied to weaker customer demand for advertising resulted in disproportionately lower commercial revenues for 2009. Television advertising accounts for nearly 3/4's of all RTÉ's commercial revenue and is acutely sensitive to changes in consumer demand. In 2009 a significant unit price deflationary spiral arose in relation to Television advertising which required an exceptional mid-year adjustment to RTÉ's trading system for the sale of TV advertising ratings.

For 2009 as a whole commercial revenues declined by €65.2 million (-27%) when compared to 2008:

	€m
Television Advertising	-49.7
Radio Advertising	-11.3
Other areas	-4.2
<hr/>	
Year-on-Year movement	-65.2
Commercial Revenue 2008	239.9
<hr/>	
Commercial Revenue 2009	174.7

Television Licence Revenue

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

The amount of TV Licence Revenue received by RTÉ in 2009 was €200.2 million, a slight drop compared to 2008 (€200.9 million).

The underlying degree of licence fee evasion continues to be of concern. RTÉ estimates that somewhere between 10% & 15% of chargeable domestic households and business premises in the state may not hold a valid television licence.

Operating Costs

In response to the severe contraction in available Revenue, in 2009 RTÉ embarked upon a series of emergency compensatory actions aimed at stabilising the business and significantly reducing its operating cost base when compared to 2008 whilst protecting programming and employment to the greatest extent possible.

Personnel Related Operating Costs (PROCs) were reduced by circa 12% whilst Non-Personnel Related Operating Costs (Non-PROCs) fell by 19%. Overall Operating Cost savings of €71.1 million were delivered, a reduction in expenditure of some 15% against the previous year:

	€m
Reduction in Personnel Related Operating Costs (PROCs)	-26.6
Reduction in Non-Personnel Related Operating Costs (Non-PROCs)	-44.5
<hr/>	
Year-on-Year decrease	-71.1
Operating costs 2008	460.5
<hr/>	
Operating costs 2009	389.4

The significant level of cost reductions achieved in 2009 reflected a concentrated, collaborative and sustained focus on a large number of cost avoidance and cost reduction measures covering virtually every aspect of RTÉ's activities. This included the early implementation of a multiplicity of highly unpalatable and difficult options.

Personnel Related Operating Costs (PROCs) were reduced by **circa 12%** whilst Non-Personnel Related Operating Costs (Non-PROCs) fell by 19%.

Financial Review (continued)

Pay cuts were implemented from the middle of 2009, by agreement, in respect of all RTÉ employees. For those earning in excess of €25,000 p.a., the reductions in basic pay ranged on a graduated scale from 2.3% to 12.5% for the highest earning employees. In addition all contractual Performance Related Payments were suspended in respect of 2008 and 2009.

Retaining the benefit of cost savings achieved, together with the implementation of additional cost reduction measures, remains a critical focus into 2010.

Employee numbers

At 31 December 2009 there were 2,214 (2008: 2,351) employees of which 332 (2008: 358) were part-time / casual employees.

The reduction in employee numbers in 2009 amounted to a fall of 6% compared to 2008 and primarily reflected a combination of the non-replacement of certain departing staff together with departures arising under both an Early Retirement & Redundancy Facility and an Incentivised Career Break / Leave of Absence Scheme.

Net Finance (expense) / income

Net Finance expense for 2009 is €1.6 million which compares to Net Finance Income for 2008 of €10.3 million, an adverse movement of -€11.9 million.

This movement related to two items in particular:

- a reduction in bank interest received of -€3.5 million arising from reductions in cash held allied to lower deposit interest rates; and
- a reduction in the expected return on Defined Benefit (DB) Pension Scheme Assets partially offset by a reduction in the Interest cost of DB Pension Scheme Liabilities which together amount to a net change of -€8.5 million as against 2008.

Taxation

A tax charge of €0.3 million arose in 2009 primarily due to the movement on deferred tax in the year.

This compares with a tax credit of €9.5 million earned in 2008 largely relating to the release of tax provisions no longer required following the settlement of a dispute with the Revenue Commissioners.

Cash Flow

RTÉ's Operating Cash Flow generated from day-to-day activities amounted to €9.3 million in 2009 (2008: €18.4 million).

Cash and cash equivalents held at 31 December 2009 amounted to €58.9 million (2008: €68.3 million) while off-setting liabilities arising under employee redundancy / early-retirement schemes amounted to €24.1 million (2008: €16.3 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 remains a key financial priority to ensure that adequate cash flow is available to protect the organisation's future viability.

Capital Expenditure

In 2009 capital expenditures were of necessity materially constrained in order to preserve liquidity.

RTÉ's total capital expenditure in 2009 was €15.2 million (2008: €51.4 million) with the largest item being a further €11.5 million incurred in respect of critical Transmission and Distribution infrastructure by RTÉNL.

This infrastructure is essential to enable RTÉ to fulfil its statutory obligations in relation to the introduction of a Public Service DTT Multiplex prior to the switch off of all existing Analogue Terrestrial Television (ATT) networks across Europe, including Ireland, as required by EU law.

Project 2025

In October 2009 RTÉ lodged an application with Dublin City Council, which currently remains under deliberation by the city planning officials. This application is for a 10 Year Planning Consent for the construction of a modern replacement 50,000 square metre broadcasting facility at Donnybrook to be constructed in five phases. It is envisaged that, including the planning process, this facility would take up to 15 years to complete in full from 2010.

In 2009 a further

€11.5 million

was incurred in respect of **critical Transmission and Distribution Infrastructure**

by RTÉNL

Licence Fee Attribution and Use

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 only recipient of TV Licence Fee monies collected:

Illustration of the utilisation of each TV Licence Fee Collected

	2009 €	2008 as restated ¹ €
RTÉ One	62.00	59.35
RTÉ Two	31.57	34.09
RTÉ Television	93.56	93.44
RTÉ Radio 1	16.70	14.24
RTÉ RnaG	9.06	10.73
RTÉ lyric fm	5.24	5.78
RTÉ Radio	31.00	30.75
RTÉ Performing Groups	9.48	11.02
RTÉ Activities	134.05	135.21
	84%	85%
RTÉ Support for TG4	7.50	7.89
BAI Levy	0.63	-
BAI Sound & Vision Scheme	8.45	7.53
Collection Costs - An Post / DCENR / DSFA	9.37	9.37
Non-RTÉ Activities	25.95	24.79
	16%	16%

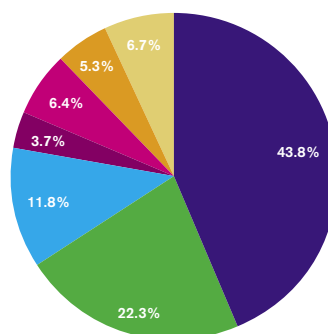
Avg. cost of TV Licence **€160.00** €160.00

¹ With effect from 1 January 2009, RTÉ adopted IFRS 8 Operating Segments. Comparative segment information has been re-presented in conformity with IFRS 8.

The pie-chart below summarises the attribution of the Licence Fee revenues that are received by RTÉ to the public service element of RTÉ's activities during 2009.

Attribution of Licence Revenue received by RTÉ in 2009

RTÉ One	43.8%
RTÉ Two	22.3%
RTÉ Radio 1	11.8%
RTÉ lyric fm	3.7%
RTÉ RnaG	6.4%
Support Provided to TG4	5.3%
Performing Groups	6.7%



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

Financial Review (continued)

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.

Neither RTÉ, nor RTÉNL, are likely to be in a position to finance the overall scale of capital expenditure required for DTT infrastructure entirely out of cashflow / existing cash reserves. Therefore RTÉNL has sought to put large-scale borrowings in place.

Pensions

RTÉ operates a Contributory Funded Defined Benefit Pension Scheme (DB) and a number of Contributory Defined Contribution Schemes (DC) for its employees.

RTÉ Superannuation Scheme (DB)

As at 31 December 2009, RTÉ had 472 employees who were members of the RTÉ Superannuation Scheme. In addition, RTÉ continues to make contributions to this scheme for 46 former employees, who left RTÉ under various restructuring packages.

The RTÉ Superannuation Scheme is a defined benefit scheme with funds under management at 31 December 2009 of €779.1 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 €2.6 million as at 1 January 2010 (1 January 2009: deficit of €102.3 million).

As at 31 December 2008 the Scheme had also reported a deficit as measured in accordance with requirements of the Minimum Funding Standard. Primarily resulting from improved external market valuations of assets held, this deficit has been resolved during 2009 and thus the trustees and RTÉ will now no longer be required to prepare a proposal for submission to the Pensions Board as had been anticipated last year.

The RTÉ Defined Contribution Pension Scheme (DC)

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 principal DC scheme is the RTÉ Defined Contribution Pension Scheme which currently has 1,489 employee 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 Energy, Communications and Natural Resources and the Minister for Finance on the 2 March 2010. It is planned that this scheme will commence for the first time during 2010.

Insurance

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

Corporate Responsibility

The *RTÉ Corporate Responsibility 2009 Report* is available on RTÉ.ie.

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.

Outlook

RTÉ has targeted to generate a small "break-even" level Surplus for 2010.

This is predicated on preserving the majority of the significant cost reductions generated, throughout the course of 2009, at a full-year level in 2010 together with broadly maintaining overall revenues at comparable levels to those generated in total in 2009.

Allowance has been made for additional programming events which unavoidably arise during 2010.

In addition, given that the various commercial revenue markets, that RTÉ operates in, remain fragile in 2010, to ensure continuing stability, a further range of Cost Reduction / Continuous Improvement Projects are being developed. It is intended that these measures will be used as a means of at least partially offsetting the adverse impact should unforeseen further revenue declines occur and otherwise will be available to support programme investment.

Cost per Transmitted hour

As part of its Performance Commitments for 2009 RTÉ undertook that in its 2009 Annual Report it would publish for the first time a statement of the average cost per transmitted hour of programmes broadcast. Tables providing this information and how it is computed for 2009 together with comparative figures for 2008 are therefore set out below.

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

2008

	RTÉ One €'m	RTÉ Two €'m	RTÉ Radio 1 €'m	RTÉ 2fm €'m	RTÉ lyric fm €'m	RTÉ RnaG €'m
COSTS						
Indigenous Programming	150.6	86.5	42.1	13.5	7.8	13.9
Acquired Programmes - Ireland	0.4	0.0	0.0	0.0	0.0	0.0
- Overseas	13.4	11.3	0.0	0.0	0.0	0.0
General Broadcast & Transmission Operations	14.5	14.5	1.0	0.4	0.3	0.2
Transmission & Power Charges	3.3	3.3	2.2	1.0	1.0	1.0
	182.2	115.6	45.3	14.9	9.1	15.1

HOURS

	Hours	Hours	Hours	Hours	Hours	Hours
Annual Transmission Hours (incl. simulcast)	8,784	8,784	9,228	8,784	8,784	8,784

OVERALL AVERAGE COST PER TRANSMITTED HOUR

	€	€	€	€	€	€
All Transmission Hours	20,700	13,200	4,900	1,700	1,000	1,700

ANNUAL MOVEMENT

% Change in Overall Average Cost per Hour						
- All Transmission Hours	(12.6%)	(22%)	(8.2%)	0%	(10%)	(11.8%)

Board at 31 December 2009



1. Tom Savage (Chairman)

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 RTE'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 (NI) 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

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. Emer Finnan

Emer is a Chartered Accountant and an Executive Director of EBS Building Society. Emer has over 20 years experience in financial services. Prior to joining EBS Emer worked as a Director with NCB Corporate Finance with responsibility for financial services and advised on a large number of financial services transactions. Prior to that Emer worked with ABN AMRO, Citibank and KPMG.

4. Alan Gilsenan

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)

6. Karlin Lillington

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

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. Sean O'Sullivan

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 and a member of the Consultative Consumer Panel at the Financial Regulator.

9. Patricia Quinn

Patricia is the founder and CEO of Guidestar Ireland, a non-profit company established in 2009 to build a knowledge infrastructure for the nonprofit sector. 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.

Board Attendance

There were four meetings of the RTÉ Authority and, following the enactment of new Broadcasting legislation, five meetings of the Board of RTÉ – nine meetings in total in 2009. The attendance of board members entitled to attend all nine meetings is outlined below:

	Meetings Attended
Tom Savage (Chairman)	9
Fergus Armstrong	9
Emer Finnan	9
Alan Gilsenan	7
Cathal Goan	9
Karlin Lillington	9
Sean O'Sullivan	9
Patricia Quinn	7

Joe O'Brien's term of office ended on 31 August 2009. He was entitled to attend five meetings and attended all meetings.

Joe Little was appointed to the Board with effect from 30 September 2009. He was entitled to attend four meetings, one in an observer capacity pending Government ratification of his appointment as Board member. He attended all four meetings.

Board Committees

Remuneration and Management Development Committee

One meeting was held during the year, with full attendance. This meeting was attended by Tom Savage (Chairman), Fergus Armstrong and Sean O'Sullivan.

Audit Committee

There were seven meetings during the year, attended as follows:

	Meetings Attended
Patricia Quinn (Chairman)	7
Emer Finnan	5*
Sean O'Sullivan	7

* Pending confirmation of her reappointment as a Board member, Emer Finnan did not attend one Audit Committee meeting. She was therefore eligible to attend six of the seven meetings of the Audit Committee.

Programme Committee

There were eight meetings of the Programme Committee during 2009, attended as follows:

	Meetings Attended
Alan Gilsenan (Chairman)	6
Fergus Armstrong	8
Karlin Lillington	8
Patricia Quinn	7

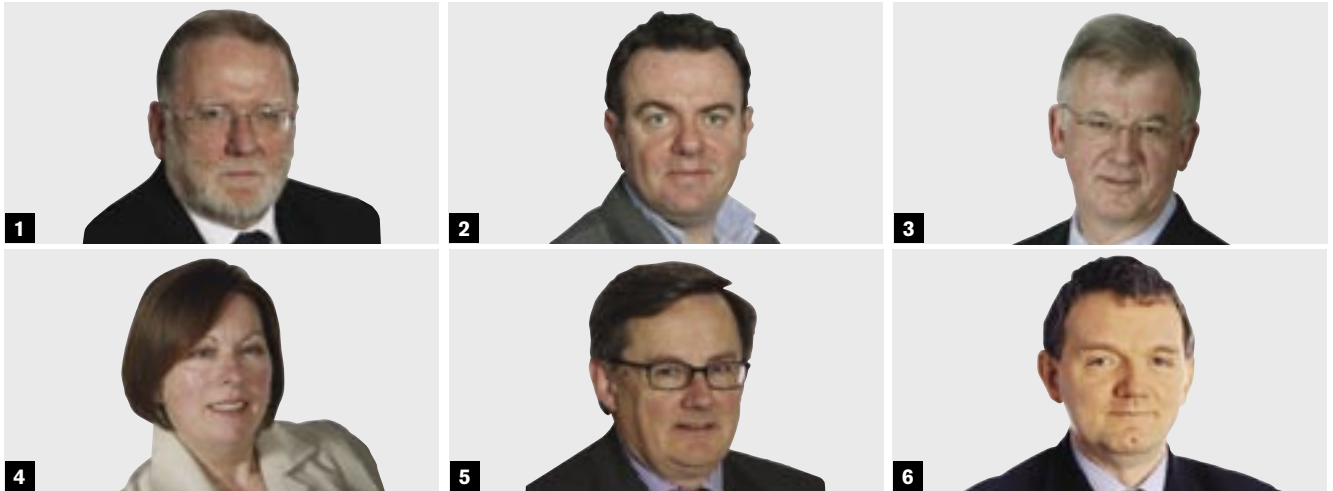
Working Group on the Statement of Strategy

There were four meetings of the Working Group on the Statement of Strategy during 2009, attended as follows:

	Meetings Attended
Fergus Armstrong (Chairman)	4
Karlin Lillington	4
Sean O'Sullivan	4

In addition to the formal meetings, the members of the Working Group had ongoing informal engagement and discussion with RTÉ executives as part of the preparation of the Statement of Strategy.

Executive



1. Cathal Goan (Director-General)

Cathal was appointed Director-General of RTÉ with effect from October 2003.

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.

2. Noel Curran (Managing Director Television)

Noel was appointed Managing Director Television with effect from October 2003.

A graduate in Communications from DCU, he held a variety of posts in the print media before joining RTÉ in 1992.

He initially worked as a reporter, producer and editor in RTÉ Television and was later appointed as Editor of Current Affairs in the News and Current Affairs Division.

3. Brian Dalton (Managing Director Corporate Development)

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

He holds a Master's 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.

4. Clare Duignan (Managing Director Radio)

Clare was appointed Managing Director Radio in February 2009.

A history and politics graduate from UCD Clare has held a range of positions in both Television and 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.

5. Conor Hayes (Chief Financial Officer)

Conor joined RTÉ as Chief Financial Officer in October 2001. In addition he oversees RTÉNL, RTÉ Publishing, Group IT & 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.

6. Edward Mulhall (Managing Director News and 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 Current Affairs. Subsequently, he was the Assistant Head of Features and Current Affairs in 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.

Corporate Governance

for the year ended 31 December 2009

Members of the Board of RTÉ are committed to maintaining the highest standards of corporate governance and business conduct.

RTÉ complies with the revised *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 arrangement, 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 49 does not include amounts paid to Board members in their capacity as employees, 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, its Committees or 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 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.

The Board of RTÉ was established for the first time during 2009, following the enactment of the *Broadcasting Act 2009*. It replaced the RTÉ Authority and a number of important changes took place as a result. The following points summarise these changes and record changes to the membership of the Board during the year ended 31 December 2009:

- The 15th RTÉ Authority completed its term of office on 31 December 2008
- Due to a delay in appointing new members to the RTÉ Authority, RTÉ was without an Authority in the period from 1 January 2009 to 23 February 2009 inclusive. During this time management did not engage in any decision making in areas reserved for consideration and decision by the RTÉ Authority. The business continued to be managed within clear parameters approved by the outgoing RTÉ Authority as part of normal governance procedures, namely the Corporate Strategic Plan, the Financial Budget, the Capital Budget and the approved delegated authority limits. On appointment, with effect from 24 February 2009, the members of the new RTÉ Authority were fully briefed on all developments in the business during the interim period
- With effect from 24 February 2009, the Government appointed a new nine member RTÉ Authority (including the Director-General), with a term of office expiring on 31 August 2009. Appointed under the terms of the *Broadcasting Authority Act, 1960*, this interim RTÉ Authority was to operate for a temporary period pending the enactment of new broadcasting legislation
- The *Broadcasting Act 2009* was enacted on 12 July 2009 and a new governing body, the Board of RTÉ, came into existence. The RTÉ Authority ceased to exist at this point and the nine members of the RTÉ Authority in existence at the enactment of the Act became members of the new Board of RTÉ. The expiry of their term of office (31 August 2009) remained unchanged
- Following the expiry of the term of office of the Board on 31 August 2009:
 - Six members were reappointed by Government for a period of five years to 31 August 2014, on the nomination of the Minister for Communications, Energy and Natural Resources:
 - Tom Savage
 - Fergus Armstrong
 - Alan Gilshan
 - Karlin Lillington
 - Sean O'Sullivan
 - Patricia Quinn
 - The Director-General of RTÉ was reappointed as an ex officio member
 - Emer Finnan was also reappointed to the Board by Government for a term of office to cease at such time as the Government appointed four additional members to the Board following proposals from the Oireachtas Joint Committee on Communications, Energy and Natural Resources

- Joe O'Brien's term of office as staff representative on the Board ceased on 31 August 2009 and, following a staff election, Joe Little, was appointed to the Board with effect from 30 September 2009. His term of office expires on 31 August 2014
- At the end of 2009 the Board of RTÉ therefore consisted of nine members. Biographical details of the members of the Board in office at 31 December 2009 are set out on page 44.

Subsequent to year-end, the Government completed its appointments to the Board of RTÉ and four new members joined the Board, effective from 16 February 2010. These appointments were made following proposals to the Minister 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.

The new Board members are:

- Orlaith Carmody, Director of a media and management consultancy firm
- Aileen O'Meara, Independent Radio Producer
- Eunice O'Raw, practising barrister and Director of Legal Affairs for the Health Service Executive
- Stuart Switzer, Independent Television Producer

Role

The duties of Board members are set out in 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 areas relevant to the oversight of a public service broadcaster. 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 regularly with Government 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 all committee meetings which have been held since the previous Board meeting and the Chairman of each committee is available to report 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 Committee, the Remuneration and Management Development Committee, and the Programme Committee. Temporary committees are formed from time to time to deal with specific matters under defined terms of reference. The Board established one such temporary committee in 2009 – the Working Group on the Statement of Strategy.

The membership of each committee, together with details of attendance at meetings held in 2009 is set out on page 44.

The *Audit Committee* comprises three Board members, all of whom are considered independent. During 2009, one member of the Audit Committee had recent relevant financial experience (Emer Finnan). Following a change in the composition of the Audit Committee in February 2010, Stuart Switzer is currently the committee member with recent relevant financial experience.

The Director-General, Chief Financial Officer and Head of Internal Audit normally attend meetings of the committee, while the external auditors attend as required. 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 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 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"

Corporate Governance (continued)

for the year ended 31 December 2009

- 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 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.
- Considering the 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 four Board members, all of whom are considered independent. This committee considers key developments and plans in respect of Television and 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 *Working Group on the Statement of Strategy* comprises three Board members, all of whom are considered independent. This was established by the Board in mid 2009 to ensure the preparation of a five year Statement of Strategy for submission to the Minister for Communications, Energy and Natural Resources, pursuant to Section 99 of the *Broadcasting Act 2009*.

Independence of Members of the Board

Each Board member brings independent judgment, challenge and rigour to the Board's deliberations. As required by 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 as per the criteria of the *Combined Code*.

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 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 Committee.

The Audit 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 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 Committee in the context of the external auditors' independence as part of the Audit 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 Audit Committee has detailed terms of reference, which are available on the RTÉ website, and are currently being revised.

The *Remuneration and Management Development Committee* comprises three Board members, all of whom are considered independent. 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:

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

	2009 €'000	2008 €'000
Tom Savage	27	-
Fergus Armstrong	14	-
Emer Finnan	14	18
Alan Gilsenan	14	-
Cathal Goan	-	-
Karlin Lillington	14	-
Joe Little ²	4	-
Joe O'Brien ²	8	18
Sean O'Sullivan	14	-
Patricia Quinn	14	-
Payments to members of the 15th RTÉ Authority ³	-	143
	123	179

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 their Board fees, Joe O'Brien and Joe Little were paid as employees of RTÉ

³ The term of office of the members of the 15th RTÉ Authority ended on 31 December 2008. Payment during 2008 to members of the 15th RTÉ Authority included €18,000 to each of Maria Killian, Patricia King, Ian Malcolm, Paddy Marron, Úna Ní Chonaire and Stephen O'Byrnes and €35,000 to Mary Finan in her capacity as Chairman of the RTÉ Authority

Expenses of Board members

The expenses paid to the Board members in office during the year ended 31 December 2009, in respect of services as members of the Board of RTÉ, are set-out below:

	2009 ¹ €'000
Travel - mileage	4
Travel - other	1
Subsistence allowances	1
	6

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. Also excluded from the above are expenses amounting to €3,000 in total which were paid, in early 2009, to retired Board members (i.e. members of the 15th RTÉ Authority) in respect of accrued expenses for service during the year-ended 31 December 2008.

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

	2009 €'000	2008 €'000
Cathal Goan ²		
- Basic salary ¹	276	298
Other benefits		
- Pension contributions	24	24
- Other benefits	26	26
	326	348

¹ With effect from 1 June 2009 the Director-General's annual basic pay was reduced by 12.5%.

² Expenses amounting to €6,063 (2008: €9,867) 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 2009 or 2008.

Pension benefits earned during the year and total accrued pension at 31 December 2009 were as follows:

	€'000
Total accrued pension at year end ¹	128

¹ The accrued pension shown is that which would be paid annually on normal retirement date, based on service to the end of the year. This is lower than the amount stated in 2008 due to the implementation of pay cuts in 2009.

Board Members' Report

for the year ended 31 December 2009

The members of the Board of RTÉ listed on page 44 present their annual report together with the audited Group financial statements for the year ended 31 December 2009.

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 2009 are set out in the Operational review on pages 10 to 37 and in the Financial review on pages 38 to 43. 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 *Statement of Commitments 2009*, are reviewed on pages 93 to 99.

Results for year

The results of the Group for the year are set out in the Income Statement on page 53 and in the related notes.

Members of the Board

The Board of RTÉ was established for the first time during 2009, following the enactment of the *Broadcasting Act 2009*. It replaced the then RTÉ Authority. The names of the persons who served as members of the Board during the year ended 31 December 2009 are set out on page 44.

Corporate governance

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

- Corporate governance pages 46 to 49
- Board members' profiles page 44
- Statement of Board members' responsibilities page 51.

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

25 March 2010

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

Cathal Goan
Director-General

Statement of Board Members' Responsibilities

for the year ended 31 December 2009

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 46 to 49 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

25 March 2010

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

Cathal Goan
Director-General

Independent Auditor's Report

for the year ended 31 December 2009

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 2009 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 51.

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 page 46 to 49 reflects RTÉ's compliance with the relevant provisions of the Code and we report if it does not. We also review, at the request of the Board, whether the Corporate Governance Statement on pages 46 to 49 reflects RTÉ's compliance with the nine provisions of the Financial Reporting Council's *2008 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 2009 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 2009; 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.

KPMG

Chartered Accountants
Registered Auditor
Dublin
25 March 2010

Group Income Statement

for the year ended 31 December 2009

	Notes	Before Exceptional item 2009 €'000	Exceptional item (note 6) 2009 €'000	2009 €'000	2008 €'000
Continuing Operations					
Revenue	1	374,921	-	374,921	440,760
Operating costs	2	(389,393)	(11,341)	(400,734)	(460,510)
Results from Operating Activities		(14,472)	(11,341)	(25,813)	(19,750)
Finance income	3	1,826	-	1,826	5,363
Finance expense	3	(661)	-	(661)	(764)
Net Defined Benefit Pension Related Finance (expense) / income	3	(2,814)	-	(2,814)	5,725
Net Finance (expense) / income		(1,649)	-	(1,649)	10,324
Deficit Before Income Tax	4	(16,121)	(11,341)	(27,462)	(9,426)
Income Tax (expense) / credit	7	(339)	-	(339)	9,459
(Deficit) / Surplus for the Year		(16,460)	(11,341)	(27,801)	33

On behalf of the Board

Tom Savage
Chairman

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

Cathal Goan
Director-General

25 March 2010

Group Statement of Comprehensive Income

for the year ended 31 December 2009

	Notes	2009 €'000	2008 €'000
Actuarial gain / (loss) on defined benefit pension scheme	19	100,124	(105,264)
Deferred tax on defined benefit pension scheme	20	(1,151)	2,192
Income and Expense recognised directly in equity		98,973	(103,072)
(Deficit) / Surplus for the year		(27,801)	33
Total Recognised Income and Expense for the year		71,172	(103,039)

Group Balance Sheet

at 31 December 2009

	Notes	2009 €'000	2008 €'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	8	98,286	108,931
Intangible assets	9	4,711	4,973
Pension asset	19	9,208	-
Deferred tax assets	20	-	923
Other receivables	12	503	626
Total Non-Current Assets		112,708	115,453
Current Assets			
Inventories	11	37,156	41,314
Trade and other receivables	12	38,620	53,134
Prepayments and accrued income		14,654	11,468
Liquid investments	13	41,718	-
Cash and cash equivalents	14	17,130	68,267
Total Current Assets		149,278	174,183
Total Assets		261,986	289,636
EQUITY			
Retained earnings		145,435	74,263
LIABILITIES			
Non-Current Liabilities			
Employee benefits	18	14,879	8,806
Pension liability	19	-	86,617
Deferred tax liabilities	20	969	-
Total Non-Current Liabilities		15,848	95,423
Current Liabilities			
Trade and other payables	15	65,115	76,899
Taxation and social welfare	16	10,282	9,095
Derivative financial instruments	21	184	148
Employee benefits	18	19,332	29,276
Provisions	17	5,790	4,532
Total Current Liabilities		100,703	119,950
Total Liabilities		116,551	215,373
Total Equity and Liabilities		261,986	289,636

On behalf of the Board

Tom Savage
Chairman

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

Cathal Goan
Director-General

25 March 2010

Group Statement of Changes in Equity

at 31 December 2009

	2009	2008
	€'000	€'000
Retained earnings:		
Balance at 1 January	74,263	177,302
Total Recognised Income and Expense	71,172	(103,039)
Balance at 31 December	145,435	74,263

RTÉ Statement of Changes in Equity

at 31 December 2009

	2009	2008
	€'000	€'000
Retained earnings:		
Balance at 1 January	22,434	134,227
Total Recognised Income and Expense	61,147	(111,793)
Balance at 31 December	83,581	22,434

Group Cash Flow Statement

for the year ended 31 December 2009

	Notes	2009 €'000	2008 €'000
Cash Flows from Operating Activities			
(Deficit) / Surplus for the year		(27,801)	33
Adjustments for:			
Restructuring charge		11,341	-
Depreciation of property, plant and equipment	8	24,537	19,970
Amortisation of intangible assets	9	1,488	1,052
Loss on disposal of property, plant and equipment		49	32
Loss on disposal of intangible assets		-	16
Difference between pension charge and cash contributions		1,485	4,613
Net finance expense / (income)	3	1,649	(10,324)
Income tax expense / (credit)	7	339	(9,459)
		13,087	5,933
Change in inventories and related inventory payables		(1,557)	2,581
Change in trade and other receivables		14,637	9,145
Change in prepayments		(3,071)	6,910
Change in provisions and trade and other payables		476	259
Change in taxation and social welfare		1,588	(5,514)
Change in employee benefits		(15,837)	(877)
Net Cash from Operating Activities		9,323	18,437
Cash Flows from Investing Activities			
Interest received		1,764	5,602
Proceeds from sale of property, plant and equipment		64	63
Acquisition of property, plant and equipment		(19,342)	(44,432)
Acquisition of intangible assets		(1,228)	(1,538)
Net Cash used in Investing Activities		(18,742)	(40,305)
Cash Flows from Financing Activities			
(Increase) / decrease in liquid investments	13	(41,718)	73,405
Net Cash from Financing Activities		(41,718)	73,405
Net (decrease) / increase in cash and cash equivalents		(51,137)	51,537
Cash and cash equivalents at 1 January		68,267	16,730
(Decrease) / increase in cash and cash equivalents		(51,137)	51,537
Cash and Cash Equivalents at 31 December	14	17,130	68,267

RTÉ Balance Sheet

at 31 December 2009

	Notes	2009 €'000	2008 €'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	8	41,690	59,138
Intangible assets	9	4,222	4,442
Investments in subsidiaries	10	65,827	65,827
Pension asset	19	9,208	-
Deferred tax assets	20	-	1,845
Other receivables	12	503	626
Total Non-Current Assets		121,450	131,878
Current Assets			
Inventories	11	35,762	40,314
Trade and other receivables	12	31,431	44,403
Prepayments and accrued income		12,197	8,667
Liquid Investments	13	34,654	-
Cash and cash equivalents	14	10,932	36,068
Total Current Assets		124,976	129,452
Total Assets		246,426	261,330
EQUITY			
Retained earnings		83,581	22,434
LIABILITIES			
Non-Current Liabilities			
Employee benefits	18	14,879	8,806
Pension liability	19	-	86,617
Deferred tax liabilities	20	179	-
Total Non-Current Liabilities		15,058	95,423
Current Liabilities			
Trade and other payables	15	113,851	101,891
Taxation and social welfare	16	8,961	8,083
Derivative financial instruments	21	184	148
Employee benefits	18	19,001	28,819
Provisions	17	5,790	4,532
Total Current Liabilities		147,787	143,473
Total Liabilities		162,845	238,896
Total Equity and Liabilities		246,426	261,330

On behalf of the Board

Tom Savage
Chairman

25 March 2010

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

Cathal Goan
Director-General

RTÉ Cash Flow Statement

for the year ended 31 December 2009

	Notes	2009 €'000	2008 €'000
Cash Flows from Operating Activities			
Deficit for the year		(37,826)	(8,721)
Adjustments for:			
Restructuring charge		11,341	-
Depreciation of property, plant and equipment	8	19,705	14,774
Amortisation of intangible assets	9	1,356	975
Gain on disposal of property, plant and equipment		(21)	(21)
Difference between pension charge and cash contributions		1,485	4,613
Net finance expense / (income)		1,996	(8,145)
Income tax expense / (credit)		533	(9,956)
		(1,431)	(6,481)
Change in inventories and related inventory payables		(1,165)	2,815
Change in trade and other receivables		13,094	8,098
Change in prepayments		(3,404)	7,798
Change in provisions and trade and other payables		21,835	3,970
Change in taxation and social welfare		1,216	(1,941)
Change in employee benefits		(15,712)	(407)
Net Cash from / (used in) Operating Activities		14,433	13,852
Cash Flows from Investing Activities			
Interest received		1,405	3,251
Proceeds from sale of property, plant and equipment		44	40
Acquisition of property, plant and equipment		(5,210)	(23,160)
Acquisition of intangible assets		(1,154)	(1,207)
Net Cash used in Investing Activities		(4,915)	(21,076)
Cash Flows from Financing Activities			
Decrease in liquid investments	13	(34,654)	31,923
Net Cash from Financing Activities		(34,654)	31,923
Net increase / (decrease) in cash and cash equivalents		(25,136)	24,699
Cash and cash equivalents at 1 January		36,068	11,369
Increase / (decrease) in cash and cash equivalents		(25,136)	24,699
Cash and Cash Equivalents at 31 December	14	10,932	36,068

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 2009 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 2009 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 except for derivative financial instruments which are measured at fair value.

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. Changes in accounting policy

(a) Overview

With effect from 1 January 2009, the Group has changed its accounting policies in the following areas:

- Determination and presentation of operating segments.
- Presentation of financial statements.

(b) Determination and presentation of operating segments

As of 1 January 2009 the Group determines and presents operating segments on the information that internally is provided to the Director-General and the RTÉ Executive, who are the Group's operating decision makers. This change in accounting policy is due to the adoption of IFRS 8 *Operating Segments*. Previously operating segments were determined and presented in accordance with IAS 14 *Segment Reporting*. The new accounting policy in respect of segment operating disclosures is presented as follows: 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).

Comparative segment information has been re-presented in conformity with IFRS 8. The change in accounting policy only impacts presentation and disclosure.

(c) Presentation of financial statements

The Group applies revised IAS 1 *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. The change in accounting policy only impacts presentation aspects.

3. 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.

4. 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 and Family Affairs (DSFA) on behalf of individuals eligible for a "free" Television Licence is paid by the DSFA 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 5%/7% levy to the Broadcasting Fund, together with the amounts paid to it by DSFA.

Licence Fee revenue payable by the DSFA 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.

5. 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.

6. 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.

Accounting Policies (continued)

7. 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.

8. 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.

9. 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 2008 or 2009.

10. 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 sport 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.

11. 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.

12. Employee benefits**(a) Retirement benefit obligations**

The Group, through the RTÉ Superannuation Scheme, the RTÉ Defined Contribution Pension Scheme and other defined contribution schemes, makes pension contributions for a substantial number of employees.

In relation to the defined contribution schemes, 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, the difference between the market value of the scheme's assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability in the balance sheet, net of deferred tax (to the extent that it is recoverable). 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 Scheme's 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 costs 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.

Accounting Policies (continued)

(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.

13. 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.

14. Finance income and expenses

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

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

15. Operating leases

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

16. 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 2009 financial statements:

- Revised IAS 23 *Borrowing Costs* removed the option to expense borrowing costs and required that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. The revised IAS 23 became mandatory for the Group's 2009 financial statements but did not have any impact for RTÉ as the Group has no borrowings.
- IFRIC 13 *Customer Loyalty Programmes* addressed the accounting by entities that operate or otherwise participate in, customer loyalty programmes under which the customer can redeem credits for such as free or discounted goods or services. IFRIC 13, which became mandatory for the Group's 2009 financial statements, did not have any impact on the financial statements.
- Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation* required puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a *pro rata* share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which become mandatory for the Group's 2009 financial statements, with retrospective application required, did not have any impact on the financial statements.
- Amendment to IFRS 2 *Share-based Payment – Vesting Conditions and Cancellations* clarified the definition of vesting conditions, introduced the concept of non-vesting conditions, required non-vesting conditions to be reflected in grant-date fair value and provided the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 became mandatory for the Group's 2009 financial statements, with retrospective application required but did not have any impact.

(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:

- Revised IFRS 3 *Business Combinations* (2008) incorporates the following changes that are likely to be relevant to the Group's operations:
 - 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 becomes mandatory for the Group's 2010 financial statements, will be applied prospectively and therefore there will have no impact on prior periods in the Group's 2010 financial statements.

- Amended IAS 27 *Consolidated and Separate Financial Statements* (2008) requires 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 become mandatory for the Group's 2010 financial statements, are not expected to have a significant impact on the financial statements.
- Eligible Hedge Items – Amendment to IAS 39 *Financial Instruments: Recognition and Measurement*, which clarifies the existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. The amendment, which becomes mandatory for the Group's 2010 consolidated financial statements, is not expected to have a significant impact on the consolidated financial statements.

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 RTÉ Transmission Network Limited (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 the 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 IBDs invoice Publishing IBD 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. This public service channel is operated with a target to generate sufficient commercial revenue to fully cover its costs and to generate a surplus. This was achieved in 2008. Adverse economic conditions in 2009 resulted in a sudden reduction of 28% in commercial revenue and a deficit of €1.7 million 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;
- surpluses generated in 2008 by RTÉ 2fm;

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 surplus/(deficit) 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 Surplus / (Deficit)	(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)
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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1 Principal activities and segmental information (continued)

(d) Revenues, costs and surplus/(deficit) by IBD (continuing operations), in line with RTÉ's organisational structure, year ended 31 December 2008:

	REPORTABLE SEGMENTS						OTHER			Group Total as restated** €'000
	Television IBD as restated** €'000	Radio IBD as restated** €'000	News and Current Affairs IBD €'000	Performing Groups IBD €'000	Network IBD as restated** €'000	Publishing IBD as restated** €'000	Corporate HQ as restated** €'000	Exceptional Item €'000	Consolidation Adjustments* as restated** €'000	
Revenue										
Advertising income	149,110	41,105	-	11	-	5,861	-	(484)	195,603	
Sponsorship income	6,168	1,989	-	274	-	945	-	-	9,376	
Facilities income	1,846	233	-	434	-	-	-	(419)	2,094	
Circulation and event income	-	-	-	2,039	-	5,041	-	-	7,080	
Transmission, mast and towers income	-	-	-	-	27,599	-	-	(12,444)	15,155	
Content, merchandising and related sales	5,053	1,851	-	64	-	4,789	-	(1,451)	10,306	
Other commercial revenue	16	-	-	-	-	278	40	(40)	294	
Commercial revenue	162,193	45,178	-	2,822	27,599	16,914	40	(14,838)	239,908	
Licence Fee revenue attribution	94,036	32,609	58,739	15,468	-	-	-	-	200,852	
	256,229	77,787	58,739	18,290	27,599	16,914	40	(14,838)	440,760	
Costs by output category										
Programme costs - by source										
In-house productions	(120,301)	(64,122)	(61,345)	-	-	-	-	761	(245,007)	
Statutory commissions	(35,868)	-	-	-	-	-	-	-	(35,868)	
Non - statutory commissions	(44,025)	-	(1)	-	-	-	-	-	(44,026)	
Indigenous programming	(200,194)	(64,122)	(61,346)	-	-	-	-	761	(324,901)	
Acquired programmes - Ireland	(426)	-	-	-	-	-	-	-	(426)	
Acquired programmes - Overseas	(24,695)	(3)	-	-	-	-	-	-	(24,698)	
	(225,315)	(64,125)	(61,346)	-	-	-	-	761	(350,025)	
General broadcast and transmission costs	(28,985)	(1,751)	(142)	-	(21,485)	-	-	726	(51,637)	
RTÉNL transmission and power charges	(6,557)	(5,184)	-	-	-	-	-	11,741	-	
Sales costs	(7,549)	(3,099)	-	-	-	(2,538)	-	524	(12,662)	
Other output related costs	(5,621)	(869)	(3)	(18,290)	-	(16,436)	-	1,682	(39,537)	
	(274,027)	(75,028)	(61,491)	(18,290)	(21,485)	(18,974)	-	15,434	(453,861)	
Unallocated revenues and costs										
Restructuring charge	-	-	-	-	-	-	-	-	-	
Corporate HQ	-	-	-	-	-	-	(5,813)	-	(5,813)	
Interest Payable	-	-	-	-	-	-	(752)	-	(752)	
Interest Receivable	187	-	-	-	2,178	-	2,150	-	4,515	
IBD Surplus / (Deficit)	(17,611)	2,759	(2,752)	-	8,292	(2,060)	(4,375)	596	(15,151)	
Net defined benefit pension related finance income									5,725	
Deficit before Income Tax									(9,426)	
Income tax									9,459	
Surplus for the Year									33	

*Elimination of intra-group revenue and costs.

**Restated due to the first time adoption of IFRS 8 *Operating Segments* (see Change in accounting policy 2(b) on page 60).

Additional Segmental Disclosures

Commercial revenue consists of:

External Customers	161,973	45,019	-	2,822	15,155	14,939	-	-	-	239,908
Revenue from other operating segments	220	159	-	-	12,444	1,975	-	-	(14,798)	-
	162,193	45,178	-	2,822	27,599	16,914	-	-	(14,798)	239,908

One customer of the Television, Radio and Publishing reporting segments represents €53 million of the group's total revenue while one customer of all the reporting segments represents €206 million of the group's total revenue.

Material non cash items included in reportable segment costs include:

Difference between pension charge and cash contributions	2,055	1,176	937	325	111	9	-	-	-	4,613
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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 surplus/(deficit) by channel, service and broadcasting genre and between public service and non-public service activities, year ended 31 December 2009:

	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	(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)
Net Surplus / (Deficit)														
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)
Deficit 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 €0.9 million from sales outside of the Republic of Ireland

1 Principal activities and segmental information (continued)

(e) Analysis of revenues, costs and surplus/(deficit) by channel, service and broadcasting genre and between public service and non-public service activities, year ended 31 December 2008:

	RTÉ One as restated €'000	RTÉ Two as restated €'000	RTÉ Radio 1 €'000	RTÉ 2fm €'000	RTÉ lyric fm €'000	RTÉ RnaG €'000	TG4 support as restated €'000	Performing Groups €'000	Corporate HQ as restated €'000	Online Services as restated €'000	Other as restated €'000	Exceptional Item €'000	Consolidation Adjustments as restated €'000	Group Total as restated €'000
PUBLIC SERVICE ACTIVITIES														
Indigenous programme costs														
In-house productions	(89,593)	(70,559)	(42,132)	(13,505)	(7,835)	(13,896)	(8,126)	-	-	(122)	-	-	761	(245,007)
Statutory Commissions	(27,295)	(8,573)	-	-	-	-	-	-	-	-	-	-	-	(35,868)
Non-statutory Commissions	(33,745)	(7,393)	-	-	-	-	(2,873)	-	-	(15)	-	-	-	(44,026)
	(150,633)	(86,525)	(42,132)	(13,505)	(7,835)	(13,896)	(10,999)	-	-	(137)	-	-	761	(324,901)
Programme costs – By Genre														
Arts	(1,081)	-	(2,436)	-	(424)	(38)	-	-	-	-	-	-	8	(3,971)
Education	(886)	-	(20)	(28)	(85)	(85)	-	-	-	-	-	-	1	(1,103)
Religious	(4,252)	-	(593)	-	-	(106)	-	-	-	-	-	-	19	(4,932)
Other Factual	(38,108)	(2,085)	(2,558)	-	(265)	(3,101)	(1,941)	-	-	-	-	-	79	(47,979)
Factual	(44,327)	(2,085)	(5,607)	(28)	(774)	(3,330)	(1,941)	-	-	-	-	-	107	(57,985)
Drama	(37,801)	(4,387)	(750)	-	-	(99)	(419)	-	-	(15)	-	-	44	(43,427)
Entertainment	(26,477)	(6,503)	(4,400)	(1,998)	(271)	(618)	(1,063)	-	-	-	-	-	38	(41,292)
Music	(2,408)	(1,189)	(7,721)	(6,983)	(6,085)	(1,825)	-	-	-	-	-	-	70	(26,141)
News, Current Affairs and Weather	(38,630)	(3,227)	(18,423)	(4,405)	(657)	(5,884)	(6,637)	-	-	-	-	-	440	(77,423)
Sport	(990)	(54,257)	(5,230)	(84)	-	(1,486)	(11)	-	-	-	-	-	17	(62,041)
Young Peoples	-	(14,877)	(1)	-	(48)	(654)	(928)	-	-	(122)	-	-	38	(16,592)
Other	-	-	-	(7)	-	-	-	-	-	-	-	-	7	-
Indigenous Programming	(150,633)	(86,525)	(42,132)	(13,505)	(7,835)	(13,896)	(10,999)	-	-	(137)	-	-	761	(324,901)
Indigenous non-broadcast output costs														
	-	-	-	-	-	-	-	(18,290)	-	(5,034)	-	-	38	(23,286)
	(150,633)	(86,525)	(42,132)	(13,505)	(7,835)	(13,896)	(10,999)	(18,290)	-	(5,171)	-	-	799	(348,187)
Public Funding														
Licence Fee revenue attribution	83,300	47,848	19,976	-	8,118	15,063	11,079	15,468	-	-	-	-	-	200,852
	(67,333)	(38,677)	(22,156)	(13,505)	283	1,167	80	(2,822)	-	(5,171)	-	-	799	(147,335)
Other public service activity costs by output category														
Acquired Programmes														
- Ireland	(378)	(48)	-	-	-	-	-	-	-	-	-	-	-	(426)
- Overseas	(13,418)	(11,277)	-	-	(3)	-	-	-	-	-	-	-	-	(24,698)
General Broadcast and Transmission Costs	(14,495)	(14,498)	(933)	(435)	(250)	(187)	(80)	-	-	-	-	-	-	(30,878)
RTÉNL Transmission and Power Charges	(3,278)	(3,278)	(2,247)	(980)	(978)	(980)	-	-	-	-	-	-	-	(11,741)
	(31,569)	(29,101)	(3,180)	(1,415)	(1,231)	(1,167)	(80)	-	-	-	-	-	-	(67,743)
Unallocated revenues and costs														
Corporate HQ	-	-	-	-	-	-	-	-	(5,813)	-	-	-	-	(5,813)
Net Interest Receivable	-	-	-	-	-	-	-	-	1,398	-	2,365	-	-	3,763
Net defined benefit pension related finance income	-	-	-	-	-	-	-	-	-	-	5,725	-	-	5,725
Deficit on public service activities	(98,902)	(67,778)	(25,336)	(14,920)	(948)	-	-	(2,822)	(4,415)	(5,171)	8,090	-	799	(211,403)
NON-PUBLIC SERVICE ACTIVITIES														
Commercial revenue														
External revenue	106,204	48,689	23,311	20,084	992	-	-	2,822	-	2,592	35,214	-	-	239,908
Internal revenue	292	102	82	-	-	-	-	-	40	-	14,322	-	(14,838)	-
	106,496	48,791	23,393	20,084	992	-	-	2,822	40	2,592	49,536	-	(14,838)	239,908
Non-Public service operating costs														
General Broadcast and Transmission Costs	-	-	-	-	-	-	-	-	-	-	(21,485)	-	726	(20,759)
RTÉNL Transmission and Power Charges	-	-	-	-	-	-	-	-	-	-	-	-	11,741	11,741
Sales Costs	(5,278)	(2,271)	(1,733)	(1,322)	(44)	-	-	-	-	(618)	(1,920)	-	524	(12,662)
Other Output Related Costs	-	-	-	(312)	-	-	-	-	-	-	(17,583)	-	1,644	(16,251)
	(5,278)	(2,271)	(1,733)	(1,634)	(44)	-	-	-	-	(618)	(40,988)	-	14,635	(37,931)
Contribution from non-public service activities	101,218	46,520	21,660	18,450	948	-	-	2,822	40	1,974	8,548	-	(203)	201,977
Restructuring charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Surplus / (Deficit) before Income Tax	2,316	(21,258)	(3,676)	3,530	-	-	-	-	(4,375)	(3,197)	16,638	-	596	(9,426)
Income tax	-	-	-	-	-	-	-	-	-	-	9,459	-	-	9,459
Surplus for the Year	2,316	(21,258)	(3,676)	3,530	-	-	-	-	(4,375)	(3,197)	26,097	-	596	33

External commercial revenue includes €1 million from sales outside of the Republic of Ireland

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 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
	Television IBD €'000	Radio IBD €'000	News and Current Affairs IBD €'000	Network IBD as restated €'000	Publishing IBD €'000	Performing Groups IBD €'000	Unallocated ¹ as restated €'000	Group Total as restated €'000
Year ended 31 December 2008								
Segment assets	133,809	21,858	11,862	94,361	6,836	1,521	-	270,247
Unallocated assets	-	-	-	-	-	-	19,389	19,389
Total Assets	133,809	21,858	11,862	94,361	6,836	1,521	19,389	289,636
Segment liabilities	(51,155)	(5,027)	(4,197)	(13,691)	(3,406)	(998)	-	(78,474)
Unallocated liabilities	-	-	-	-	-	-	(136,899)	(136,899)
Total Liabilities	(51,155)	(5,027)	(4,197)	(13,691)	(3,406)	(998)	(136,899)	(215,373)
Capital expenditure	12,056	5,156	7,736	24,901	1,170	405	-	51,424
Depreciation of property, plant and equipment	9,378	3,227	1,988	5,363	410	155	(551)	19,970
Amortisation of intangible assets	584	254	98	17	88	11	-	1,052

¹ Unallocated assets principally comprise cash and liquid investments, and in 2009 the actuarial surplus on the RTÉ Superannuation Scheme. Unallocated liabilities principally comprise tax and other financial liabilities together with employee benefits and provisions, and in 2008 the actuarial deficit on the RTÉ Superannuation Scheme.

Total assets contain €1.4 million situated outside of the Republic of Ireland in 2009, these amounted to €1.6 million in 2008.

(g) Analysis of network charges to all RTÉ Services

	2009 €'000	2008 €'000
RTÉ One	3,888	3,585
RTÉ Two	3,502	3,343
RTÉ Radio 1	2,157	2,401
RTÉ 2fm	1,037	1,008
RTÉ lyric fm	1,027	1,003
RTÉ Raidió na Gaeltachta	1,127	1,055
	12,738	12,395

2 Operating Costs

	2009 €'000	2008 €'000
Employee costs (note 5)	161,294	176,077
Other personnel related costs (including contractors)	34,103	45,887
Personnel Related Operating Costs	195,397	221,964
Direct commissioned programme costs	52,845	72,202
Direct acquired programme costs	24,455	24,199
Sports and other copyrights	16,541	25,812
Outside broadcast contracts	6,142	7,130
International communication circuits	3,320	4,015
RTÉ Guide printing and related costs	2,378	2,819
Network electricity	2,609	3,140
Music licences	7,462	7,806
Insurance policies	1,514	1,583
Other third party costs	50,705	68,818
Non Personnel Related Operating Costs before Depreciation and Amortisation	167,971	217,524
Depreciation and Amortisation	26,025	21,022
Non Personnel Related Operating Costs	193,996	238,546
Total Operating Costs before Exceptional item (Note 6)	389,393	460,510

3 Finance Income and Expense

	2009 €'000	2008 €'000
Interest income on bank deposits	1,826	4,527
Fair value gains on derivative financial instruments	-	836
Finance income	1,826	5,363
Unwind of discount on restructuring provision (note 18)	625	763
Fair value losses on derivative financial instruments	36	-
Other finance costs	-	1
Finance expense	661	764
Expected return on scheme assets (note 19)	44,872	59,298
Interest cost on scheme liabilities (note 19)	(47,686)	(53,573)
Net defined benefit pension related finance (expense) / income	(2,814)	5,725
Net Finance (Expense) / Income recognised in income statement	(1,649)	10,324

Notes (continued)

forming part of the group financial statements

4 (Deficit) / Surplus on Continuing Operations Before Income Tax

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

	2009 €'000	2008 €'000
Depreciation and amortisation		
- Depreciation of property, plant and equipment	24,537	19,970
- Amortisation of intangible assets	1,488	1,052
Loss on disposal of property, plant and equipment and intangible assets	(49)	(48)
Auditors' remuneration, including expenses		
- audit fees	107	191
- other audit related services	42	51
- non audit work		
- tax advice	92	356
- corporate finance	70	351
- other services	11	57
Operating lease rentals, principally vehicles	70	116

The remuneration of Board members and the Director-General are set out on page 49.

5 Employee Information

Group staff costs during the year amounted to:

	2009 €'000	2008 €'000
Wages and salaries	137,240	150,168
Social welfare costs	9,798	10,257
Pension costs and life assurance	14,256	15,652
	161,294	176,077

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	
	2009	2008	2009	2008
RTÉ Group	2,214	2,351	2,035	2,144

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

	2009	2008
RTÉ Group	2,297	2,338

6 Exceptional Item

	2009 €'000	2008 €'000
Restructuring charge	11,341	-
	11,341	-

Arising from the cost reduction programme in 2009, the restructuring charge relates to the introduction of an Early Retirement & Redundancy Facility and an Incentivised Career Break / Leave of Absence Scheme.

7 Income Tax Expense / (Credit)

	2009 €'000	2008 €'000
Current Tax (Credit) / Expense		
Current corporation tax	-	2,018
Prior period overprovision	(402)	(2,381)
	(402)	(363)
Deferred Tax Expense / (Credit)		
Origination and reversal of temporary differences (note 20)	741	(5,057)
Recognition of previously unrecognised tax losses	-	(4,039)
	741	(9,096)
Total Income Tax Expense / (Credit)	339	(9,459)
Reconciliation of Effective Tax Rate		
	2009 €'000	2008 €'000
Deficit before income tax multiplied by the standard rate of corporation tax in Ireland of 12.5% (2008: 12.5%)	(3,433)	(1,178)
Effects of:		
Income taxable at a higher rate of tax	150	566
Recognition of losses forward	-	(4,039)
Release of deferred tax liability on IFRS transitional adjustments	-	(2,972)
Other differences	120	545
Permanent differences	2,015	-
Carry back of losses under s396B	361	-
Current year trading losses on which no deferred tax recognised	1,528	-
Prior period overprovision	(402)	(2,381)
Total Income Tax Expense / (Credit)	339	(9,459)
Deferred Tax Recognised directly in Equity		
	2009 €'000	2008 €'000
Relating to pension asset (note 20)	(1,151)	2,192
	(1,151)	2,192

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 €541 million at 31 December 2009. 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)

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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 2008	54,141	162,179	2,613	8,501	227,434
Additions	-	-	-	49,899	49,899
Reclassifications	5,128	16,417	361	(21,906)	-
Disposals and retirements	(136)	(20,165)	(130)	-	(20,431)
Balance at 31 December 2008	59,133	158,431	2,844	36,494	256,902
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
Depreciation					
Balance at 1 January 2008	30,237	116,451	1,650	-	148,338
Depreciation for the year	4,414	15,070	486	-	19,970
Disposals and retirements	(126)	(20,080)	(131)	-	(20,337)
Balance at 31 December 2008	34,525	111,441	2,005	-	147,971
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
Net Book Value					
At 31 December 2008	24,608	46,990	839	36,494	108,931
At 31 December 2009	21,134	46,033	677	30,442	98,286

The Board of RTÉ has reviewed the carrying value of property, plant and equipment and is satisfied that the values are fairly stated.

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 2008	47,462	91,290	2,373	3,626	144,751
Additions	-	-	-	24,724	24,724
Reclassifications	4,021	9,712	362	(14,095)	-
Disposals and retirements	(90)	(19,272)	(128)	-	(19,490)
Balance at 31 December 2008	51,393	81,730	2,607	14,255	149,985
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
Depreciation					
Balance at 1 January 2008	27,262	66,871	1,426	-	95,559
Depreciation for the year	4,023	10,273	478	-	14,774
Disposals and retirements	(90)	(19,268)	(128)	-	(19,486)
Balance at 31 December 2008	31,195	57,876	1,776	-	90,847
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
Net Book Value					
At 31 December 2008	20,198	23,854	831	14,255	59,138
At 31 December 2009	16,753	20,386	671	3,880	41,690

The Board of RTÉ has reviewed the carrying value of property, plant and equipment and is satisfied that the values are fairly stated.

9 Intangible Assets

Group	Software €'000	Software under construction €'000	Total €'000
Cost			
Balance at 1 January 2008	6,141	266	6,407
Additions	-	1,525	1,525
Reclassifications	1,102	(1,102)	-
Disposals and retirements	(15)	-	(15)
Balance at 31 December 2008	7,228	689	7,917
Balance at 1 January 2009	7,228	689	7,917
Additions	-	1,226	1,226
Reclassifications	1,761	(1,761)	-
Balance at 31 December 2009	8,989	154	9,143
Amortisation			
Balance at 1 January 2008	1,892	-	1,892
Amortisation for the year	1,052	-	1,052
Balance at 31 December 2008	2,944	-	2,944
Balance at 1 January 2009	2,944	-	2,944
Amortisation for the year	1,488	-	1,488
Balance at 31 December 2009	4,432	-	4,432
Net Book Value			
At 31 December 2008	4,284	689	4,973
At 31 December 2009	4,557	154	4,711

The Board of RTÉ has reviewed the carrying value of intangible assets and is satisfied that the values are fairly stated.

RTÉ	Software €'000	Software under construction €'000	Total €'000
Cost			
Balance at 1 January 2008	5,924	143	6,067
Additions	-	1,194	1,194
Reclassifications	648	(648)	-
Disposals and retirements	(15)	-	(15)
Balance at 31 December 2008	6,557	689	7,246
Balance at 1 January 2009	6,557	689	7,246
Additions	-	1,136	1,136
Reclassifications	1,719	(1,719)	-
Balance at 31 December 2009	8,276	106	8,382
Amortisation			
Balance at 1 January 2008	1,829	-	1,829
Amortisation for the year	975	-	975
Balance at 31 December 2008	2,804	-	2,804
Balance at 1 January 2009	2,804	-	2,804
Amortisation for the year	1,356	-	1,356
Balance at 31 December 2009	4,160	-	4,160
Net Book Value			
At 31 December 2008	3,753	689	4,442
At 31 December 2009	4,116	106	4,222

The Board of RTÉ has reviewed the carrying value of intangible assets and is satisfied that the values are fairly stated.

Notes (continued)

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10 Investments in Subsidiaries

RTÉ	Total €'000
Balance at 1 January 2009	65,827
Additions	-
Balance at 31 December 2009	65,827

RTÉ had the following subsidiaries at 31 December 2009:

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	•			
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 sponsorship 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	•			
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				•
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 Online web services		•		
Operation of the RTÉ Player		•		
Sale of online banner advertising and sponsorship		•		
Sale of teletext advertising and sponsorship		•		
IVR/SMS revenue		•		
Production and publication of the RTÉ Guide magazine		•		
RTÉ Guide advertising sales		•		
Incubation and development of new media technologies		•		
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 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)

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11 Inventories

	Group		RTÉ	
	2009 €'000	2008 €'000	2009 €'000	2008 €'000
<i>Work in progress</i>				
In-house programmes	1,391	2,101	1,268	1,946
Commissioned programmes	12,439	18,681	12,439	18,681
<i>Finished programmes</i>				
Acquired programmes and films	14,642	15,449	14,642	15,450
In-house programmes	600	738	600	738
Commissioned programmes	6,813	3,499	6,813	3,499
Other inventories	1,271	846	-	-
	37,156	41,314	35,762	40,314

Inventories consumed during the year ended 31 December 2009 total €85.9 million (2008: €108.5 million).

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

12 Trade and Other Receivables

	Group		RTÉ	
	2009 €'000	2008 €'000	2009 €'000	2008 €'000
<i>Current Assets</i>				
Trade receivables	38,485	52,803	31,307	44,081
Other receivables	135	331	124	322
	38,620	53,134	31,431	44,403
<i>Non-Current Assets</i>				
Other receivables	503	626	503	626
	39,123	53,760	31,934	45,029

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	
	2009 €'000	2008 €'000	2009 €'000	2008 €'000
Term Deposits	41,718	-	34,654	-
Total Liquid Investments	41,718	-	34,654	-
Weighted average interest rate on term deposits	3.07%	-	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	
	2009 €'000	2008 €'000	2009 €'000	2008 €'000
Bank balances	334	12,091	92	11,035
Call deposits	16,796	56,176	10,840	25,033
Total Cash and Cash Equivalents	17,130	68,267	10,932	36,068
Weighted average interest rate on call deposits	2.28%	3.68%	2.26%	3.83%

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	
	2009 €'000	2008 €'000	2009 €'000	2008 €'000
Trade payables	6,309	9,257	5,179	7,582
Amounts owed to subsidiary entities	-	-	64,112	43,933
Accruals	51,258	60,720	42,823	48,667
Deferred income	7,548	6,922	1,737	1,709
	65,115	76,899	113,851	101,891

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	
	2009 €'000	2008 €'000	2009 €'000	2008 €'000
VAT	5,616	5,510	4,320	4,480
Payroll	5,105	3,809	5,005	3,747
Corporation tax	(439)	(224)	(364)	(144)
	10,282	9,095	8,961	8,083

17 Provisions

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

Provisions represent a prudent estimate of liabilities that may or may not 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)

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18 Employee Benefits

(a) Total Employee Benefits

	Group		RTÉ	
	2009 €'000	2008 €'000	2009 €'000	2008 €'000
Restructuring provision (see below)	24,150	16,343	24,150	16,343
Other payroll related accruals	10,061	21,739	9,730	21,282
Total employee benefits	34,211	38,082	33,880	37,625
Analysed as follows:				
Non-Current Liabilities	14,879	8,806	14,879	8,806
Current Liabilities	19,332	29,276	19,001	28,819
	34,211	38,082	33,880	37,625

(b) Restructuring Provision

	2009 €'000	2008 €'000
Group and RTÉ		
Balance at beginning of year	16,343	17,439
Charged during the year	11,341	1,852
Utilised during the year	(4,159)	(3,711)
Interest charge (note 3)	625	763
Balance at end of year	24,150	16,343
Analysed as follows:		
Non-Current	13,112	7,039
Current	11,038	9,304

The provision for restructuring costs at 31 December 2009 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, bonuses and holiday leave provided for in accordance with IAS 19 *Employee Benefits*.

19 Pension arrangements

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 Energy, Communications and Natural Resources and the Minister for Finance on 2 March 2010. Accordingly this scheme will commence for the first time during 2010.

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 2010 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 €2.6 million (1 January 2009: deficit €102.3 million), with allowance being made in the liabilities for post retirement increases on a full parity basis. The actuarial funding valuation report is not available for public inspection; however, the results of valuations are advised to members.

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

	2009 €'000	2008 €'000
RTÉ Superannuation Scheme		
- current service cost	5,113	8,670
- past service cost	308	-
	5,421	8,670
RTÉ Defined Contribution Pension Scheme	8,980	6,513
Other schemes	510	634

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.

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

Valuation method	2009 Projected unit	2008 Projected unit	2007 Projected unit
Average projected rate of increase in salaries		2.75%	4.00%
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		2.75%	4.00%
Average projected rate of increase in pensions in payment:			
Over the next two years	0%		
Over the following four years	1.8%		
Thereafter	2.5%		
Discount rate	5.4%	5.90%	5.50%
Inflation assumption	2.0%	1.80%	2.25%
Mortality	Years	Years	Years
Life Expectancy Future Retirees			
Male of age 65	21.8	21.4	20.5
Female of age 65	24.8	24.4	23.5
Life Expectancy Existing Pensioners			
Male of age 65	20.5	20.2	19.5
Female of age 65	23.4	23.1	22.4

Notes (continued)

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19 Pension arrangements (continued)

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

	2009	2008
Asset category		
Equities	50.6%	42.9%
Bonds	37.7%	40.6%
Property	6.1%	8.0%
Other	5.6%	8.5%
	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:

	2009		2008		2007	
	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	6.50%	394,878	7.85%	314,298	7.30%	552,621
Bonds	4.00%	293,574	4.80%	298,132	4.30%	253,374
Property	5.00%	47,734	6.00%	58,875	5.30%	92,416
Other	5.00%	42,946	5.35%	62,129	4.00%	98,319
Total fair value of assets		779,132		733,434		996,730
Actuarial value of the liability		(769,924)		(820,051)		(979,195)
Surplus / (Deficit) in RTÉ Superannuation scheme		9,208		(86,617)		17,535
Net Pension Asset / (Liability) Recognised		9,208		(86,617)		17,535

Movement in Present Value of Defined Benefit Obligations

	2009 €'000	2008 €'000
Defined Benefit Obligations at 1 January	820,051	979,195
Current service cost (see below)	5,113	8,670
Past service cost	308	-
Member contributions	3,229	3,436
Benefits paid by the plan	(40,310)	(34,197)
Interest cost	47,686	53,573
Actuarial gains recognised in equity (see below)	(66,153)	(190,626)
Defined Benefit Obligations at 31 December	769,924	820,051

Movement in Present Value of Plan Assets

	2009 €'000	2008 €'000
Fair Value of Plan Assets at 1 January	733,434	996,730
RTÉ contributions	3,936	4,057
Member contributions	3,229	3,436
Benefits paid by the plan	(40,310)	(34,197)
Expected return on plan assets	44,872	59,298
Actuarial gains / (losses) recognised in equity	33,971	(295,890)
Fair Value of Plan Assets at 31 December	779,132	733,434

Expense Recognised in Group Income Statement

	2009 €'000	2008 €'000
Charged to Operating Costs		
Current service costs	5,113	8,670
Past service costs	308	-
	5,421	8,670

19 Pension arrangements (continued)

	2009 €'000	2008 €'000
Credited to Net Finance Income		
Expected return on pension scheme assets	44,872	59,298
Interest on pension scheme liabilities	(47,686)	(53,573)
	(2,814)	5,725
Actual Return on Plan Assets	78,843	(236,592)
Actuarial Gains and Losses Recognised directly in Equity		
	2009 €'000	2008 €'000
Cumulative amount at 1 January	(109,464)	(4,200)
Actual return less expected return on pension scheme assets	33,971	(295,890)
Experience gains and (losses) arising on the scheme liabilities	48,910	(3,917)
Changes in assumptions underlying the present value of the scheme liabilities	17,243	194,543
Cumulative amount at 31 December	(9,340)	(109,464)

The employer contribution rate to the RTÉ Superannuation Scheme for the year ended 31 December 2009 was 8% of employee members' pensionable earnings (2008: 8%). The actuaries to the scheme have carried out a long term actuarial funding valuation which gave rise to a surplus of €2.6 million as at 1 January 2010 (1 January 2009: deficit of €102.3 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 €29.7 million (31 December 2008: deficit of €84.1 million). The scheme trustees and RTÉ will no longer be required to prepare a proposal for submission to the Pensions Board as had been anticipated last year.

Historical Information

	2009 €'000	2008 €'000	2007 €'000	2006 €'000	2005 €'000
Present value of the defined benefit obligation	(769,924)	(820,051)	(979,195)	(1,023,188)	(936,381)
Fair value of the plan assets	779,132	733,434	996,730	1,037,060	939,634
Surplus / (Deficit) in the plan	9,208	(86,617)	17,535	13,872	3,253
Difference between expected and actual return on assets	33,971	(295,890)	(77,765)	64,275	111,199
Expressed as a percentage of scheme assets	4.4%	(40.3%)	(7.8%)	6.2%	11.8%
Experience gain / (loss) arising on scheme liabilities	48,910	(3,917)	(2,967)	(30,907)	(15,139)
Expressed as a percentage of scheme liabilities	6.4%	(0.5%)	(0.3%)	(3.0%)	(1.6%)
Effect of changes in actuarial assumptions	17,243	194,543	74,420	(31,256)	(103,200)
Expressed as a percentage of scheme liabilities	2.2%	23.7%	7.6%	(3.1%)	(11.0%)
Total actuarial gains and (losses)	100,124	(105,264)	(6,312)	2,112	(7,140)
Expressed as a percentage of scheme liabilities	13.0%	(12.9%)	(0.6%)	0.2%	(0.8%)

The Group expects to pay €2.9 million in contributions to the defined benefit scheme in 2010.

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20 Deferred Tax**Group****Recognised Deferred Tax Assets and Liabilities**

	Assets Net		(Liabilities) Net	
	2009 €'000	2008 €'000	2009 €'000	2008 €'000
Property, plant and equipment	242	-	-	(45)
Pension asset	-	-	(1,151)	-
Trade and other payables	-	1,059	-	-
Inventories	-	-	(2,505)	(3,758)
Others	-	-	(248)	(372)
Tax losses	2,693	4,039	-	-
Net Tax Assets / (Liabilities)	2,935	5,098	(3,904)	(4,175)

Movement in Temporary Differences during 2009

	Opening Balance	Recognised in Income	Recognised in Equity	Closing Balance
Property, plant and equipment	(45)	287	-	242
Pension asset	-	-	(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)

Movement in Temporary Differences during 2008

	Opening Balance	Recognised in Income	Recognised in Equity	Closing Balance
Property, plant and equipment	(1,902)	1,857	-	(45)
Pension asset	(2,192)	-	2,192	-
Trade and other payables	857	202	-	1,059
Inventories	(6,508)	2,750	-	(3,758)
Others	(620)	248	-	(372)
Tax losses	-	4,039	-	4,039
	(10,365)	9,096	2,192	923

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

	Assets		(Liabilities)	
	2009 €'000	2008 €'000	2009 €'000	2008 €'000
Property, plant and equipment	972	786	-	-
Pension asset	-	-	(1,151)	-
Trade and other payables	-	1,059	-	-
Inventories	-	-	(2,551)	(3,826)
Others	-	-	(142)	(213)
Tax losses	2,693	4,039	-	-
Net Tax Assets / (Liabilities)	3,665	5,884	(3,844)	(4,039)

Movement in Temporary Differences during 2009

	Opening Balance	Recognised in Income	Recognised in Equity	Closing Balance
Property, plant and equipment	786	186	-	972
Pension asset	-	-	(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)

Movement in Temporary Differences during 2008

	Opening Balance	Recognised in Income	Recognised in Equity	Closing Balance
Property, plant and equipment	(313)	1,099	-	786
Pension asset	(2,192)	-	2,192	-
Trade and other payables	857	202	-	1,059
Inventories	(6,422)	2,596	-	(3,826)
Others	(355)	142	-	(213)
Tax losses	-	4,039	-	4,039
	(8,425)	8,078	2,192	1,845

Unrecognised Deferred Tax Assets (Group and RTÉ)

The group has trading losses forward of €541 million at 31 December 2009 (2008: €540 million), upon which no deferred tax is being recognised 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 in prior years.

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.

Notes (continued)

forming part of the group financial statements

21 Financial Instruments (Group and RTÉ) (continued)

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 invested with institutions of an acceptable credit rating 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 2009 or 31 December 2008.

(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	Carrying amount	
		2009 €'000	2008 €'000
Trade receivables	12	38,485	52,803
Cash and cash equivalents	14	17,130	68,267
Liquid investments	13	41,718	-

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

	Carrying amount	
	2009 €'000	2008 €'000
Ireland	37,128	49,403
United Kingdom	1,320	3,316
Other Regions	37	84

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	Carrying amount	
		2009 €'000	2008 €'000
Non-agency debtors		6,525	11,335
Other debtors - agency		31,960	41,468
Trade Receivables	12	38,485	52,803

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.

21 Financial Instruments (Group and RTÉ) (continued)

The Group's most significant debtor, an Irish company, accounts for €6.2 million (16%) of the trade receivables carrying amount at 31 December 2009 (2008: €6.2 million).

(ii) Impairment losses

The aging of trade receivables at the reporting date was:

	Gross 2009 €'000	Impairment 2009 €'000	Gross 2008 €'000	Impairment 2008 €'000
Not past due	19,123	630	26,675	-
Past due 0-30 days	19,492	626	26,059	1,325
Past due 31-120 days	1,737	611	1,761	775
Greater than 120 days	370	370	666	258
	40,722	2,237	55,161	2,358

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

	2009 €'000	2008 €'000
Balance at 1 January	2,358	4,171
Impairment loss recognised	(121)	(14)
Bad debts written off in the year	-	(1,799)
Balance at 31 December	2,237	2,358

(c) Liquidity risk

The following are the contractual maturities of financial liabilities:

31 December 2009

	Carrying amount €'000	Contractual cash flows €'000	6 mths or less €'000	6-12 mths €'000	> 1-2 years €'000
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 2008

	Carrying amount €'000	Contractual cash flows €'000	6 mths or less €'000	6-12 mths €'000	> 1-2 years €'000
Non-Derivative Financial Liabilities					
Trade payables	9,257	9,257	9,257	-	-
Accruals	60,720	60,720	60,720	-	-
Employee Benefits	38,082	38,082	24,618	4,658	8,806
Derivative Financial Liabilities					
Forward exchange contracts:					
Outflow	148	22,775	10,671	8,510	3,594
	108,207	130,834	105,266	13,168	12,400

(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.

Notes (continued)

forming part of the group financial statements

21 Financial Instruments (Group and RTÉ) (continued)

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 2009 the fair value of forward contracts was €184,000 (2008: €148,000).

Breakdown of Trade Payables by Currency

	2009 €'000	2008 €'000
Euro	5,868	8,703
GBP	361	442
USD	8	83
Other	72	29
	6,309	9,257

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2009 Euro	2008 Euro	2009 Euro	2008 Euro
USD 1	1.3948	1.4708	1.4406	1.3917
GBP 1	0.8909	0.7963	0.8881	0.9525

(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 the 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	
	2009 €'000	2008 €'000
Fixed Rate Instruments		
Financial assets	58,514	56,176
Variable Rate Instruments		
Financial assets	334	12,091

An increase of 100 basis points in interest rates would have decreased the deficit by €0.7 million (decreased the deficit in 2008 by €0.4 million).

(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 2009		31 December 2008	
	Carrying amount €'000	Fair value €'000	Carrying amount €'000	Fair value €'000
Trade receivables	38,485	38,485	52,803	52,803
Cash and cash equivalents	17,130	17,130	68,267	68,267
Liquid investments	41,718	41,718	-	-
Forward exchange contracts:				
Assets	-	-	-	-
Liabilities	(184)	(184)	(148)	(148)
Trade payables	(6,309)	(6,309)	(9,257)	(9,257)
Accruals	(51,258)	(51,258)	(60,720)	(60,720)

(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.

21 Financial Instruments (Group and RTÉ) (continued)

Level 2: The fair value of forward exchange contracts is based on their spot price.

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 2009 Level 2 €'000	31 December 2008 Level 2 €'000
Forward exchange contracts:		
Liabilities	(184)	(148)

(iii) Interest rates used for determining fair value

All derivative financial instruments at 31 December 2009 and 31 December 2008 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.

22 Financial Commitments and Contingencies**(a) Capital Commitments**

	Group		RTÉ	
	2009 €'000	2008 €'000	2009 €'000	2008 €'000
Contracted but not provided for	2,244	12,545	35	1,474
Authorised but not contracted for	1,010	4,206	-	248
	3,254	16,751	35	1,722

(b) Programme/Rights Purchase Commitments

	Group		RTÉ	
	2009 €'000	2008 €'000	2009 €'000	2008 €'000
Contracted but not provided for	74,164	84,479	74,164	84,479

(c) Operating Lease Commitments

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

	Group		RTÉ	
	2009 €'000	2008 €'000	2009 €'000	2008 €'000
Within one year	31	52	10	34
Within two to five years	-	7	-	7
	31	59	10	41

23 Related Party Transactions

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.

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 was €3.7 million (2008: €4.1 million) the majority of which comprises short term employee benefits.

At 31 December 2009, the total payables to RTÉ subsidiary undertakings was €64.30 million (2008: €43.93 million).

Charter

The *Public Service Broadcasting Charter*, published by Government in June 2004, identifies the guiding principles for RTÉ and includes a number of specific reporting requirements. These reporting requirements have been dealt with elsewhere in this report, other than as set out below.

AUDIENCE COUNCIL

The former Audience Council held its final meeting on 13th November 2008 and its term of office ended on 31 December 2008. The appointment of a new Audience Council was postponed in early 2009, pending the introduction of new broadcasting legislation. RTÉ, as the national public service broadcaster, is dedicated to putting the audience first and is committed to appointing a new Audience Council.

Section 96 of the *Broadcasting Act 2009* now provides for the establishment of an Audience Council. The selection of an Audience Council under the *Broadcasting Act 2009* will begin when all appointments to the Board of RTÉ have been completed.

At the time of writing, the Board is engaged in the selection of a new Audience Council.

STATEMENT OF COMMITMENTS 2009

In the first quarter of the year, RTÉ published its *Statement of Commitments 2009*. This document was circulated widely and was placed on RTÉ.ie, where it remained for the year. The statement detailed quantitative commitments in relation to corporate and output activities that are assessed annually on behalf of the Minister for Communications, Energy and Natural Resources.

RTÉ Radio Commitments

RTÉ Radio 1 Commitments	Min. Target		Results
News and Current Affairs			
News Programming	1,145 hours	Continuation of all main programming including Morning Ireland, News at One, This Week and World Report	Target exceeded by 1%
Nuacht	50 hours	Nuacht bulletins	Target exceeded by 24%
Outside Broadcasts	40 hours	Main daytime and weekend shows should transmit from a regional location on a regular basis	Target exceeded by 35%
Special Events Coverage (ex Regions)	15 hours	Special series of recordings and OBs from national events (e.g. National Ploughing Championships, Arts & Drama Festivals, Volvo Ocean Race Galway Stopover).	Target exceeded by 6%
Local Government	6 hours	Grassroots – 12 part series ahead of the 2009 Local Government Elections	Not achieved due to budgetary constraints
Total	1,256 hours		
Sport			
	25 hours	Live coverage of Heineken Cup rugby	Target exceeded by 44%
	12 hours	Live Coverage 6 Nations rugby	Target exceeded by 25%
	20 hours	Live coverage of Ireland's Football Matches – home & away	Target exceeded by 30%
Total	57 hours		
Factual			
Irish Language Programmes	6.5 hours	13 part series of Scriobhnóirí Faoi Chaibidil	Target achieved
	12 hours	Buille Faoi Thuairim/entertainment series	Not achieved
	15 hours	Philip King Show	Target exceeded by 140%
Total	33.5 hours		
Regional Focus (cross genre)	8 hours	Special week of programming from Kilkenny to mark the 400th Anniversary of the city	Not achieved - 3 hours
Music			
	20 hours	Ensure full coverage of all the Major Music Festivals in Ireland including Fleadh Cheoil na hÉireann, Willie Clancy Summer School, An tOireachtas and contemporary music festivals	Target achieved
	8 hours	Maintain the number of live performances in RTÉ Radio 1 general programming	Target exceeded by 138%
	2 hours	Community Music project	Not achieved due to budgetary constraints
Total	30 hours		
Arts			
	8 hours	Celebration of landmark birthdays of four major literary figures including transmission of Seamus Heaney reading his full collected poetry and publication of CD box set of same	Target achieved

Charter (continued)

RTÉ Radio Commitments (continued)

RTÉ 2fm Commitments	Min. Target		Results
Young Peoples & Education	9 hours	Examination focus	Target exceeded by 78%
	12 hours	A series of radio programmes made for young people about the issues that affect their everyday lives	Not achieved due to scheduling changes and the targeting of 25+ audience age profile
Sport	50 hours	2008 hours will be maintained	Target exceeded by 4%
News and Current Affairs	365 hours	Maintain the current levels of news and current affairs minutage	Target achieved
Regional (cross genre)	250 hours	Regional Broadcasting	Target exceeded by 106%
Entertainment	N/A	School of Rock talent search – regional heats and a live radio final	Target achieved
Music New & Production original music	20 hours	Coverage of Summer Music Festivals through Outside Broadcast coverage: Oxegen & Electric Picnic Festivals	Target achieved
	8 hours	Coverage of a one day live music event – Life Festival	Target achieved
	30 hours	2fm2Moro2our - 10 live shows supporting Irish talent	Not achieved – schedule changes and focus on 25+ audience
	80 hours	Original dance mix broadcast commissions	Not achieved
	240 hours	Studio band sessions recorded in Studio 8 (day long sessions) acoustic - 30 sessions	Target exceeded by 103%
	140 hours	Live music output 3.5 hours per week including dance/ Oxegen 10 hours per day/Hifi 10 hours per day Provision of live music output for 2xm (RTÉ Digital)	Target exceeded by 45%
	50 hours	Live Recorded music	Target 80% achieved
EBU	20 hours	30 offerings	Target exceeded by 53%
	N/A	Supporting 2 Irish bands at the 2009 Eurosonic festival	Target achieved
New Irish music	1,000 hours	20 hours weekly – new Irish music, supporting composers, singers and musicians	Target achieved
Total	1,588 hours		

RTÉ Radio Commitments (continued)

RTÉ Raidió na Gaeltachta Commitments	Min. Target		Results
Drama	3 hours	New Drama Series by Darach Ó Scolaí – 3 x 60 minutes	Not achieved 2 out of 3 achieved - per BCI Sound & Vision funding
Factual	10 hours	Weekly Expert Cookery Programme 40 x 15 minutes	Target 61% achieved – Autumn schedule changes contributing to the shortfall.
	6.75 hours	Documentaries/Features - 9 programmes x 45 minutes	
	5.25 hours	New Irish history series, Scéala Éireann 26 programmes x 12 minutes	
	40 hours	Cois Laoi 40 programmes x 60 minutes	
	18 hours	Blas - 40 programmes x 28 minutes	
	40 hours	Oideas agus Oidhreacht - 40 programmes x 60 minutes	
Total	120 hours		
Education	30 hours	Education Programme Céim ar Chéim – 40 programmes x 45 minutes	50% achieved due to Autumn schedule changes
Young Peoples	30 hours	iClub - Youth Programme – 40 programmes x 45 minutes	50% achieved due to Autumn schedule changes
Music Regional (cross genre)	40 hours	Thar Tír Isteach – music programme from Belfast 40 programmes x 60 minutes	50% of target achieved
News and Current Affairs	870 hours	Maintain existing news services	Target exceeded by 2%
	120 hours	Magazine Programme from Dublin 4 programmes a week x 45 minutes x 40 weeks	Target exceeded by 45%
	30 hours	Weekly Current Affairs Discussion Programme ex Dublin 36 programmes x 50 minutes	Target 60% achieved due to schedule changes
Total	1,020 hours		

Charter (continued)

RTÉ Radio Commitments (continued)

RTÉ lyric fm Commitments	Min. Target		Results
Arts	25 hours	Weekday Arts information bulletins, Culture File. Information about festivals and events throughout the island of Ireland.	Target exceeded by 8%
News and Current Affairs	180 hours	Expand Lyric news supplied by news division bulletins and content for own bulletins.	Target exceeded by 7%
Music, which comprises the following:	Total target of 392 hours:		
Live Shows	6 hours	The JK Ensemble Sessions: Following on the successful JK Ensemble Sessions in the Button Factory in Autumn 2008, these will become a twice yearly event allowing the recording and promotion of 5 x 2 largely Irish live music acts ranging from classical and jazz to contemporary, traditional and new music	Not achieved - Autumn schedule changes - under target by 50%
Studio Recordings	6 hours (12 sessions x 0.5 hours)	RTÉ lyric fm will host live music on-air with 12 studio sessions throughout the year devoted to Irish and international musicians and exploring contemporary and classical music, work which does not generally find a home on other radio stations in Ireland	Target achieved
EBU	50 hours (40 offers to x 1.25 hours)	Maintain offers of RTÉ Performing Groups and Irish material to EBU	Target achieved
	330 hours	Take concert material from EBU & broadcast	Target exceeded by 11%
Education & Outreach	45 visits	Maintain Education & Outreach to include schools & 3rd level institutions (visits, not broadcasts), involving the newly appointed Composer in Residence	43 visits achieved - 2 visits deferred to 25th Jan 2010
CD Publishing	3 CD's	The RTÉ lyric fm's CD label aims, among other things, to promote an Irish musician past or present & help an Irish Composer to reach a wider audience. To those ends we will publish 3 high quality CD's in 2009	Target achieved
Composer in Residence	3 Compositions	Composer in Residence: For 2008 - 2009 we have appointed a Composer in Residence, Elaine Agnew (www.rte.ie/lyricfm/composer) for a term of 2 years	Target achieved

RTÉ Television Commitments**RTÉ One Peak Time Commitments**

RTÉ One Peak Time Commitments	Min. Target (hours)	Results
Factual (Comprising the arts, education, religion and other factual genres)	304	Target exceeded by 24%
Drama	108	Target exceeded 21%
News and Current Affairs and Weather	595	Target exceeded by 1%
Entertainment & Music	273	Target missed by 7% (Due to Tubridy Tonight finishing in May 2009)
Total	1,280	Total RTÉ One target exceeded by 7%

RTÉ One Peak Time Commitments

RTÉ One Peak Time Commitments	Min. Target (hours)	Results
Factual (Comprising religion and other factual)	11	Target exceeded by 245%
Drama	8	Target exceeded by 1%
News and Current Affairs and Weather	80	99% achieved. Target missed by 1% due to News on Two being scheduled outside Peak Time
Entertainment & Music	101	Target exceeded by 8%
Total	200	Total RTÉ Two target exceeded by 17.5%

RTÉ Television across both channels, all times

RTÉ Television across both channels, all times	Min. Target (hours)	Results
Young Peoples	788	Target exceeded by 3%
Sport	527	Target exceeded by 33%
News and Current Affairs and Weather	1,151	Target exceeded by 8.5%
Subtitling	7,300	Target exceeded by 9.5%
Total	9,766	Total all RTÉ target exceeded by 10%

Charter (continued)

RTÉ Publishing Commitments

RTÉ Publishing

Launch RTÉ Player

Grow the current online audience by increasing monthly usage by at least 15%

Launch RTÉ Aertel Digital text on TV Platforms

Launch enhanced weather service across web, teletext and mobile

Extend RTÉ's reach to Irish communities overseas

Results

RTÉ Player was successfully launched in April 2009

Monthly users for 2009 were 2.68 million whereas the average monthly users for 2008 were 2.23 million. Year on year this represents an increase of 20%.

RTÉ Aertel Digital Text was not launched on TV platforms in 2009 as the DTT launch date was postponed into 2010. In the year an RTÉ Aertel Digital mobile service was developed and tested by RTÉ Publishing.

In the deteriorating economic environment it was not a commercial proposition to launch the enhanced weather service as intended.

In 2009 RTÉ Publishing developed an international version of the RTÉ Player which was successfully launched in January 2010. During 2009 Publishing continued to extend RTÉ's reach to Irish communities overseas by expanding the range and extent of content made available on the RTÉ websites.

RTÉ Performing Groups Commitments

RTÉ Performing Groups

During 2009 the RTÉ Performing Groups committed to give a total of 190 public performances. These Performances will include:

63 – RTÉ National Symphony Orchestra (RTÉ NSO)

5 – RTÉ NSO with the RTÉ Philharmonic Choir

80 – RTÉ Concert Orchestra (RTÉ CO)

30 – RTÉ Vanbrugh Quartet

9 – RTÉ Cór na nÓg

3 – Guest ensembles.

The RTÉ Performing Groups will also engage in a total of 84 education related performances, workshops and talks and be involved in Television, Radio and Recordings.

Results

60 performance achieved

5 - Commitment achieved

78 performances achieved

30 - Commitment achieved

9 - Commitment achieved

2 performances achieved

77 - Commitment 92% achieved

REPORT ON IRISH LANGUAGE PROGRAMMING

RTÉ Television

Irish Language programmes in 2009 brought several new series to air on RTÉ One. *Cloch le Carn* marked the passing of Conor Cruise O'Brien, Tony Gregory, Nuala O'Faolain & Joe Dolan, taking a constructive but not always uncritical look back at public figures.

CSÍ, a new series of documentary programmes on Irish historical crime stories from the 1880s to 1970s revealed unexpected twists and turns, with modern forensic analysis and cold case review. *CSÍ – Cork's Bloody Secret* sparked a debate in the national media. The series was nominated for an IFTA and shortlisted for the Celtic Media Festival.

Giordáilup captured the colour and passion of off-beat horse racing from slapper races in An Daingean, Gaoth Sáile and Bellewstown.

Garda ar Lár, in a second series remembered five cases where members of the gardaí were killed in the line of duty. *Scannal* returned in 2009 recalling remarkable and shocking episodes in our recent history.

RTÉ also commissioned a documentary programme for Christmas Day following the fortunes of the Mulkerrins brothers from the Aran Islands after their win on *The All-Ireland Talent Show*.

For Seachtain na Gaeilge, RTÉ made a special effort as usual across the organisation. Programmes, continuity announcers, news and weather presenters across both radio and television all contributed to the effort to have as much Irish on air as possible during the event. Irish speakers in every area of RTÉ helped by providing advice and translations. RTÉ Television commissioned a new series *An bhFuil Cead Agam?* which ran during the event and followed the fortunes of a group of adults who attended Irish college and had to obey the rules as if they were young Gaeilgeoirs. The series rated very well and was favourably reviewed.

Nuacht

In July of 2009 Tom Savage, Chairman of RTÉ, and Peter Quinn, Chairman of TG4, launched the RTÉ Television Nuacht service from its new transmission centre at TG4 HQ in Baile na hAbhann, Connemara.

Since 1996 RTÉ has provided a daily news service to TG4 at its Baile na hAbhann based headquarters. The relocation of the RTÉ Nuacht service to the same location means greater efficiencies and synergies between the two RTÉ services. The Taoiseach Brian Cowen described the development as "logical" and said the "Connemara gaeltacht was the natural home for the RTÉ Nuacht service".

Nuacht is broadcast on RTÉ One every day at 17.45 from Baile na hAbhann.

RTÉ Radio

It was a landmark year for Irish language output on RTÉ Radio.

RTÉ Raidió na Gaeltachta celebrated the results of a TNS MRBI (now Ipsos MRBI) survey in 2009 that indicated the highest reach for the service since surveys began. 60% of those surveyed in the core regions reported tuning to RTÉ Raidió na Gaeltachta. The station also reported a 91% total satisfaction rating, welcome news in the wake of its win as Radio Station of the Year 08/09 at the Celtic Media Festival. Other awards for the station included wins for *Adhmhaidin* as Best Radio Programme at the Oireachtas Awards 2009, while Rónán Mac Aodha Bhuí was named Radio Personality of the Year at the same event. Meanwhile Gearóid Mac Donncha was named Irish language Journalist of the Year at the National Media Awards 2009.

RTÉ Raidió na Gaeltachta took centre-stage at the New Season Launch of the RTÉ Radio schedules back in August 2009. This was the first such joint-launch of RTÉ Radio's FM services, with RTÉ Raidió na Gaeltachta personalities taking position in the line-out with colleagues from RTÉ Radio 1, RTÉ lyric fm and RTÉ 2fm.

On RTÉ Radio 1, the Irish-language general knowledge quiz *Buille faoi Thuairim* represented clubs of various kinds from the four provinces. This all-Ireland quiz was organised in conjunction with Gael Linn. Meanwhile, the folklore of the Great Irish Famine of the 1840s was given voice again in Cathal Póirtéir's *Glórtha ón Ghorta*, while Seachtain na Gaeilge was marked, as always, on both RTÉ Radio 1 and RTÉ Raidió na Gaeltachta.

UNIVERSAL ACCESS TO SERVICES

RTÉ Television

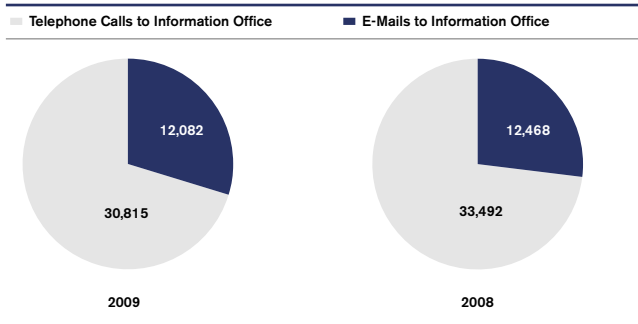
In 2009 all focus was placed on the roll out of DTT infrastructure. This included the installation of new transmission sites in Wicklow, Waterford, Wexford and Galway.

RTÉ Radio

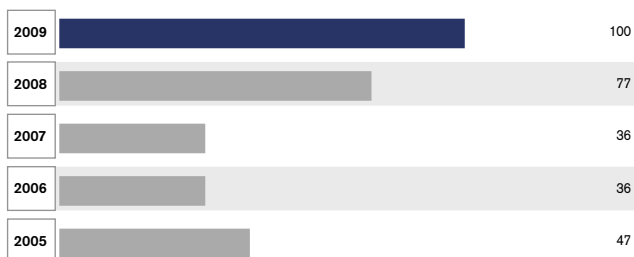
In 2008 the Digital Audio Broadcasting (DAB) radio service, originally operating in Leinster along the coast between Dublin and Dundalk, was extended to Cork and Limerick cities. In 2009 the services was further extended to the Kippure transmission site which covers Co. Kildare and parts of Co. Wicklow, Co. Laois and Co. Offaly. The DAB service is carrying eleven RTÉ radio services.

Other Statistical Information

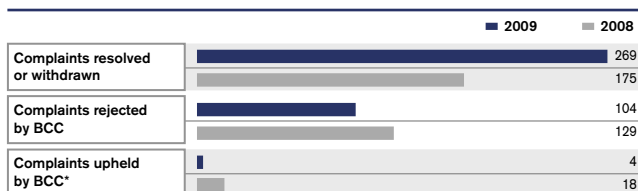
RTÉ Information Unit - enquiries handled



Freedom of Information requests to RTÉ (excl STnaG)



BCC adjudications of complaints about RTÉ output



* Two complaints were upheld on taste and decency grounds against the television programme *This is Nightlive*, one against *The Late Late Show* for a political endorsement by a contributor and one against the radio programme, *Colm and Jim-Jim's Breakfast Show*, on taste and decency grounds.

RTÉ Awards 2009

RTÉ won 139 awards and 218 nominations in 2009, its second highest result to date. RTÉ Radio, RTÉ Television, RTÉ News and Current Affairs and RTÉ.ie competed across all programme genres in the major competitions at home and abroad.

RTÉ Radio won a prestigious Prix Europa award and at the New York Festivals it gained a World Gold and four World Silver medals. RTÉ Radio won a total of 24 awards at the PPI Awards.

RTÉ Television continued to perform very strongly. RTÉ Drama won a major international award at the Monte Carlo TV Awards, where over 22 countries competed. The in-house Promotions and Programme Design teams won significant industry awards.

At the Celtic Media Festival, RTÉ competed against over 400 entries and won four category awards.

RTÉ Awards 2009

Competition	Entry	Category
Age Action Awards	RTÉ Pensioners' Newsletter: Charles Byrne	Group Communicator Of The Year
AIB (Assoc. International Broadcasters) Award	Prime Time Investigates: Travellers	Best Investigative Documentary: Highly Commended
Anney International Film Festival	The Secret Of Kells	Audience Award
Cartoon Movie	The Secret Of Kells	Producer Of The Year
Cartoon Movie	The Secret Of Kells	Director Of The Year
Celtic Media Festival	Patrick McCabe: Blood Relations	Arts
Celtic Media Festival	RTÉ Raidió na Gaeltachta	Radio Station Of The Year
Celtic Media Festival	Whistleblower	Drama
Celtic Media Festival	In The Name Of The Fada	Factual Entertainment
Chartered Institute of Logistics and Transport	Paul Murphy	Transport Journalist Of The Year
Chicago Irish Film Festival	Granny O' Grimm	Audience Award, Best Short
Cine Gael Montreal	Granny O' Grimm	Audience Award, Best Short
CIRCOM	Pobal	Magazine
CIRCOM	Red	Web
Cork Film Festival	Film From My Parish	Best Irish Short - Hon. Mention
Cork Film Festival	Film From My Parish	Best International Short - Hon. Mention
Cork Film Festival	Free Chips Forever!	Best Short Film
DAM Short Film Festival, USA	Granny O' Grimm	Best Animation (Runner Up)
Dance Music Awards	The Spring Sessions	Best Radio Show
Denver Starz Festival, USA	Granny O' Grimm	Best Short
Dublin International Film Festival	The Secret Of Kells	Best Irish Film
Dublin Of The Year	Ryan Tubridy	Dublin Of The Year
Edinburgh International Film Festival	The Secret Of Kells	Audience Award
EBU INAP Awards	Olympic Games 2008	Best Sports Promotion
European Reporter's Cup	Seán Mac an tSithigh	Main Award
Evening Standard British Film Awards	Garage: Pat Shortt	Best Actor
Fastnet Film Festival	Of Best Intentions	Best Music
Filmare, Rome	Of Best Intentions	Best International Short
Filmare, Rome	Of Best Intentions	Best Cinematography
Filmfest Emden-Norderney	The Wednesdays	Best Short Film
GAA McNamee Awards	Spórt An Domhnaigh	Irish Language Category
Golden Spider Awards	Morning Ireland	Best Digital Media Website
Gradaim Cumarsáide an Oireachtas	Admhaidin (RTÉ Raidió na Gaeltachta)	Radio Programme Of The Year
Gradaim Cumarsáide an Oireachtas	In The Name Of The Fada	Best TV Series
Gradaim Cumarsáide an Oireachtas	Rónán MacAodha Bhuí	Radio Person Of The Year
Gradaim Cumarsáide an Oireachtas	Seán Bán Breathnach (RTÉ Raidió na Gaeltachta)	Lifetime Achievement
Grand OFF International, Warsaw	The Door	Best Cinematography
Heart Of Gold, Australia	Granny O' Grimm	Best Animation
Heart Of Gold, Australia	New Boy	Best Film
Heart Of Gold, Australia	New Boy	Best Narrative
HSE Community Games Media Awards	Six One News: Ciaran Mullooly	Media Award
HSE Community Games Media Awards	Pobal: Joe Reddington	Media Award
IFTA Awards	32A: PJ Dillon	Director of Photography
IFTA Awards	Bertie	Documentary Series
IFTA Awards	Cromwell in Ireland	Documentary Single
IFTA Awards	Eden: Eileen Walsh	Actress Lead, Film
IFTA Awards	Granny O' Grimm	Best Animation
IFTA Awards	In The Name Of The Fada	Factual
IFTA Awards	In The Name Of The Fada	Special Irish Award
IFTA Awards	Prime Time Investigates: Cocaine	Current Affairs
IFTA Awards	Raw: Charlene McKenna	Actress Lead TV
IFTA Awards	Whistleblower	Single Drama
IFTA Awards	The Door	Best Short Film
Inclusion Ireland Media Awards	Outside The Box	Media Award
Institute Of Designers In Ireland	Beijing Olympic Games:RTÉ Graphics	TV/Film/Theatre Production Design
Institute Of Designers In Ireland	Late Late Show:RTÉ Graphics	TV/Film Set Design
Institute Of Designers In Ireland	Late Late Toy Show:RTÉ Graphics	TV/Film Set Design
Institute Of Designers In Ireland	New Season TV Launch:RTÉ Graphics	TV/Film/Theatre Production Design: RTÉ Graphics
Institute Of Designers In Ireland	On The Street Where You Live:RTÉ Graphics	TV/Film Title Design and Branding: Stephen Mac Devitt and Conor Cassidy
Institute Of Designers In Ireland	T.O.A.S.T.: RTÉ Graphics	TV/Film/Theatre Production Design
Institute Of Designers In Ireland	The Late Late Toy Show:RTÉ Graphics	TV/Film/Theatre Production Set Design: Darragh Treacy
International Shark Advertising Awards	Phone Book	Best Scripting: Bronze Award
International Shark Advertising Awards	Premier Soccer Saturday	Best Direction: Bronze Award
International Shark Advertising Awards	Prime Time Investigates: Vicious Circle	Best News/Factual: Bronze Award
International Shark Advertising Awards	The Lucy Kennedy Show	Best Entertainment: Bronze Award
International Shark Advertising Awards	Tuffy	New Irish Director: Jason Butler; Brendan Butler
Irish Medical Media Awards	How Long Will You Live?/The Party's Over	Medical Journalists Of The Year
Irish Medical Media Awards	News: Richard Dowling Reports	Consumer Broadcast Media: News
Irish Medical Media Awards	Outbreak: Surviving Tuberculosis	Consumer Broadcast Media: Documentary
Irish Web Awards	www.rte.ie	Most Useful Website In Ireland
Irish Web Awards	www.rte.ie/sport	Best Sports Site In Ireland
Irish Web Awards	www.rte.ie	Best Website In Ireland

RTÉ Awards 2009 (continued)

RTÉ Awards 2009

Competition	Entry	Category
Kecskemet, Hungary	The Secret Of Kells	Jury Award
Kecskemet, Hungary	The Secret Of Kells	Audience Award
Kerry Film Festival	Film From My Parish	Best Short Documentary
Kerry Film Festival	The Wednesdays	Best Irish Short Film
Killarney Chamber of Commerce	Mary Kennedy and Michael Ryan	Order of Inisfallen for contribution to tourism
Leinster Society of Chartered Accountants	RTÉ Annual Report 2008	Statutory And Unquoted
London Independent Film Festival	Out Of The Blue	Best International Short Film
Manhattan Short Film Festival	New Boy	Best Film
Monte Carlo TV Festival	Whistleblower: Charlene McKenna	Outstanding Actress, Mini Series:Charlene McKenna
National Media Awards	Gearóid Mac Donncha	Iriseoir Na Bliana as Gaeilge
National Media Awards	John Bowman	Lifetime Achievement
National Media Awards	Paul Reynolds	Political and Current Affairs Journalist of the Year
New York Festivals Radio	A Piece Of Cloth	Religious Programmes
New York Festivals Radio	Anatomy Of A Recession	Editorial or Viewpoint Programme
New York Festivals Radio	Mary X - A Partial Life	Social Issues/Current Affairs
New York Festivals Radio	The Boys Of Foley Street	Social Issues/Current Affairs
New York Festivals Radio	With These Hands	Human Relations
New York International Children's Film Festival	New Boy	Audience Award
Newport Beach Film Festival	Granny O' Grimm	Outstanding Achievement in Short Filmmaking Animation
Novara Film Festival	Lowland Fell	Best Cinematography
NUIG	Tommie Gorman, Northern Editor	Honorary Master for Outstanding Contribution
Omaha Film Festival, USA	Granny O' Grimm	Audience Choice, Best Short
Oxford Film Festival	The Wednesdays	Best Narrative Short Film
Palm Springs Short Film Festival	Granny O' Grimm	Audience Award, Best Animation
PPI Awards	Caitriona Perry	News Reporter Of The Year: Silver
PPI Awards	Cian McCormack	News Reporter Of The Year: Gold
PPI Awards	Donald Helme	Specialist Music Broadcaster Of The Year: Gold
PPI Awards	Gavin Jennings	News Reporter Of The Year: Bronze
PPI Awards	Liveline: Tipperary Assaults	Community/Social Action: Gold
PPI Awards	News At One	News Programme: Gold
PPI Awards	News, RTÉ Radio 1: Ryan Report	News Story: Gold
PPI Awards	Olympic Games 2008	Sports Story: Gold
PPI Awards	Outstanding Achievement: Gay Byrne	Outstanding Achievement
PPI Awards	RTÉ Choice: Through Cairo Airport	Documentary/Feature: Gold
PPI Awards	Ryan Tubridy	Speech Broadcaster Of The Year: Gold
PPI Awards	Seán O'Rourke	News Broadcaster Of The Year: Gold
PPI Awards	Today With Pat Kenny: NW Constituency	Current Affairs Programme: Gold
PPI Awards	Tower Songs: A Song Cycle For Ballymun	Music Special: Gold
PPI Awards	The Colm And JimJim Show	Breakfast Programme: Silver
PPI Awards	RTÉ lyric fm: Nova/Hiccup	New Irish Music: Bronze
PPI Awards	Drivetime Sport With Des Cahill	Sports Story: Silver
PPI Awards	Drivetime	News Programme: Silver
PPI Awards	Ireland's Six Nations Grand Slam	Sports Story: Bronze
PPI Awards	The Business	Specialist Speech Programme: Bronze
PPI Awards	Is Mise An Fear Ceoil	Craoltoireacht Le Gaeilge: Bronze
PPI Awards	Colm Hayes	Music Broadcaster Of The Year: Bronze
PPI Awards	Mary Wilson	Speech Broadcaster Of The Year: Bronze
PPI Awards	With These Hands	Documentary/Feature: Silver
Premios Ondas	Hair India	Best International Programme
Prix Europa	Mighty Mac	Radio Documentary
Raindance Film Festival, London	Of Best Intentions	Best International Short
Rhode Island International Film Festival	Out Of The Blue	Grand Prix for Best Cinematography
Seattle International Film Festival	Lowland Fell	Special Jury Prize
Sitges International Fantastic Film Festival	The Eclipse	Best European Motion Picture
Travel Extra Awards	Kathryn Thomas: No Frontiers	Best Broadcaster
Tribeca International Film Festival	The Eclipse: Ciarán Hinds	Best Actor
TV Now Awards	Evelyn Cusack	Favourite Weather Presenter
TV Now Awards	Fair City	Favourite Soap
TV Now Awards	Lucy Kennedy	Favourite Female TV Presenter
TV Now Awards	Ryan Tubridy	Favourite Male TV Presenter
TV Now Awards	The Clinic	Favourite Drama Series
TV Now Awards	Anne Doyle	Favourite News/Current Affairs Presenter
UCD Smurfit Business Journalist Awards	Christopher McKeivitt	Business Broadcast
White House Photographer's Association Awards	Prime Time : New Hampshire Primary	Magazine Feature Editing
WorldFest Houston International Film Festival	The Children Beyond Chernobyl: Jim Fahy	Special Jury Prize
Zagreb Animation Festival, Croatia	The Secret Of Kells	Special Mention
RTÉ Acquired: RTÉ continues to licence international series of the highest quality, which won the following awards in 2009:		
Satellite Awards,USA	Damages	Best Actress In A Series
BMI Film And Television Awards, USA	Desperate Housewives	BMI TV Music
GLAAD Media Awards,USA	Desperate Housewives	Outstanding Comedy Series
Monte Carlo TV Festival	Desperate Housewives	Winner Best Comedy Series
Prism Awards, USA	Desperate Housewives	Performance In A Comedy Series
Golden Globe	Entourage	Best Series, Musical/Comedy
Golden Globe	Entourage	Best Supporting Actor, Series/Mini-Series/TV Film
NAACP Image Awards	Grey's Anatomy	Outstanding Actress, Drama Series
The People's Choice Awards	Grey's Anatomy	Favourite Female TV Star
Emmy - Primetime	Mad Men	Outstanding Drama Series
Emmy - Primetime	Mad Men	Outstanding Writing Drama Series
BAFTA TV Awards	Mad Men	Best International Award
Golden Globe	Mad Men	Best TV Series Drama
Cinema Audio Society, USA	Mad Men	Outstanding Achievement In Sound Mixing, TV Series
Casting Society Of America	Mad Men	Outstanding Casting, TV Series
Costume Designers' Guild, USA	Mad Men	Outstanding Costume Design for TV Series, Period/Fantasy
Television Critics' Association, USA	Mad Men	Outstanding Achievement In Drama
The People's Choice Awards, USA	The Mentalist	Favourite New Drama

Financial History

	IFRS 2009 €'000	IFRS 2008 €'000	IFRS 2007 €'000	IFRS 2006 €'000	Irish GAAP 2005 €'000
INCOME STATEMENT					
Television Licence Fees	200,217	200,852	195,699	182,835	170,131
Commercial income	174,704	239,908	245,453	222,186	199,757
Total revenue	374,921	440,760	441,152	405,021	369,888
Operating costs	(389,393)	(460,510)	(430,189)	(403,660)	(366,764)
(Deficit) / Surplus before financing and tax	(14,472)	(19,750)	10,963	1,361	3,124
Finance income	1,826	5,363	3,970	2,392	1,597
Finance expense	(661)	(764)	(1,534)	(1,227)	(445)
Net defined benefit pension related finance income	(2,814)	5,725	16,184	14,485	12,185
Tax	(339)	9,459	(3,154)	937	-
(Deficit) / Surplus before Exceptional item	(16,460)	33	26,429	17,948	16,461
Exceptional item (Restructuring charge)	(11,341)	-	-	-	-
(Deficit) / Surplus for the year	(27,801)	33	26,429	17,948	16,461
BALANCE SHEET					
Non-current and current assets					
Property, plant and equipment	98,286	108,931	79,096	80,012	91,690
Intangible assets	4,711	4,973	4,515	3,346	-
Pension asset	9,208	-	17,535	13,872	3,253
Inventories	37,156	41,314	44,387	41,453	-
Other assets	112,625	134,418	175,922	154,855	130,168
Total assets	261,986	289,636	321,455	293,538	225,111
Non-current and current liabilities					
Employee benefits - restructuring provision	24,150	16,343	17,439	20,510	26,994
Deferred tax liability	969	-	10,365	11,471	-
Capital grants	-	-	-	-	13,370
Pension liability	-	86,617	-	-	-
Other liabilities	91,432	112,413	112,922	100,487	89,200
Total liabilities	116,551	215,373	140,726	132,468	129,564
Equity	145,435	74,263	180,729	161,070	95,547
Total equity and liabilities	261,986	289,636	321,455	293,538	225,111
CASH FLOW					
Net cash generated from operating activities	9,323	18,437	31,224	25,611	20,690
Net cash flow from (acquisition)/disposal of property, plant, equipment and intangible assets	(20,506)	(45,907)	(22,689)	(13,612)	(10,710)
EMPLOYEE HEADCOUNT					
RTÉ (excl. TG4)	2,214	2,351	2,307	2,283	2,239
TG4	-	-	-	-	107
Total at 31 December	2,214	2,351	2,307	2,283	2,346

Notes



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