

The image features a central logo for RTÉ (Radio Telefís Éireann). The logo consists of the letters 'RTÉ' in a white, sans-serif font, positioned within a dark, circular area. This central area is surrounded by several concentric rings of dots. The innermost ring is a vibrant purple, followed by a white ring, and then a blue ring. The outermost ring is a light blue, and the background is filled with a dense pattern of small, light blue dots that create a sense of depth and movement, resembling a tunnel or a vortex.

RTÉ

Highlights	1
Organisation Structure	2
What We Do	3
Chairman's Statement	4
Director-General's Review	6
Operational Review	10
Financial Review	40
Board	46
Executive	48
Corporate Governance	50
Board Members' Report	54
Statement of Board Members' Responsibilities	55
Independent Auditor's Report	56
Financial Statements	57
Accounting Policies	64
Notes forming part of the Group Financial Statements	68
Other Reporting Requirements	103
Other Statistical Information	116
Financial History	121

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

Raidió Teilifís Éireann Board

51st Annual Report and Group Financial Statements for the 12 months ended 31 December 2011, presented to the Minister for Communications, Energy and Natural Resources pursuant to section 109 and 110 of the *Broadcasting Act 2009*.

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

HIGHLIGHTS

Since 2008 RTÉ has reduced its operating costs by close to 20% or €86 million.

With quality home-produced programming and the best acquired programming from overseas, RTÉ increased its live peak-time viewing share on RTÉ One to 30.9% in 2011.

RTÉ continues to be Ireland's leading provider of digital content with the country's most popular Irish owned website, the most popular on-demand video service and a suite of mobile services.

RTÉ Radio 1 was the most listened to station in Ireland during 2011, maintaining its weekday reach at 25% and with 17 of the top 20 programmes nationally.

Having successfully built and financed the new digital terrestrial television network, RTÉ launched SAORVIEW, Ireland's new free-to-air digital television service, enhancing and ensuring the future of free-to-air television in Ireland.

In October RTÉ launched its new Radio Player available online and on iPhone, iPad and Android, followed by the launch of an iPad and iPhone version of the hugely successful RTÉ Player before the end of the year.

WHAT WE DO

RTÉ Television

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

- RTÉ One - the most popular TV channel in Ireland. It is the home of authoritative Irish and international television news and current affairs. The channel offers a comprehensive range of home-produced Irish factual, drama, arts, entertainment and lifestyle programming and a selection of premium international acquired programming.
- RTÉ Two - the home of Irish sport and children and young people's daytime television. Its evening schedule offers a range of innovative drama, entertainment and acquisitions, targeted at viewers of a younger mindset.

In May 2011, at the launch of SAORVIEW, RTÉ also went live with four new TV channels on the SAORVIEW platform. Those channels are as follows:

- RTÉ Two HD - a simulcast of RTÉ Two and broadcasts key programming from the RTÉ Two schedule in High Definition.
- RTÉjr - a dedicated daytime television service for children aged 6 years and younger which is completely free of advertising. RTÉjr is on-air from 9 am to 6.30 pm on weekdays and 6 am to 12 pm on Saturdays and Sundays. Home produced programming is the cornerstone of the RTÉjr schedule, with live action programming and Irish animation featuring strongly.
- RTÉ One+1 - on-air from 7 pm until late. This channel offers viewers another opportunity to experience the key offerings of RTÉ One, one hour later.
- RTÉ News Now - a rolling news channel with live news bulletins, live current affairs programmes, catch-up on recent news and current affairs, live coverage of special events, breaking news and continuous sport, business and weather updates throughout the day. RTÉ News Now is also available online and as a mobile service on iPhone, iPad and Android.

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 RTÉ.ie; digital stations are available on digital radio and online. RTÉ Radio 1 is also available on LW.

Primary Stations

- RTÉ Radio 1 - 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

RTÉ Radio - Digital Stations

- RTÉ 2XM - rock and pop for the student generation with an emphasis on new and Irish material
- 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 am to 9 pm
- 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 telecommunications service providers and operators.

RTÉ Publishing

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

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

RTÉ Performing Groups

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

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

CHAIRMAN'S STATEMENT

INNOVATIONS AND ANNIVERSARIES MADE 2011 A PIVOTAL YEAR FOR RTÉ AND THE LICENCE PAYERS. TELEVISION MARKED ITS 50 YEARS OF SERVICE WHILE RADIO COMPLETED ITS 85TH YEAR ON AIR. THE PUBLIC ENJOYED IMPROVED ON-DEMAND ACCESS TO BOTH MEDIA, THANKS TO THE LAUNCH OF NEW ONLINE PLAYERS.



The launch of SAORVIEW in May gave the country its first free-to-air digital television service. SAORVIEW is owned and managed by RTÉ and its transmission system was built by RTÉNL, our network subsidiary company. Importantly it will ensure that free-to-air reception of Irish channels and services continues when analogue television broadcasting ends in October 2012. This landmark development demonstrated RTÉ's commitment to the Irish public by delivering digital television, on schedule and on budget, despite the financial difficulties affecting the country and the organisation.

Technical progress was accompanied by memorable programming. A General Election campaign, a change of Government, the visits of Queen Elizabeth II and US President Barack Obama, and the State Funeral of Dr. Garret FitzGerald— all came in rapid succession in the first half of the year, followed by the Presidential Election in the autumn. RTÉ's broadcast and online coverage enabled greater public participation in these events of national importance.

Our achievements were recognised internationally when RTÉ Radio was awarded the distinction of Broadcaster of the Year at the 2011 New York Festivals. This was the first time that an Irish broadcasting service has been so honoured and, in addition, sixteen awards were made to RTÉ Radio productions by the international jury.

Maintaining the highest editorial standards is a prime value for RTÉ and for its investigative journalism, a genre of production with an outstanding record. One programme broadcast in 2011 gravely damaged that reputation, leading to an action for defamation, a broadcast apology, and a statutory investigation by the Broadcasting Authority of Ireland. I would like to reiterate our full and unreserved apology to Fr. Kevin Reynolds for the defamatory information broadcast about him. The Board is determined to take all necessary steps to restore confidence in RTÉ's investigative reporting. It is the most difficult form of journalism and serious risks attend it, as this experience shows. Yet this genre of programming is essential in a democracy and we have confirmed its place among the editorial priorities proposed by the Director-General.

The Annual Reports for the last number of years have detailed RTÉ's action in response to the economic difficulties that emerged in 2008. With the collapse of commercial revenue and the erosion of public funding, cost reduction became the watchword. The commercial outlook remains challenging and the consequences go to the very core of RTÉ's remit. In 2011, RTÉ's commercial revenue continued to contract. At €167 million, the total was down €8 million from 2010. Against this background, RTÉ is reporting a Net Deficit of €16.8 million in 2011. This result must be seen as a creditable performance in the circumstances. Indeed, RTÉ would have reported a small surplus, were it not for the ongoing annual impacts of the 2010 national budget and the *Broadcasting Act 2009*. The deficit of €16.8 million is the result of continuing success in reducing the cost base. But cost control by itself is no longer enough and the scale of the problem calls for a fresh vision of how a national public service media organisation should serve Ireland in the coming years.

THE LAUNCH
OF SAORVIEW
IN MAY GAVE
THE COUNTRY
ITS FIRST FREE-
TO-AIR DIGITAL
TELEVISION
SERVICE.

OUR ACHIEVEMENTS WERE RECOGNISED INTERNATIONALLY WHEN RTÉ RADIO WAS AWARDED THE DISTINCTION OF BROADCASTER OF THE YEAR AT THE 2011 NEW YORK FESTIVALS.

Noel Curran took up his post as Director-General in February 2011 and, with the support of the Board, he is already giving expression to the new RTÉ. I referred earlier to the revision of editorial priorities. There were also organisational changes in 2011. A Digital Division has been created to direct the strategies for convergence, new media, content partnerships and product development. A newly appointed Group Commercial Director will ensure the most effective coordination of all commercial efforts including advertising, sponsorship and the *RTÉ Guide*. A Chief Technology Officer was recruited to develop the infrastructure for a twenty-first century media service.

As well as internal change, there must be a new attitude towards the society we serve. It is clear that in future RTÉ must be more open to partnerships and alliances with other public agencies and with external bodies of different kinds: cultural, technological, commercial, or community-based. In all these ways, RTÉ must deepen and enrich its identification with the public.

One of RTÉ's statutory points of contact with the public is through the Audience Council, a body of fifteen listeners and viewers, chaired by Prof. Gearóid Ó Thuathaigh, which submitted its first annual report to the Minister in June 2011. The Council's remit is to represent to the Board the views and interests of the general public regarding RTÉ's public service broadcasting. The Board and the Council met in formal plenary session in December 2011 when I was pleased to thank the members of the Council for their help in shaping the editorial policy and the creative output of RTÉ.

By mid-year, the Board had approved a number of early retirements, redundancy and severance schemes. These initiatives were designed to reduce further personnel-related operating costs and as first steps towards restructuring the organisation. As a result, 80 people left RTÉ's employment in November 2011 and more will follow in 2012. On behalf of the Board, I thank them for their contribution to RTÉ over their years of service and I wish them well for the future. Inevitably, the loss of colleagues will impose additional burdens on the remaining staff whose terms and conditions are already subject to strict cost controls. Salaries in RTÉ were cut in 2009 and have stayed at those reduced levels. No managerial merit increases or performance-related payments were made in respect of 2011, so maintaining the discipline observed in 2008, 2009 and 2010. Similarly there were no performance bonuses for broadcasters or non-managerial grades and no *ex gratia* awards for any members of staff. Reductions of over 30% of the cost of top presenter talent are being implemented.

Throughout 2011, RTÉ continued to comply with its various statutory and regulatory obligations. In addition, RTÉ had engagements with ComReg about three matters in the course of the year. In February, ComReg announced that it would investigate a complaint from TV3 about RTÉ's pricing of transmission services in respect of the period September 1998 to September 2008. ComReg is also assisting the Department of Communications, Energy and Natural Resources (DCENR) with regard to the setting of transmission tariffs for DTT and in that regard is examining RTÉ and RTÉNL tariff proposals. The third major point of engagement with ComReg concerns its review of the ongoing regulation of national analogue and digital terrestrial broadcasting distribution and transmission services.

In 2011, the Competition Authority investigated a complaint about RTÉ's television airtime sales policy and practice. Following a constructive dialogue with the Competition Authority, a revised policy was adopted for implementation in mid-2012.

Throughout 2011 my role was helped greatly by the support and professionalism of the Board, the Executive and all employees of the organisation during what was an extremely demanding year in which we had to deal with many serious issues.

The Board met on 12 occasions and there were a further 25 committee meetings. I would like to thank the members for their unfailing wisdom, commitment and contribution during the year.

Finally, I would like to thank our new Minister Pat Rabbitte, TD and his officials at DCENR for their ongoing advice and encouragement as we work to deliver our public service broadcasting commitments against a challenging economic backdrop.

As we celebrate 50 years of RTÉ Television in 2012 it is fitting that we will mark this milestone with the switch over to digital television in October. I am confident that this will be another successful collaboration of the technical and programming expertise for which RTÉ is renowned and look forward to a new era of broadcasting.

Tom Savage
Chairman

DIRECTOR-GENERAL'S REVIEW

2011 WAS A YEAR OF VERY SIGNIFICANT CHANGE IN IRELAND.



Two national elections saw a new Government and a new President elected. With the extraordinary and dignified visit of Queen Elizabeth II we saw the beginning of a new relationship with our nearest and most important neighbour. US President Barack Obama came to rediscover his roots and renew the strong human and commercial bond between Ireland and the United States. And while the year saw some stabilisation in the Irish economy, economic turmoil persisted across Europe and at home job losses continued, unemployment remained very high and emigration grew.

RTÉ was a companion to all this and more, every day allowing audiences to watch, listen and engage with the news, events and moments shaping their lives. RTÉ broadcast close to 5,000 hours of home produced programming and the best acquired programming from the UK and the US. RTÉ One increased its live peak time national share on television to 30.9% through 2011. The JNLR figures for January - December 2011 confirmed RTÉ Radio 1 as the most listened to station in the country, maintaining its weekday reach at 25% and with 17 of the top 20 programmes nationally. RTÉ also continues to be Ireland's leading provider of digital content with the country's most popular Irish owned website, the most popular on-demand video service, and a suite of mobile services.

Across the year the range of RTÉ's output continued to provide audiences with the diversity and quality they rightly expect from us. With new and returning cross media initiatives *Local Heroes* and *Operation Transformation* RTÉ delivered programming that was entertaining but also provided a real public service, focusing on local job creation and public health. RTÉ captured the drama of live national and international sport across the year with the GAA championships, the Euro 2012 Qualifiers and the Rugby World Cup all being highlights. In *Love/Hate* RTÉ produced an award winning and much acclaimed series that was a big hit with audiences attracting an average of over half a million viewers across the series – proving that, with great writing and

creative production, Irish programme makers, storytellers and actors can compete with the best TV drama in the world.

During 2011 RTÉ News and Current Affairs programming remained core to RTÉ schedules with over 40 hours of live news and current affairs programming on TV and radio every week and extensive coverage of special news events – the general and presidential elections, the visits of Queen Elizabeth II and US President Barack Obama, and the state funeral of Dr Garrett FitzGerald. Rarely has RTÉ's role in bringing the news and making sense of the news been more important.

RTÉ also launched new services in 2011. In May, having successfully built and financed the new digital terrestrial television network on budget and on time, RTÉ launched SAORVIEW, Ireland's new free-to-air digital television service, enhancing and ensuring the future of free-to-air television in Ireland. In October RTÉ launched its new RTÉ Radio Player making it available online and on iPhone, iPad and Android. Just before Christmas RTÉ launched an iPad and iPhone version of the hugely successful RTÉ Player, making RTÉ Television truly mobile for the first time.

That RTÉ has consolidated its audience share with great programming and launched new digital services in a year when it has, in parallel, implemented overall net cost reductions of €12.1 million and embarked on a process of significant restructuring was a very considerable achievement.

For RTÉ to continue to fulfil its public service obligations it will have to adapt; to deliver existing and new high quality digital media services; to have clearer priorities that underline our public value, fulfil the needs of the public we serve and differentiate RTÉ from its international and domestic competitors. In parallel we must continue to reduce our costs, optimise our commercial potential to eliminate our deficit and return to a sustainable financial footing.

THAT RTÉ CONSOLIDATED ITS AUDIENCE SHARE AND LAUNCHED NEW DIGITAL SERVICES IN A YEAR WHEN IT IMPLEMENTED NET COST REDUCTIONS OF €12.1 MILLION AND EMBARKED ON A PROCESS OF SIGNIFICANT RESTRUCTURING WAS A VERY CONSIDERABLE ACHIEVEMENT.

RTÉ'S BROADCAST AND ONLINE COVERAGE ENABLED GREATER PUBLIC PARTICIPATION IN EVENTS OF NATIONAL IMPORTANCE. THROUGHOUT 2011 RTÉ PROVIDED ACCESS FOR AUDIENCES TO WATCH, LISTEN AND ENGAGE WITH THE NEWS, EVENTS AND MOMENTS SHAPING THEIR LIVES.

These are huge challenges which will see a different RTÉ emerge in the coming years. But we are on the right road. Since 2008 RTÉ has reduced its operating costs by close to 20%. This compares to an average of just 6% across the public sector. We have more to do but I have committed that RTÉ will break even in 2013 and we will.

In the autumn of 2011, we began the implementation of a fundamental restructuring of our digital, technology and commercial operations. I publicly indicated that RTÉ is interested in entering into meaningful and mutually beneficial external partnerships and began to progress meaningful discussions with a number of parties. We announced very clear output priorities for the organisation: Arts and Culture, Children and Young People, Investigative Journalism, Innovation (including Science & Technology), 24-Hour News and National Events. These are areas we will protect and enhance in the coming years. Ultimately the challenge for RTÉ is to ensure, amid profound technological, societal and economic change, that RTÉ continues to act as a public good, accessible to all, trusted, and relevant to the everyday lives of Irish people.

Trust of course is something that we can never take for granted. It is hard won and easily lost. Over many years RTÉ has earned and retained the trust of its audiences through great programming and an adherence to very high editorial standards. However, during 2011 that trust was damaged by very serious editorial failures made in important current affairs programmes.

The defamation of Fr. Kevin Reynolds, a priest from Ahascragh, Co. Galway, in the *Prime Time Investigates A Mission to Prey* programme on 23 May should never have happened and is a matter of huge regret for all in RTÉ. Fr. Reynolds and our audience deserved much better from their broadcaster. RTÉ apologised to Fr. Reynolds and accepted its failures in the making of this programme and has cooperated fully with the Broadcasting Authority of Ireland

(BAI) Investigation into the matter. The *Frontline Presidential Debate* programme on 24 October also fell below the standards that the public has a right to expect from RTÉ. The programme was judged by the BAI to have been unfair to presidential candidate Mr. Sean Gallagher. I apologised on behalf of RTÉ to Mr. Gallagher and we have put in place clear guidelines regarding the use of social media in live programming.

Like any media organisation RTÉ will make mistakes. Programme-makers must be, and will be, supported in making challenging programming but we must always be open and honest when we get it wrong, learn what we can from mistakes made and make changes if necessary. That is part of being accountable and essential to public trust and public support. The standards we set for ourselves as the national broadcaster must be very high.

Like much else in Ireland, RTÉ is going through a period of profound change. We must change to reflect the society we are here to serve. We will make sure to bring with us those elements that have earned us the trust and loyalty of our audiences. We will continue to seek ways to increase the value we provide for the public funding we receive. Our position is a unique one, one we know we must continue to earn.

A society and a political system that has for many years made the choice of supporting public service media, deserves to have that decision rewarded with the best media organisation that funding can provide.

Noel Curran
Director-General



General Election Debate

One of the highlights of RTÉ's General Election campaign coverage was the debate on 15 February 2011 when the five party leaders debated the election issues. This was the only TV debate in which all five participated.



RTÉ TELEVISION



Late Late Toy Show



Eurovision 2011 - Jedward

2011 was a hugely challenging year for RTÉ Television in financial terms as the drop in commercial revenue necessitated an ongoing revision in programming and planning strategies. During the year, RTÉ Television set further cost-cutting strategies in train, building on those instigated in previous years. These were designed to maximise the volume and quality of home-produced programming through leaner production models and practices. Despite having to cut back somewhat on production, RTÉ Television broadcast 4,782 hours of distinctive and high-quality home-produced programming across all genres in 2011 compared to 5,030 hours in the previous year.

This programming, alongside the highest quality acquired programming from UK, US and other centres of production excellence across the globe, helped RTÉ One to increase its live peak-time national share by 0.6% to 30.9% for 2011. This was a significant

result given the popularity of international programming brands and the fact that over 79% of the television population has hundreds of channels to choose from.

RTÉ Television continued to engage the Irish viewing public in large numbers. 47 of the top 50 programmes available on any channel in 2011 were broadcast by RTÉ and all bar two of these were home-produced. The most popular programme of the year, *The Late Late Toy Show*, attracted an average 1.529 million viewers – the highest in 17 years. This was closely followed by *The Eurovision Song Contest* with 1.183 million viewers and *The Sunday Game Senior Football Final* between Kerry and Dublin with 1.085 million viewers on average.

Alongside this concentration on core quality programme delivery, the development and delivery of a digital integration strategy to pre-empt and meet the needs of a changing

RTÉ TELEVISION BROADCAST 4,782 HOURS OF DISTINCTIVE AND HIGH-QUALITY HOME-PRODUCED PROGRAMMING ACROSS ALL GENRES IN 2011.

Live National Individual 4+ All Day Channel Shares

	2011	2010
RTÉ One	23.4	23.2
RTÉ Two	9.0	10.2
TG4	2.1	2.1
TV3	12.4	12.2
BBC1	4.2	4.5
UTV	3.3	3.8
BBC2	2.5	2.8
Channel 4	2.3	2.6
Sky One	1.3	1.4
Sky Sports 1 & 2	1.1	1.2
Sky News	1.0	0.9
E4	0.7	1.0
Nickelodeon	0.5	0.7
Other	36.3	33.7

Source: TAM Ireland Limited / Nielsen TAM

Live National Individual 4+ Peaktime Channel Shares

	2011	2010
RTÉ One	30.9	30.3
RTÉ Two	9.3	10.6
TG4	1.9	2.0
TV3	13.0	13.1
BBC1	3.8	4.1
UTV	3.3	3.9
BBC2	2.4	2.3
Channel 4	2.2	2.6
Sky One	1.4	1.5
Sky Sports 1 & 2	1.0	1.0
E4	0.7	0.9
Sky News	0.6	0.5
Nickelodeon	0.2	0.2
Other	29.5	27.1

Source: TAM Ireland Limited / Nielsen TAM

Note on Audience Measurement

TAM Ireland introduced a new television audience measurement system with effect from 1 September 2010. The key feature of the new system is the capacity to measure Time Shifted Viewing. Therefore, for the first time, RTÉ presents the Top 10 Programmes (page 11 overleaf) based on Consolidated audience data (i.e. Live viewing plus Time Shifted Viewing within the seven day window after original broadcast).

However, in order to ensure comparability between 2010 and 2011 data, please note that the charts presenting All Day and Peaktime channel shares (across) continue to be compiled using Live viewing data only. As the new audience measurement system was introduced during 2010, full year Consolidated audience data is not available in respect of 2010.



MasterChef Ireland Final 16 Contestants



Love/Hate - John Boy, Darren and Nidge

media landscape was a priority. 2011 saw the beginning of closer ties between output areas and RTÉ Publishing – now newly constituted as RTÉ Digital.

RTÉ Cross-Platform

During the year a number of series and programme ideas ran as multiple interpretations across platforms – RTÉ Television, Radio, RTÉ.ie, on mobile - offering different audiences unique content. These included *Dirty Old Towns* which was a new six-part programme on television, as well as a regular item on *The Colm Hayes Show* on RTÉ 2fm and an interactive web offering on RTÉ.ie. The popular *Masterchef* launched in September 2011 on RTÉ Two, on RTÉ.ie and in partnership with *The John Murray Show* on RTÉ Radio 1.

Popular cross-platform initiatives continued. *Operation Transformation* which returned in January 2011 in an eight-part TV series presented by Kathryn Thomas, was complemented by regular items on *The John Murray Show* on RTÉ Radio 1 and on RTÉ.ie.

Dragons' Den offered compulsive viewing to television watchers in February 2011 and also gave *The Mooney Show* listeners some fascinating insights and interest in broader stories of entrepreneurship that the television programme duration couldn't accommodate.

Other integrated programming initiatives included *Heart/Land* which rejoiced in the land and the landscape of Ireland and explored rural life in the 21st Century and *Local Heroes* a multi-platform campaign on RTÉ Television, RTÉ Radio, RTÉ Guide and RTÉ.ie with the aim of supporting Irish jobs by highlighting how small changes at local level could have a national effect.

Top 10 Programmes

1st January – 31st December 2011 – All Channels
Consolidated National Individuals aged 4+

Rank	Programme	Channel	Day	Date	Time	TVR	000s	Share
1	The Late Late Toy Show	RTÉ One	Fri	02-12-2011	21:37 - 23:48	37.33	1,528.8	68.77
2	The Eurovision Song Contest	RTÉ One	Sat	14-05-2011	20:00 - 23:27	29.01	1,182.7	63.50
3	The Sunday Game Live (Senior Football Final Kerry vs. Dublin)	RTÉ Two	Sun	18-09-2011	15:28 - 17:53	26.50	1,085.2	68.84
4	The Frontline Leaders Debate	RTÉ One	Mon	14-02-2011	21:37 - 23:05	23.61	964.8	58.06
5	Mrs Brown's Boys Christmas Special	RTÉ One	Sun	25-12-2011	22:04 - 22:32	23.24	951.7	49.19
6	Mrs Brown's Boys	RTÉ One	Sat	05-02-2011	21:21 - 21:52	22.61	924.2	52.36
7	The Late Late Show	RTÉ One	Fri	11-02-2011	21:38 - 23:43	21.68	886.1	55.67
8	The Sunday Game Live (Senior Hurling Final Kilkenny vs. Tipperary)	RTÉ Two	Sun	04-09-2011	15:09 - 17:41	20.68	847.0	63.19
9	The Rose Of Tralee	RTÉ One	Tue	23-08-2011	21:35 - 23:26	20.34	829.2	52.95
10	RTÉ News: Nine O'Clock	RTÉ One	Sun	20-03-2011	21:02 - 21:20	19.90	813.3	42.68

Source: TAM Ireland Ltd/Nielsen TAM

Any Day Any Time – Best Episode. Ranked by TVR, note universe changes three times per year. Minimum programme duration is 15 minutes

RTÉ Factual

During 2011 RTÉ Television broadcast 388 hours of indigenous factual programming in peak time encompassing a broad range of high quality documentaries and series. *Departure Day* and *Arrivals* hit a chord in chronicling timely tales of emigration while *Secret Millionaire* uplifted audiences with stories of altruism and good work rewarded.

Behind the Walls, the last documentary from esteemed journalist and broadcaster Mary Raftery, who sadly died in January 2012, charted the disturbing history of mental health treatment in the State.

The historic visit of Queen Elizabeth II was marked in a light-hearted *What Did The Brits Ever Do For Us* single programme as well as documented in Tommie Gorman's *The Queen and Us*. The General and Presidential Elections were also marked in documentaries about outgoing President Mary McAleese and an arresting insight into the machinations and downfall of

the Fianna Fail-led Government in Crisis – *Inside the Cowen Government*. In a co-production with BBC *The Story of Ireland*, a broad national history, was another significant factual programme broadcast during the year.

Educational programming covered the gamut from literacy to life skills in *A Story With me In It* and *Families in the Wild* with psychologist David Coleman. A number of series, *Welcome to My World* and *Meet the Neighbours*, lent insight into the experience of immigrants to Ireland while *What in the World* explored whether the United Nations' eight millennium goals were being met in Vietnam, Bangladesh, Zambia and Mozambique.

RTÉ TELEVISION (continued)

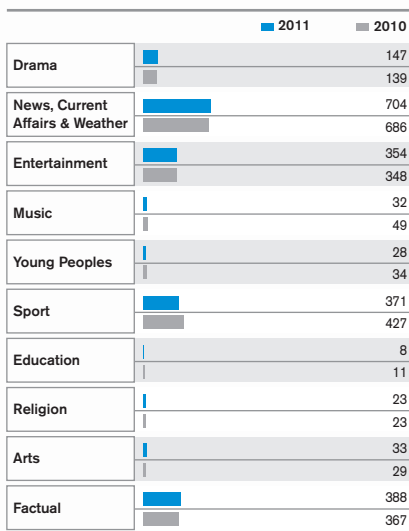


Mrs Brown's Boys - Series 2



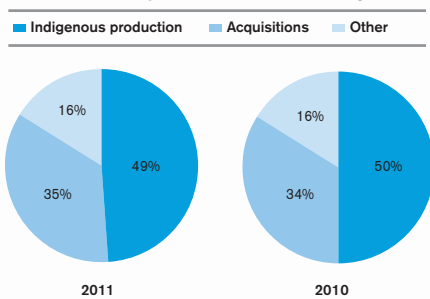
Hubble Presenter Emma O'Driscoll and Ógie

Indigenous hours broadcast on RTÉ Television in peak time by genre



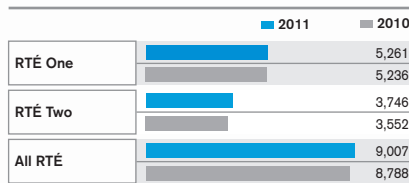
Source: RTÉ

RTÉ Television peak time content analysis



Source: RTÉ

Subtitling hours RTÉ Television



Source: RTÉ

RTÉ Entertainment

2011 was a very strong year for entertainment on RTÉ Television with the return of popular anchor series including *The Late Late Show*, *Saturday Night with Miriam*, *The Saturday Night Show*, *Winning Streak* and *The All Ireland Talent Show*, all of which were audience favourites featuring in the top 50 programmes of the year. Event programming including *The Eurovision Song Contest* with the popular Jedward, *The Rose of Tralee*, *St Patrick's Day Parade*, *Rehab People of the Year*, *Up for the Match* and the *IFTA Awards* – at which RTÉ won 11 Television awards – delivered a sense of occasion. *Trivia*, the six-part comedy series garnered awards itself at the Monte Carlo Film Festival while our co-production with BBC, *Mrs Brown's Boys*, starring Brendan O'Carroll, was nominated for a BAFTA. Music programming included series from *Fleadh Cheoil* to *Other Voices*.

The home of original Irish comedy, RTÉ Two broadcast many popular returning series including *The Republic of Telly*, *The Savage Eye* and *Anonymous*. The channel also introduced new programming amongst which was *Stand & Deliver* a new stand-up comedy series from Galway; a series of *ICA Bootcamp* following the very popular pilot programming in 2010; and *Don't Tell The Bride* – featuring brave Irish brides entrusting all wedding planning to their intended grooms.

On New Year's Eve 2011, *TV50* celebrating 50 years of Irish life on television, was launched on the anniversary of the birth of Telefís Éireann. This initiative will run throughout 2012.

RTÉ Drama

RTÉ Drama offered critically and popularly acclaimed home produced programming to the viewing public throughout the year. *Raw* and *Love/Hate* were two series which both attracted large audiences of over a half-a-million on average, together with critical acclaim.

Fair City went from strength to strength consolidating its position as the Irish soap of choice with an average audience of over a half a million while *Hardy Bucks* offered a slice of inimitable life out west on RTÉ Two.

Another series of *Storyland*, the web-based drama competition was completed identifying wonderful new talent while a further instalment of *Shortscreen* also showcased up-and-coming writing and directing talent, this time in the short film genre, as developed through the RTÉ/Filmbase competition. During the year the RTÉ Drama website was launched extending the reach of such high-quality content, maximising its audience and value for money.

RTÉ Young Peoples

In 2011 RTÉ brought younger Irish viewers 788 hours of home-produced programming. RTÉjr offered programmes designed for pre-schoolers and youngsters up to six years old, including *Hubble* with Emma O'Driscoll and Ógie the puppet and *Out The Back*, a series which explored outdoor activities. A range of new animated series included *Punky* about a very special youngster called Punky and her madcap family. RTÉ's contribution to the animation sector and the animation audience was applauded at Cartoon Forum, the largest international forum for animators, with RTÉ named as *Broadcaster of the Year, 2011*.

TRTÉ, the channel for 7-15 year olds, offered magazine series *ELEV8* and *The Rumour Room*; *Kidspeak* featuring youngsters in their worlds and *Watch Your Language*, the language-based game show amongst many more. Under *Two Tube*, the daily magazine for older teens, new series broadcast included *The Mountain*, a science-based challenge series and *Frenemies* involving teen dilemmas and debate.



Euro 2012 qualifiers - John Giles, Liam Brady & Emaonn Dunphy



Rory McIlroy RTÉ Sports Person of the Year

RTÉ Lifestyle

Throughout 2011 *The Daily Show* and *Four Live* delivered the latest insights, tips, expertise and inspiration to satisfy our lifestyle TV weekday audience. Food, always a huge theme, was explored and guided across a myriad of different cookery and food series including *Rachel Allen: Bake!*; *Martin's Mad About Fish*; *Paul Flynn's Irish Food*; *The Restaurant* and by newcomer, Donal Skehan, in *Kitchen Hero*.

Gardening was also a popular theme with *How to Create a Garden* and *Dermot's Cottage Garden* while interiors programme *Room to Improve* and *At Your Service* both featured in the top 50 most watched programmes for 2011.

RTÉ Sport

Throughout 2011 RTÉ Sport continued to deliver the most comprehensive sports coverage in Ireland, broadcasting over 700 hours of sports programming. A broad range of live action, highlights, analysis and magazine shows was delivered across national and international sports fixtures and events. 31 championship matches from the GAA Championship season were broadcast alongside coverage of the national league, the GAA draw, the All Ireland camogie final, international rules and the GAA All Stars. 2011 was also the year of the Rugby World Cup and the Euro 2012 qualifiers, the coverage of which was accompanied by high quality commentary and analysis in a hugely exciting year for Irish sport.

The top 10 most popular sporting moments on any television channel in the country were all broadcast by RTÉ across GAA, soccer and rugby with many more across racing, athletics and boxing, attracting healthy audiences. Increased hours of coverage through the year were broadcast in HD on the SAORVIEW platform offering sports fans the optimal television experience of their favourite sports free-to-air.

Other Programming

In the arts category, as well as the weekly arts digest *The View*, a series of six original 52-minute arts documentaries included work from directors Michael Beattie, Paul Duane, Garry Keane and Adrian McCarthy. Contemporary singer/songwriter Duke Special looked back at the chequered life of Belfast teenage fifties pop star Ruby Murray, while other programmes covered intimate portraits of writers John Healy and Dermot Healy and Joe Duffy's account of the glories and controversies of Irish public sculpture.

Religious programming offered a range of content from intimate portraits of well-known personalities discussing their faith with Gay Byrne in *The Meaning of Life* to *Would You Believe's* moving stories of conscience and conviction plus occasional investigative or discussion specials.

Claracha Gaelge delivered a strong range of programming from *An Cór* chronicling an Irish singing competition to *Dance-Off* which set out to find a new generation of Irish dancers bound for the stage as well as *Scannal* exploring scandals from the archives, *Abhainn* tracing the passage of some of our most loved rivers and *Reabhloid* telling revolutionary tales.

Commercial Activity and Performance

RTÉ Television advertising revenue declined by 6% in 2011. While the first half of the year saw similar levels of revenue as 2010, a weak summer and autumn resulted in the final outturn.

The economic backdrop of looming financial crisis, which carried on throughout the year, saw advertisers holding back budgets, with a continuation of the very late customer decision making as seen in 2010. The trend towards key marketing decisions being made in international headquarters outside Ireland has continued to impact on levels of investment here. This affected all media in 2011 and RTÉ Television was no exception to the downturn.

Cross media activities continue to develop with Ulster Bank's Rugby Force following their Six Nations sponsorship, Guinness' Arthur's Day and Renault ZE activity being the highlights, along with the return of SuperValu cookery inserts.

RTÉ Television sponsorship revenue declined, reflecting market nervousness and the decline in advertising generally. Notable innovations included the first RTÉ product placement on air, the Spar shop in *Fair City* and a sponsored segment in *Four Live*, the Specsavers Book Club.

THROUGHOUT
2011 RTÉ SPORT
CONTINUED TO
DELIVER THE MOST
COMPREHENSIVE
SPORTS COVERAGE
IN IRELAND,
BROADCASTING
OVER 700 HOURS
OF SPORTS
PROGRAMMING.





A close final

Dublin came from behind to edge out Kerry by 1-12 to 1-11 in a tense and exciting All Ireland Football Final at Croke Park on Sunday 18 September. The Sunday Game broadcast ranked 3rd in the Top 10 TV programmes of the year.

OPERATIONAL REVIEW

RTÉ RADIO



Operation Transformation



Richard Downes accepting the Grand Award at the 2011 New York Festivals

Top 10 All-Week National Radio Programmes - Adults 15+ Timeblock Reach for National Commercial Stations January - December 2011

Rank	Programme	Station	Time-slot	Period	Adults 15+ Prog Reach %	No. of Adults 15+ (000s)
1	Morning Ireland	RTÉ Radio 1	07:00-09:00	Mon-Fri	13%	446
2	Liveline with Joe Duffy	RTÉ Radio 1	13:45-15:00	Mon-Fri	12%	414
3	The Marian Finucane Show	RTÉ Radio 1	11:00-13:00	Sat	10%	365
4	The Marian Finucane Show	RTÉ Radio 1	11:00-13:00	Sun	10%	349
5	News at One	RTÉ Radio 1	13:00-13:45	Mon-Fri	10%	345
6	Today with Pat Kenny	RTÉ Radio 1	10:00-12:00	Mon-Fri	9%	329
7	The John Murray Show	RTÉ Radio 1	09:00-10:00	Mon-Fri	9%	327
8	The Business	RTÉ Radio 1	10:00-11:00	Sat	9%	326
9	Playback	RTÉ Radio 1	09:00-10:00	Sat	8%	292
10	Miriam Meets...	RTÉ Radio 1	10:00-11:00	Sun	8%	272

Source: JNLR / Ipsos MRBI 2011/4

RTÉ Radio

Whilst 2011 intensified the challenges for RTÉ Radio, the year also provided us with many opportunities for reward.

RTÉ Radio 1 maintained a steady hold on the upward listenership trends of recent years, while RTÉ lyric fm recorded growth to the core weekday schedule. Although RTÉ 2fm experienced another difficult and demanding year we stood behind the foundations for re-growth laid during 2010, and the new morning schedule continued to form the core of several high-profile listener-engagement campaigns in 2011. Meanwhile, RTÉ Raidió na Gaeltachta continued to service diverse communities nationally and internationally.

During 2011 RTÉ Radio promoted its public services to the nation, with new television promotions highlighting diverse schedules to listeners. These messages came on foot of RTÉ Radio's win as Broadcaster of the Year at the prestigious New York Festivals Awards, when RTÉ Radio took its place among peers as a broadcaster of world renown.

RTÉ Radio also realised key plans for radio online and on other digital platforms during 2011, with the launch of the RTÉ Radio Player on RTÉ.ie and apps for iPhone,

iPad and Android. The new product was accompanied by a new website for RTÉ Radio, which positions all ten services intuitively, side-by-side for the user.

2011 saw the first year of the RTÉ/RAAP Breakthrough Bursary, designed to encourage Irish performers to progress to the next level of their careers. The bursaries were awarded live on RTÉ Radio during RTÉ's Big Music Week when RTÉ Radio hosted a week of innovative music programmes and concerts across the schedules.

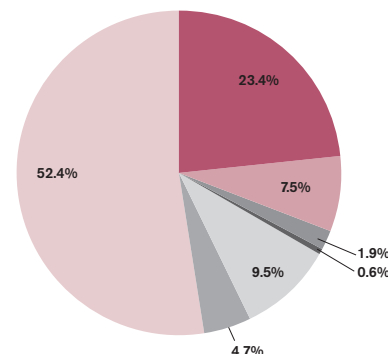
RTÉ Radio continued to support independent radio producers in 2011 by commissioning a wide range of programmes, and by supporting producers in accessing funding from the Broadcasting Authority of Ireland's Sound and Vision scheme.

RTÉ Radio 1

In keeping with its recognised tradition of excellence, RTÉ Radio 1 delivered another year of quality programming. JNLR figures for 2011 confirmed RTÉ Radio 1 as the most listened-to station in the country, maintaining its weekday reach at 25%, with 17 of the top 20 programmes nationally (JNLR / Ipsos MRBI 2011/4). It was a challenging year editorially and resource-

National Share of Radio Listening 2011 - Weekday/Peak time

RTÉ Radio 1	23.4%
RTÉ 2fm	7.5%
RTÉ lyric fm	1.9%
RTÉ Raidió na Gaeltachta	0.6%
Today FM	9.5%
Newstalk 106 - 108fm	4.7%
Regional/local stations	52.4%



Source: JNLR / Ipsos MRBI 2011/4

wise, with a General Election, two referenda, a Presidential Election, Northern Ireland Assembly Elections, two State visits and a State funeral.

On the sports front, along with RTÉ Radio 1's coverage of the GAA Championships, the Six Nations and the Heineken Cup, the station delivered comprehensive live coverage of the Rugby World Cup from New Zealand and the Irish soccer team's successful Euro 2012 qualification campaign.

In 2011 RTÉ Radio 1 brought listeners over 90 new documentaries, with 45 editions of the acclaimed *Documentary on One* and 46 of the much-loved *Curious Ear* strand, working with over 60 documentary makers from outside the core production team. RTÉ Radio 1 documentaries won an unprecedented 20 national and international awards in 2011, while RTÉ Radio 1 was also the biggest winner at the PPI Radio

Claire Byrne *The Late Debate*

RTÉ 2fm Dress Up for Barnardos appeal



Flash mob gathering in Dundrum Town Centre to perform a surprise rendition of Handel's Hallelujah Chorus

Awards with eight individual awards across all the programming genres.

RTÉ Radio 1's Drama Department featured new plays with some of the country's finest writing and acting talent, among them Brendan Gleeson, John Boorman, Tom Murphy, Saoirse Ronan, Stephen Rea, Jennifer Johnston and Ciaran Hinds.

During 2011 RTÉ Radio 1 travelled the length and breadth of the country, with over 500 outside broadcasts, including programmes from every constituency during the 2011 general election. It was a successful year for News and Current Affairs output, with strong audience figures for *Morning Ireland*, *News at One* and *Drivetime*. It was also a particularly good year for *Liveline*, with audiences once again topping the 400,000 mark.

There were changes to the weekend schedules, with the introduction of a new current affairs programme, *Saturday with Charlie Bird*, as well as a new faith-based programme, *The God Slot*, with Eileen Dunne on Friday evenings. Meanwhile, popular broadcaster Claire Byrne took over at the helm of *The Late Debate*.

Entertainment and Music content on RTÉ Radio 1 continued to develop in 2011. Throughout the year *The John Murray Show* provided listeners with fresh, relevant and entertaining programming including coverage of festivals such as Listowel Writers' Week and the Fleadh in Cavan which consolidated its position in the top 10 programmes, with a daily audience of almost 330,000.

The year also saw an increase in the number of cross-platform collaborations, including *Operation Transformation*, *Local Heroes*, *Masterchef* and *Big Music Week*. A flash mob gathering in Dundrum Town Centre saw choristers from all over the country travel to Dublin and join together to perform a surprise rendition of Handel's Hallelujah Chorus, broadcast live on *The Marian Finucane Show* and online.

Throughout 2011 music continued as a priority on RTÉ Radio 1. The station revised its playlist, broadcast live from music and arts festivals, and continued to provide curated music programmes. Live music performance also became a regular feature on *The John Murray Show* and *Today with Pat Kenny*. Both these morning programmes now offer a high-profile national forum in which to hear live Irish music, offering Irish performers and musicians an important platform for exposure. *Mooney Tunes* with the RTÉ Concert Orchestra saw a fifth sell-out concert in the Bord Gáis Energy Theatre; the event was also televised for the first time and broadcast on RTÉ Television as part of the Christmas schedule.

Writing and performing talent in comedy developed in 2011. *Green Tea*, a satirical sketch show, made its series debut in the autumn. The ever popular *Sunday Miscellany* visited many locations and arts festivals during a successful year, highlighted by the publication of its latest book, an anthology of contributions from the last three years.

RTÉ 2fm

RTÉ 2fm entered 2011 in a period of re-birth. New shows presented by Hector Ó hEochagáin, Ryan Tubridy and Colm Hayes bedded in across the year and had notable successes as well as clear challenges. RTÉ 2fm went on the road in 2011, with Hector's hugely successful *2nd Chance Debs* and *Granny Grand Prix* proving a hit with listeners. Ryan Tubridy also ventured out of the Donnybrook studio pulling big crowds wherever he went, while Colm Hayes' *Singles Night* drew crowds in Kilkenny. Meanwhile Hector's *Mix Tape* CD, released in association with RTÉ 2fm, raised much-needed funds for children with cancer.

RTÉ 2fm faced real difficulties in 2011, battling for audience share and revenue in a very difficult market. Audience losses steadied as the year went on and new listeners discovered the RTÉ 2fm schedule as the repositioning begun in 2010 continued.

RTÉ Radio hours by genre

	2011	2010
Arts	681	678
News, Current Affairs and Weather	6,511	6,738
Sport	1,460	1,378
Music	17,890	19,363
Factual	1,569	1,417
Entertainment	6,192	4,768
Other	822	835

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

RTÉ 2fm strengthened its consumer focus in 2011, with two large-scale partnerships with leading charities. The RTÉ 2fm Dress Up For Barnardos campaign at Halloween mobilised the nation to dress-up to change a child's life. A nationwide outside broadcast itinerary supplemented a national campaign that featured on RTÉ Radio, RTÉ Television, press and outdoor.

Meanwhile a Christmas campaign begun by Ryan Tubridy the year before became a station-wide event in 2011 as the nationwide RTÉ 2fm Toy Appeal for St Vincent de Paul. RTÉ 2fm listeners donated over 57,000 toys and well in excess of €100,000 to needy families through the appeal, an increase of 135% on the previous year's performance and a tribute to the generosity and enthusiasm of RTÉ 2fm listeners.

RTÉ 2fm played a key role in the first-ever RTÉ Radio/RAAP Music Bursaries, giving away over €20,000 in bursaries to help musicians in the four genres of traditional, classical, country and roots, rock and pop take their careers to the next level. The competition had over 700 entries and featured acts from all 32 counties.

RTÉ RADIO (continued)



Rick O'Shea at the BT Young Scientist and Technology Exhibition in the RDS



Liz and Yvonne Kane playing at live concert Féasta Ceoil an Earraigh in Moycullen, Co. Galway in April 2011

Support for new Irish and international music continued with live recordings from all the major Irish pop, rock and dance music festivals. One such event was Eurosonic 2011 where dozens of live music sessions were recorded. Many of the recordings were subsequently shared with European Broadcasting Union (EBU) colleagues.

RTÉ lyric fm

There was plenty for RTÉ lyric fm to celebrate in 2011. There were wins at home and in New York for two programmes, along with growing JNLR figures, critically acclaimed CD releases, and the biggest ever audience for the live Wexford Festival Opera broadcasts at over 1 million worldwide. There was another successful collaboration with Music Network on Love:Live Music Day and with RTÉ's Big Music Week, while Outside Broadcasts and Outreach at the National Ploughing Championships and the Making Connections Festival in Belfast continued to see RTÉ lyric fm interact with listeners on the ground. In addition, the RTÉ lyric fm Garden at the Bloom Festival won a Silver Gilt award.

Commitments to live music continued despite reduced staff numbers and RTÉ lyric fm broadcast the RTÉ Lunchtime Concerts, output from Wexford Festival Opera, The West Cork Literary and the West Cork Chamber Music Festivals, Kilkenny Arts Festival and the Cork International Choral Festival. Other live highlights included broadcasts from the Metropolitan Opera House in New York, EBU concerts from major concert halls and venues around Europe, and performances from the National Concert Hall's Celebrity and Orchestral series. During 2011 RTÉ lyric fm offered 36 concerts to the EBU, which were broadcast around Europe.

The 13th annual RTÉ lyric fm Choirs for Christmas competition took place in December with the winners this year being selected to participate in a recording session with the RTÉ Concert Orchestra for release on the RTÉ lyric fm label. RTÉ lyric fm continues to support a wide range of festivals around the country,

including Irish Freemasons' Young Musician of the Year Competition, Feis Ceoil, and the first annual Waltons Music for Schools Competition.

The second RTÉ lyric fm Composer-in-Residence, Linda Buckley, was appointed in 2011. Linda led two Composition and Creativity Workshops in Dublin and Cork in November and will be mentoring a young composer over the coming year, as well as composing pieces and working with the RTÉ National Symphony Orchestra.

Highlights on the RTÉ lyric fm label in 2011 included *Séan Ó Riada: Orchestral Works*, *One Day Fine* with the National Chamber Choir of Ireland under Paul Hillier, and Tim Thurston's book/ CD *Gloria, An Introduction to a Millennium of Sacred Music*, which was issued in November to accompany RTÉ lyric fm's popular *Gloria* programme on Sunday mornings.

RTÉ lyric fm visited many schools with the Educational Outreach Programme, and in 2011 brought the project to new venues, including the BT Young Scientist and Technology Exhibition in the RDS, Wexford Opera Festival and a very successful residency in Tallaght Library in Dublin.

RTÉ lyric fm was delighted to feature in a new television promotion in 2011. The piece featured an original composition from a young Irish composer and was recorded with the RTÉ Concert Orchestra.

RTÉ Raidió na Gaeltachta

2011 was another challenging year for RTÉ Raidió na Gaeltachta with the continued need to operate with fewer people and less resources. However, despite these constraints RTÉ Raidió na Gaeltachta continued to reflect regional, cultural and political diversity and provide high-quality programming for a regionally diverse audience with particular emphasis on remote and rural communities. Comprehensive coverage and analysis of national, international and regional news was provided throughout the year, including the General Election, the Presidential Election and Referenda Campaigns, as

well as the visits of US President Barack Obama and Queen Elizabeth II. Westminster Elections in May were also covered from Northern Ireland.

The 40th Anniversary of the death and 80th Anniversary of the birth of Séan Ó Riada were commemorated during 2011 and were marked on RTÉ Raidió na Gaeltachta with a special series entitled *Séan Ó Riada 1931 – 1971*.

It was another busy year for sport, and RTÉ Raidió na Gaeltachta covered the GAA National League and Championships throughout the year, along with full coverage of the National Finals of Comórtas Peile na Gaeltachta from Cloich Cheann Fhaola in North West Donegal.

As always, music played a particularly important role in the RTÉ Raidió na Gaeltachta schedule. Special broadcasts celebrated RTÉ Big Music Week in October, while co-operation with Gael-Linn on the Siamsa Music Competition for Young People culminated in a lively concert broadcast live from the National Concert Hall in April where eight traditional music groups from all over the country took part in the All Ireland Final.

A full range of outside broadcasts was serviced by the newly re-modelled An Rodaí, Raidió na Gaeltachta's dedicated mobile studio.

As part of a concerted public-information drive, RTÉ Raidió na Gaeltachta supplemented routine cross-promotion on RTÉ Radio 1 and RTÉ lyric fm with a 30 second TV promotion. Gaeltacht communities from all over Ireland entered for the chance for the promo to be filmed in their town. Gleann Cholm Cille in Donegal emerged victorious, and the TV promotion was filmed over two days in June with the assistance of hundreds of local people.



RTÉ Radio Player



Edel Ni Chuireáin pictured with prize for Radio Station of the Year at Celtic Media Festival 2011

Digital Radio

During 2011 RTÉ Radio progressed digital terrestrial radio and digital radio on online and mobile networks. In October RTÉ Radio and Digital divisions launched the RTÉ Radio Player. Bringing together all of RTÉ's FM and digital stations, the RTÉ Radio Player is available on RTÉ.ie and on smartphone devices. From this single application the listener can choose any one of eleven live stations, listen back to individual programmes and select and share individual items.

RTÉ Radio's Digital Radio stations continued to produce a host of home production. In November 2011, RTÉ Junior Radio staged a live classical concert for children performed by the RTÉ Concert Orchestra. Ms. Frances Fitzgerald T.D., Minister for Children and Youth Affairs opened the concert which was simulcast on RTÉ lyric fm, and streamed live on RTÉ.ie.

Digital Radio's presence at the BT Young Scientist and Technology Exhibition highlighted shows from RTÉ Pulse and RTÉ 2XM, strong propositions to a youth audience. Music Week 2011 saw RTÉ 2XM take up residency in the RTÉ Radio Centre's Studio 8 for a series of intimate live performances with the audience once again sourced through the band's social pages. Fans were also invited to help shape the set list for the show.

Commercial Activity and Performance

The broader economic climate continued to affect Irish advertising revenues in 2011 as late customer decision making and uncertainty had an impact on the market.

Remarkably RTÉ Radio 1 revenues during the year remained at 2010 levels as the station commercially outperformed the market yet again. Revenues benefited from strong editorial content and comprehensive election, budget and economic reporting.

RTÉ lyric fm revenues were up on 2010. However, RTÉ 2fm's decline in market share continued to affect station revenues.

RTÉ Radio continued to combine well with other media to provide a powerful vehicle for advertisers wishing to reach large numbers of prospective buyers. In 2011 some significant cross-media campaigns included those for Energia, secured as a new advertiser and sponsor of *The Business* on RTÉ Radio 1, ESB Electric Ireland's weather sponsorship across RTÉ Radio, and EBS National Savings Week 2011.

Sponsorship and promotions had another strong year with both divisions successfully coming in ahead of 2010. Major new sponsorships in 2011 included the launch of Radio 1's Traffic & Travel sponsorship, new deals for RTÉ Radio 1 Weather and sponsorship renewals on RTÉ 2fm.

RTÉ Radio continued to deliver to clients and public alike some of the biggest prizes on Irish radio. In 2011 these included initiatives with Aero and RTÉ 2fm, Kellogg's *Summer of Discovery*, Rowntree's *Get Set Go Free* and Arthur's Day.

New media, in the form of advertising on our RTÉ Radio Apps, began to be a part of agency and client plans with advertisers including Vodafone, Ulster Bank, Volkswagen, Heinz Beans and DIT.

DURING 2011
RTÉ RADIO
PROGRESSED
DIGITAL
TERRESTRIAL RADIO
AND DIGITAL RADIO
ON ONLINE AND
MOBILE NETWORKS.

RTÉ RADIO'S
DIGITAL RADIO
STATIONS
CONTINUED
TO PRODUCE A
HOST OF HOME
PRODUCTION.





A Presidential visit

More than one million people viewed events on the day US President Barack Obama and First Lady Michelle Obama, arrived in Ireland to rediscover the President's roots and renew the strong human and commercial bond between Ireland and the United States.

RTÉ NEWS AND CURRENT AFFAIRS



US President Barack Obama and Taoiseach Enda Kenny. Photo: Maxwell Photography



Queen Elizabeth II in the Garden of Remembrance. Photo: Maxwell Photography



Election 2011 presenters

2011 was an extraordinarily busy year for RTÉ News and Current Affairs. The year saw the most dramatic General Election in recent times, historic visits to Ireland by Queen Elizabeth II and US President Barack Obama, the state funeral of Dr Garret FitzGerald and the election of President Michael D. Higgins.

General Election

The General Election, held on Friday 25th February, was followed by RTÉ's biggest-ever results coverage on all platforms, including RTÉ Television, RTÉ Radio, RTÉ.ie and mobile.

Over 2.7 million people watched RTÉ's *Election 2011* coverage at some point over the weekend. Multi-camera facilities were provided at the RDS, Cork, Mayo, Louth, Limerick City and Galway West count centres. 24 mobile satellite units were deployed and 11 count centres were accessible live through broadband. Using a mix of familiar and new technologies, for the first time on television, RTÉ was able to provide a 'whip round' to all 43 Dáil constituencies at the beginning of the programme.

RTÉ Radio 1 started Election coverage at 8.00 am on the Saturday morning with a *Morning Ireland* special which gave the earliest results of the RTÉ Exit Poll. *Election 2011* began at 11.00 am with Sean O'Rourke and Rachael English and continued until almost 3.30 am on the Sunday morning.

The public could listen back to the programme in two hour segments, a facility welcomed by many commentators and users abroad. RTÉ Radio had a bespoke Radio Election webpage for the first time and its live Twitter feed, @rteradio1, trended internationally four times on Count Day.

State Visit of Queen Elizabeth II

Planning for the historic state visit by Queen Elizabeth II to Ireland began during the Election period and involved almost every person in the division by the time of her arrival on Tuesday, 17th May.

Over 60% of the viewing television audience watched the arrival of Queen Elizabeth II and the Duke of Edinburgh to Casement Aerodrome in Baldonnel and their subsequent visit to Áras an Uachtaráin where they were greeted by the President Mary McAleese and Dr McAleese. Audiences stayed extremely high throughout the four day visit, with a peak audience of over 875,000 watching as the Queen spoke in Irish at the banquet in her honour at Dublin Castle.

State Funeral

The sad news of the death of former Taoiseach, Dr. Garrett FitzGerald, was broken during the Queen's visit and she was one of the many people who paid tribute to the former statesman. RTÉ had live coverage on RTÉ Television, RTÉ Radio and RTÉ.ie of the State Funeral on Sunday, 22nd May. On RTÉ One, Bryan Dobson presented special coverage of the proceedings while Eileen Dunne and John Bowman provided commentary on the Funeral Mass where President Mary McAleese; An Taoiseach, Enda Kenny TD; Archbishop Diarmuid Martin and other dignitaries were in attendance. The funeral was followed by a burial ceremony where Dr. FitzGerald was laid to rest alongside his wife, Joan, with full military honours. David Davin-Power provided commentary from the cemetery.

There was also live coverage of the funeral service on RTÉ Radio 1, with commentary by Olivia O'Leary and Cathal MacCoille.

Visit of US President Barack Obama

In a final day in an unprecedented week, over a million people viewed events on the day US President Barack Obama and First Lady Michelle Obama, arrived in Ireland on the presidential plane. Throughout an afternoon of rolling coverage of the visit by the President to his ancestral relatives in Moneygall, County Offaly and his appearance at a public event in College Green, audience figures remained extraordinarily high with a steady build up of viewers reaching an average of over a million for the hour between 18:00 and 19:00 and a peak of over 1.1 million people

at 18:38. *The Nine O'Clock News* also attracted a huge audience to look back at the day's events, averaging 778,000 for the half hour bulletin. As well as the resources required for its own extensive coverage, RTÉ was also the host broadcaster for all the event, providing pool footage to broadcasters throughout the world.

The Week in Politics – Election 2011 & the 31st Dáil

RTÉ published a detailed account of Election 2011 in a book launched by An Taoiseach Enda Kenny on 1st June. *The Week in Politics – Election 2011 & the 31st Dáil*, used seasoned political observers from RTÉ Television's specialist political programme, *The Week in Politics* and others to deliver a riveting account of the drama surrounding *Election 2011*, its lead up and consequences.

Presidential Election

The next major event for RTÉ News and Current Affairs was the Presidential Election which began in September - the 13th presidential election to be held in Ireland, contested by a record seven candidates.

The first Presidential debate of the campaign was hosted by Sean O'Rourke on the *News at One* on RTÉ Radio 1 on Wednesday, 28th September. This was followed by debates on *Prime Time* on Wednesday 12th October and *The Frontline* on Monday, 24th October.

RTÉ covered the election on 27th October and the inauguration of Michael D. Higgins as Uachtarán on hÉireann on 11th November 2011.



Sean O'Rourke *The Week in Politics*



Prime Time Investigates Dodgy Cabs Ltd

Foreign Coverage

Throughout the year RTÉ News journalists reported from around the world on the major events of 2011. The continuing Euro-zone crisis was covered from Brussels and other member countries of the EU by Europe Editor, Tony Connelly and Europe Correspondent Paul Cunningham. In a dramatic year for the Arab world, RTÉ News deployed Ray Colgan and Margaret Ward to Egypt and Libya to report on the uprisings. In the early part of the year we reported on the earthquake in New Zealand which destroyed Christchurch and then from Japan on the tsunami and the nuclear fears surrounding the Fukushima nuclear plant. Our Washington Correspondent Richard Downes reported on, among other matters, the economic crisis in the US and beyond, the David Drumm bankruptcy court case and the 9/11 tenth anniversary in New York. From England there was coverage of the Dale Farm evictions, the economic crisis and the Royal Wedding. The Newsroom also developed US and European blog sites for correspondents Richard Downes and Tony Connelly.

Current Affairs

A series of *Prime Time Investigates* was broadcast in May including an exposé into the taxi industry, *Dodgy Cabs Ltd*, an in-depth look at the human cost of the cutbacks in Health, *The Human Price of Cutbacks* and a report on sexual abuse by Irish missionary priests, *A Mission to Prey*.

Regrettably this programme contained serious false allegations against Fr Kevin Reynolds which were also broadcast on RTÉ's *Morning Ireland* the following morning. A paternity test subsequently showed Fr Reynolds was not the father of a child as alleged and he sued RTÉ. RTÉ has apologised fully and unreservedly to Fr Reynolds and paid him substantial damages. This broadcast was without question a low point in our current affairs broadcasting history and we are determined that lessons learned will strengthen future investigative journalism processes.

Nuacht

Ba iad na díospóireachtaí a comh-léiríodh le TG4 buaicphointe na bliana do Nuacht RTÉ: Díospóireacht na gCeannairí i ngaeilge roimh olltoghchán 2011 agus Díospóireacht na Uachtarántachta, clár dátheangach ar ghlac na hiarrthóirí uachtarántachta uile páirt ann.

Den chéad uair i stair an stáit tá líofacht Ghaeilge ag na ceannairí páirtí uile sa Dáil agus ag Uachtarán na hÉireann. Chuir an fháil seo ar mórphearsana poiblí go mór le deiseanna na seirbhíse nuachta.

RTÉ a chuireann an tseirbhís nuachta ar fáil ar TG4, agus d'éirigh thar barr le léitheoir Nuacht TG4 Eimear Ní Chonaola ag gradaim chumarsáide an Oireachtais; bhuaigh sí Pearsa na Bliana agus Réalt na Bliana. Bhuaigh an comh-léiriú Díospóireacht na gCeannairí Gradam speisialta an Oireachtais, agus Eimear a chuir i láthair í.

San iomlán, léirigh Nuacht RTÉ 180 uair a chloig do TG4, ar a n-áirítear sraith clár faisnéise (Seán Ó Riada, Sherpa, Jimmy Den Rua MP etc) agus an tsraith siamsaíochta Féilte. Léirigh Nuacht RTÉ 110 uair a chloig idir theilifís RTÉ One, RTÉ Radio 1, RTÉ 2fm agus RTÉ lyric fm.

Documentaries

A number of documentaries were also made during 2011 by RTÉ News. These included *Michaela - Finding Peace* made by RTÉ Northern Editor, Tommie Gorman which was shown in April and explored the terrible loss suffered by the family and bridegroom of Michaela Harte who was murdered on her honeymoon in Mauritius at the start of the year.

Somalia - The Children's Famine was Western Editor Jim Fahy's harrowing documentary about one of Africa's poorest countries in the grip of a terrible famine. He also made *Children Are Our Flowers*, shown in September, which followed the poignant story of Olga and Krystina, born with

serious disabilities and abandoned at birth. A once in a million chance meeting with an Irish couple transformed their lives forever and Jim has followed their story since then.

In October, RTÉ News Editor, Donal Byrne and Bryan Dobson made *Mayday At The Fastnet Rock*, a documentary on the incredible rescue of the American yacht, Rambler 100, off the Fastnet Rock. Finally, in December *The Queen's Speech*, by Tommie Gorman, looked back on the four day visit of Queen Elizabeth II, including the meticulous levels of planning involved.

THE MOST DRAMATIC
GENERAL ELECTION
IN RECENT TIMES
WAS FOLLOWED BY
RTÉ'S BIGGEST-EVER
RESULTS COVERAGE
ON ALL PLATFORMS,
INCLUDING RTÉ
TELEVISION, RTÉ
RADIO, RTÉ.IE AND
MOBILE.

A dramatic result

One of RTÉ Sport's major successes of 2011 was its coverage of the Rugby World Cup the highlight of which was Ireland's remarkable 15-6 victory over Australia.



RTÉ NETWORK



SAORVIEW launch with the Minister for Communications, Energy and Natural Resources, Pat Rabbitte, TD



The highlight of the year for RTÉ Transmission Network Limited (RTÉNL) was undoubtedly the continuation of the installation of the infrastructure required to facilitate the transition from analogue to digital television which commenced in 2008.

RTÉNL is an RTÉ subsidiary company which provides Broadcast Transmission services, on an arm's length basis, to all Irish national television and radio broadcasters, including RTÉ. 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 remained very competitive due to the large number of mast and tower sites that have become available and experienced very little expansion in 2011.

RTÉNL's sites are primarily situated at high altitude in remote locations that are not always suitable for use by some emerging technologies, such as 3G and 4G mobile phone services and wireless broadband for example, both of which require compact cell size close to the consumer.


Digital Terrestrial Television (DTT)/ SAORVIEW

Over the past number of years RTÉNL has been progressively planning, constructing and installing the DTT infrastructure necessary to enable Analogue Switch-Off (ASO) to happen at an estimated total cost to RTÉNL not exceeding €70 million. This new DTT platform branded and marketed as SAORVIEW is the largest infrastructure project carried out by RTÉ since the launch of Television services in 1962. It is being financed entirely by RTÉNL from a combination of its own resources and from bank borrowing.

SAORVIEW was formally launched in May 2011 with a single multiplex carrying content and at that point the service was available to some 97% of the population. It is anticipated that content for a second multiplex may become available in 2012 and that by the end of October 2012 the service will be available to over 98% of the population.

Once ASO is effected on the 24 October 2012 valuable radio spectrum will be made available for exploitation by the Irish State. In effect this spectrum has the potential to generate significant revenues for the state through the auction of the newly liberated radio spectrum by Government for use by other commercial services.

OVERALL RTÉ TRANSMISSION NETWORK INCOME HAS REMAINED SIMILAR TO THAT OF 2010 AT €28 MILLION.



FROM ITS LAUNCH
IN MAY SAORVIEW
ACHIEVED IN
EXCESS OF 99.9%
AVAILABILITY
DURING THE YEAR.

Commercial Revenue

Overall RTÉ Transmission Network income has remained similar to that of 2010 at €28 million.

- The level of site hosting demonstrated a modest increase year on year.
- There were no significant changes in the local and regional radio market as available capacity in the FM band is now more or less fully utilised.
- Achieving growth year on year, in telecommunication business has been challenging as the overall economic situation impacted many businesses.
- The RTÉNL Digital Audio Broadcasting (DAB) radio test service continued in operation in 2011 covering in excess of 50% of the population. In the absence of a national policy and licensing framework for commercial DAB services the development of the DAB platform beyond this test is unlikely to proceed to a higher level of penetration at this juncture.
- There were, as anticipated, changes in RTÉNL's Television Revenue in 2011 due to the commencement of SAORVIEW and the simulcast of Analogue Terrestrial Television (ATT) and SAORVIEW. Variations will continue in 2012 with ASO on the 24 October and it is expected that revenue will stabilise in 2013.

Operations

Reliability of the transmission system was comparable with previous years. Overall availability for Analogue Terrestrial Television and radio services were again all in excess of 99.9% for 2011. From its launch in May SAORVIEW also achieved in excess of 99.9% availability during the year. This was a very satisfactory outcome given the considerable infrastructural works undertaken on the transmission network to facilitate SAORVIEW and the severe weather experienced at the beginning of 2011.

Television

The main operational challenge in 2011, apart from the extreme weather at the beginning of the year, was the requirement to facilitate the ongoing reinforcement of the network infrastructure for SAORVIEW. In addition to works on many sites around the country, two very substantial new main masts were constructed to full height at Maghera and at Mount Leinster. Full fit out and commissioning of the various antenna systems on these two masts will take place in 2012.

Radio

Radio shares a common infrastructure of masts and buildings with television and, as with television, the main operational challenge in 2011, apart from the extreme weather referred to above, was the requirement to facilitate the ongoing reinforcement of the network infrastructure for SAORVIEW while causing minimum disruption to live FM services.

RTÉ PUBLISHING



Visit of Queen Elizabeth II to Croke Park



RTÉ.ie homepage



RTÉ.ie Budget 2012

As RTÉ's innovative digital hub, RTÉ Publishing operates five of Ireland's leading media services; RTÉ.ie, the RTÉ Player, RTÉ Aertel, RTÉ News Now and the RTÉ Guide.

These public services are provided free of charge, with the exception of the RTÉ Guide which is a commercial publication. No Licence Fee income is utilised to fund the provision of either RTÉ Publishing's public services or its commercial publications.

As Ireland's leading provider of digital content and services, RTÉ Publishing's strategy is centred on developing and growing audiences for RTÉ's services on digital platforms at home and abroad, allowing viewers to consume RTÉ content anytime and anywhere.

RTÉ.ie

Throughout 2011, RTÉ.ie provided an integrated approach to delivering news, sport and entertainment across a multiple of online platforms, offering viewers more choice than ever before in terms of how they viewed and consumed content.

One of the key drivers of traffic growth to the RTÉ site in 2011 was mobile optimised services, as more and more people chose to access RTÉ services through a range of mobile devices. During the year there were a number of significant developments in this regard including the optimisation of RTÉ's mobile site m.rte.ie for smartphone and touch screen phones.

The popularity of RTÉ.ie developed further in 2011 with 1.3 billion page impressions delivered across the full year. The number of unique browsers on the website averaged 4 million a month, up 8% on the 2010 figure. In December 2011 RTÉ.ie had the most unique visitors of any Irish owned website in Ireland (Source: comScore Dec 2011).

2011 was a significant year for news and this was reflected in the performance of the RTÉ.ie/News website. Highlights of the year were the General Election in February, the State visits of Queen Elizabeth II and

US President Barack Obama in May and the Presidential Election in October. Traffic to RTÉ.ie/News increased significantly during 2011 with 226 million page impressions, an increase of 22% on the previous year. The average number of monthly unique browsers - at 1.6 million - was up by 14% on 2010.

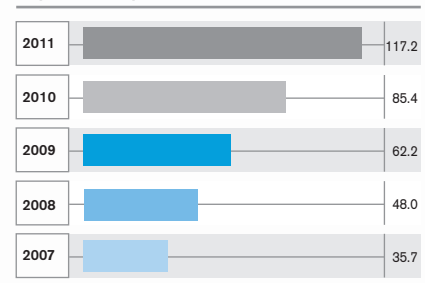
For the General Election RTÉ Publishing created a dedicated 24 hour Social Media Desk incorporating Facebook, Twitter and YouTube, with Twitter feeds available from 43 count centres. Over the election count weekend there were almost 19 million page views of RTÉ.ie from 1.1 million browsers, double the performance delivered during Election 2007.

During the visits of Queen Elizabeth II and US President Barack Obama in May, over 29 million page impressions were recorded as RTÉ.ie provided un-rivalled coverage. The comprehensive coverage of both occasions was also of significant overseas interest with international viewers accounting for 382,665 unique browsers on the RTÉ.ie website during Queen Elizabeth's visit and 293,018 on the day US President Barack Obama visited Ireland.

In addition to the events above, the RTÉ News site offered extensive coverage of the biggest national and international stories of 2011, including the earthquake and tsunami in Japan, the spread of the Arab Spring, the ongoing Eurozone financial crisis, Ireland's IMF/EU bailout and National Budget 2012, through a combination of stories, live blogs, feature articles, live video and audio feeds and user comments.

In 2011 RTÉ.ie/sport continued its emphasis on providing compelling video, audio and text content on major sporting events. These included the GAA National Leagues, the Six Nations, the GAA Championships, the Republic of Ireland's Euro 2012 qualifying games, the Cheltenham Festival, all golf majors, the Rugby World Cup, the UEFA Champions League, the Heineken Cup and other selected events.

RTÉ.ie average page impressions per month (millions)



Source: RTÉ

RTÉ.ie/sport's major success of 2011 was its coverage of the Rugby World Cup. In collaboration with RTÉ Television and RTÉ Radio a strong emphasis was placed on providing a compelling user experience, on mobile, and on Twitter, Facebook and YouTube. RTÉ.ie/sport delivered a strong performance in 2011, with 96 million page impressions. This was only marginally down on 2010's figure of 97 million in a Soccer World Cup year. The average number of monthly unique browsers grew to 633,000, 4% up on 2010 and RTÉ Rugby on Facebook quickly grew to over 9,000 likes, with almost 14,000 followers on Twitter.

In November, RTÉ Publishing's Technology Hub trialled High Definition Streaming of RTÉ TWO HD for the Ireland versus Estonia Euro 2012 playoff, which greatly enhanced the online viewing experience.

During 2011, RTÉ.ie TEN, The Entertainment Network, launched one of RTÉ's first dedicated web programmes, TEN News. Airing on RTÉ TEN weekly, as well as on RTÉ News Now, this video entertainment news programme is scripted, shot and edited in-house. During the year RTÉ TEN also launched on the *Digital out of Home* service. Although traffic to RTÉ.ie/TEN fell back slightly from 85 million page impressions in 2010 to 78 million in 2011, the average monthly number of unique browsers grew to 660,000, up from 610,000 in 2010.



Suite of apps facilitating downloads to the iPhone, iPod Touch and iPad.



RTÉ Player Four Live

While the online advertising market continued to grow in 2011, an increasing number of domestic and international competitors created an extremely challenging environment. As a result RTÉ.ie had to differentiate itself in the market by introducing a range of new advertising formats such as overlays, pushdowns and take-overs. Advertisers responded positively to these initiatives, and consequently overall activity remained exceptionally high throughout the year.

RTÉ News Now

RTÉ News Now, RTÉ's dedicated news channel became available online on 2011. In addition, SAORVIEW, our new digital television service, commenced broadcasting the channel from May 2011. During the year RTÉ News Now was updated and now includes promotion of upcoming programmes, live news conferences and events.

Digital out of Home, an RTÉ News Now initiative, was extended in 2011 to Terminal 2 in Dublin Airport and continues to be available in most major train stations and in Busáras. The channel broadcasts news, sport, business, entertainment and weather in these locations.

The RTÉ News Now app available on iPhone, iPad, iPod Touch and Android, has been by far the most successful RTÉ mobile service ever launched, delivering 426 million page impressions in 2011. It was downloaded 454,000 times by the end of the year.

RTÉ Player

RTÉ Player continued to grow in 2011 and by the end of the year we had launched a new iOS suite of apps facilitating downloads to the iPhone, iPod Touch and iPad. The interest was such that there were over 100,000 app downloads in the first two weeks alone.

Approximately 100 hours of new programmes were added to the RTÉ Player each week in 2011, giving audiences the opportunity to watch up to 250 hours at any one time, from all categories of the RTÉ broadcast schedule including drama, entertainment, factual, lifestyle, sport, news and current affairs. One third of all

programmes are available for viewing by international audiences.

Usage of the RTÉ Player is steadily increasing with 32 million programme streams served in 2011. This represents 45% growth year on year. On average 2.7 million streams were delivered each month, an increase of 50% year on year, while unique browsers increased by 30% from an average of 406,000 per month in 2010 to 526,000 in 2011.

During the year, RTÉ programmes were the most popular on the RTÉ Player. Top performing programmes included the *Republic of Telly*, *Hardy Bucks*, *The Late Late Show*, *Love/Hate*, *Desperate Housewives*, *Mrs Brown's Boys*, *Fade Street* and once off national events such as the State visits of US President Barack Obama and Queen Elizabeth II and of the inauguration of President Michael D. Higgins. 2011 also witnessed an increase in the range of programmes available on the RTÉ Player. Complementing the existing stable of home produced content and popular international series such as *Grey's Anatomy* and *Desperate Housewives*, last year saw the addition of a host of high quality series such as *Two and a Half Men*, *The Mentalist*, *The Inbetweeners*, *Masterchef* and *How to look good Naked*.

In a joint production between RTÉ Two and RTÉ Player, the second season of *Fade Street*, the popular reality show, aired online first, before it was broadcast on RTÉ Two. It became the number 1 programme on RTÉ Player and was one of the most popular shows on the website that week with nearly 69,000 streams in a ten-day period. It also created strong international appeal with one in five streams being viewed by an international audience.

RTÉ Publishing was the first client worldwide to deploy Google's industry leading DoubleClick for Publishers on the RTÉ Player. DoubleClick provides the means to deliver targeted digital advertising to customers and is the primary means by which RTÉ online generates revenue from digital platforms.

AS RTÉ'S
INNOVATIVE
DIGITAL HUB,
RTÉ PUBLISHING
OPERATES FIVE
OF IRELAND'S
LEADING MEDIA
SERVICES.

RTÉ PUBLISHING (continued)



Live streaming: RTÉ News Now



Local Heroes

THE RTÉ NEWS NOW APP AVAILABLE ON IPHONE, IPAD, IPOD TOUCH AND ANDROID, HAS BEEN THE MOST SUCCESSFUL RTÉ MOBILE SERVICE EVER LAUNCHED.

Public facing trials of Adobe HTTP Dynamic Streaming continued through 2011, with a production rollout to facilitate an enhanced user experience in RTÉ Player "2.0". This production rollout will see RTÉ Publishing lead the way in migrating online streaming video services to a HTTP based solution, which provides a better experience for the end user, and allows RTÉ Publishing to consolidate back end delivery infrastructure to deliver to multiple platforms.

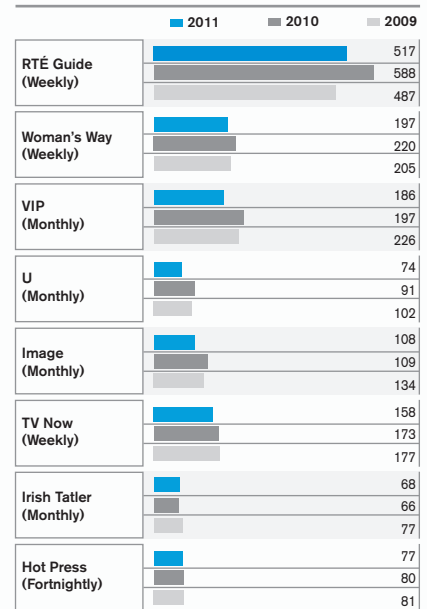
Video on Demand (VOD) advertising grew in tandem with the popularity of RTÉ Player. Demand for advertising on RTÉ Player at times exceeded supply and outperformed the growth rates for display advertising in the market place during the year.

The increased popularity of RTÉ Player, and the growth in popularity of mobile traffic through RTÉ.ie's mobile apps, resulted in mobile revenues doubling year on year and we believe this trend is set to continue.

It was another outstanding year for the YouTube RTÉ channel. The channel, now one of the most popular in Ireland, experienced significant growth during the year with 27.9 million views recorded, up from 9.8 million views in 2010.

Two RTÉ YouTube clips were officially placed at no.2 and no.5 in YouTube's 'Most Watched' 2011 list in Ireland. The second most popular video among Irish viewers was Damo and Ivor's Hangover sketch from RTÉ's *Republic of Telly* which has generated over 436,000 views (482,000 views worldwide) and in fifth place was Rugby by Dead Cat Bounce, also first broadcast on *Republic of Telly* which has generated 277,000 views (859,000 views worldwide).

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.

The RTÉ Guide

The RTÉ Guide continued its evolution from a TV Listings magazine to a premium entertainment and lifestyle magazine in 2011.

High profile initiatives during the year included a special feature on US President Barack Obama and First Lady Michelle Obama to coincide with their State visit to Ireland and a special St. Patrick's Day issue which celebrated the best of being Irish.

Throughout the year key promotional drivers and other bespoke initiatives were used to deliver growth on the base weekly sale. These included the Weight Watchers' supplements, Recipe Collections, a World Cup Rugby Wall Planner produced in conjunction with RTÉ Sport, and the RTÉ Guide's annual weather calendar.



The RTÉ Guide

However, the RTÉ Guide faced another challenging year in a particularly turbulent magazine market. Circulation sales fell in 2011 due to continuing market contractions at retail level and an overall decline consistent with the total print market. Overall circulation for the RTÉ Guide in 2011 was an average of 74,382 weekly copy sales down from 84,018 in 2010 (ABC 2011), while readership figures showed a 12% decrease year on year from 588,000 adult readers to 517,000 adult readers.

The RTÉ Guide attended the National Ploughing Championships and the Tall Ships Race with its *Become a Star for the Day* road show. At the Ploughing Championships almost 3,000 people visited the RTÉ marquee and had their photo taken for their very own RTÉ Guide commemorative Ploughing Championships cover, while over 1,800 visitors engaged with a similar initiative at the Tall Ships event in Waterford.

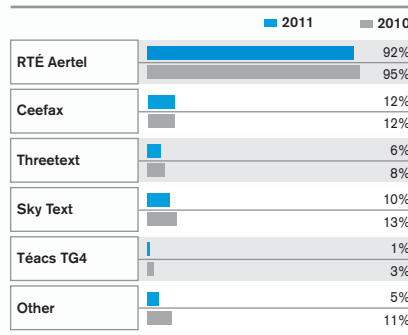
The print advertising market declined further in 2011, with the RTÉ Guide's performance in the year reflective of an overall market that in 2011 is estimated to have declined 15% to 20% year on year.

RTÉ Aertel

RTÉ Aertel continues to perform as a very strong brand with 1.4 million weekly users (Source TGI 2011).

On RTÉ.ie, the site has an average of 5.5 million page impressions per month. A revamped digital RTÉ Aertel service was launched in 2011, and is also available via SAORVIEW, RTÉ's free-to-air digital television service.

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



Source: TAM Ireland Ltd/Nielsen TAM Establishment Survey

Programme and Interactive Competitions

The Programme Interaction and Competitions team continued to develop and manage SMS and IVR services that contained a premium rate competition charge across RTÉ Television, RTÉ Radio and RTÉ Publishing platforms. There were almost 14 million interactions generated in 2011 compared to 12.4 million in 2010. This further highlights the growth in audience engagement across RTÉ media outlets. During 2011, RTÉ Publishing contributed to the new draft Code of Conduct Consultation which has been established by ComReg for Premium Rate Services.

THERE WERE ALMOST 14 MILLION PROGRAMME AND COMPETITION INTERACTIONS GENERATED IN 2011 COMPARED TO 12.4 MILLION IN 2010.



An historic visit

Over 60% of the viewing television audience watched the arrival of Queen Elizabeth II and the Duke of Edinburgh and their visit to Áras an Uachtaráin where they were greeted by the President Mary McAleese and Dr McAleese.



RTÉ PERFORMING GROUPS



A still from the RTÉ Concert Orchestra's presentation of the *Lord of the Rings: The Fellowship of the Ring*, a screening with live orchestra, an Irish first that played to full houses in November 2011



The Three Sopranos Christmas Gala with Celine Byrne, Regina Nathan and Cara O'Sullivan Presented by the RTÉ National Symphony Orchestra in association with *The John Murray Show*, RTÉ Radio 1

DURING 2011 RTÉ PERFORMING GROUPS PRESENTED 231 LIVE PERFORMANCES AND EVENTS TO IN EXCESS OF 200,000 PEOPLE.

Output

RTÉ Performing Groups (RTÉ PGs) comprises the RTÉ National Symphony Orchestra (RTÉ NSO), the RTÉ Concert Orchestra (RTÉ CO), the RTÉ Vanbrugh Quartet, the RTÉ Philharmonic Choir and RTÉ Cór na nÓg which between them have over 350 performers.

During 2011 the RTÉ PGs delivered a broad range of high quality performances presenting 231 live performances and events to in excess of 200,000 people. The RTÉ PGs are the biggest supporter and promoter of live classical music in Ireland in terms of the employment of musicians, the presentation of live performances and the commissioning and performance of new music. In addition, the impact of the RTÉ PGs is felt in the significant number of freelance musicians whom we engage each year as specialist players, soloists, accompanists and conductors.

Many outstanding concerts were given by both RTÉ orchestras in 2011. Special mention is merited for the performances of soloists such as Peter Wispelwey, Peter Donohoe, Barry Douglas, Stefan Jackiw, Celine Byrne, Finghin Collins, Bradley Creswick, Christian Lindberg, Gabriela Montero, Martin Frost and Julian Rachlin with the RTÉ NSO. Outstanding solo performances with the RTÉ CO included Duke Special, Micheál Ó Súilleabháin, Brian Byrne, Liam O'Flynn, Macdara O'Seireadáin, Lang Lang, Dame Kiri Te Kanawa, Josh Prince and Annalene Beechley.

The year was defined by several special events of national significance. The RTÉ NSO concerts for Queen Elizabeth II and the final 12th July Garden Party given by President Mary McAleese were particular highlights. President McAleese also attended the opening concert of the RTÉ NSO season 2011/12 to celebrate the 30th anniversary of the National Concert Hall (NCH). In the course of the year the RTÉ CO travelled to New York's Lincoln Centre for the screening of *Guests of the Nation* to a new score by composer Niall Byrne.

Throughout 2011 the RTÉ PGs found appeal with audiences in a variety of events in both range and scale. For the RTÉ CO a number of film screenings created an exceptionally strong impact. These included *The Lord of the Rings: The Fellowship of the Ring*, *The Four Horsemen of the Apocalypse* and *Casablanca*. The RTÉ NSO reached very large audiences through several facilities hires for opera and ballet productions at the Bord Gáis Energy Theatre. The orchestra's own concert presentation of Puccini's *La Boheme* was an outstanding success under young Scottish conductor Rory Macdonald, whilst *The Three Sopranos* concerts sold out very speedily. RTÉ Cór na nÓg was enjoyed by a capacity audience at the André Rieu concert at the O2 and the RTÉ CO appeared with Katherine Jenkins in the same venue.

It was a year of consolidation in the relationships between each orchestra and respective artistic teams with many outstanding results. In addition several guest conductors made strong impressions, among them Stefan Blunier, Garry Walker and Dmitri Jurowsky with the RTÉ NSO and Neil Thomson, Karl Jenkins, Robert Zeigler, Marvin Hamlisch and Ludwig Wicki with the RTÉ CO.

In addition to a full concert commitment, the RTÉ NSO delivered a wide variety of additional activities including workshops for Leaving Certificate music students, the mentoring of some of our most talented 3rd level music students and compositional and improvisatory workshops with students of the Dublin Institute of Technology (DIT) Conservatory of Music and the Royal Irish Academy of Music.

Conductor trials with the RTÉ CO were very worthwhile with Conor Palliser from Cork proving himself worthy of a debut professional engagement with the orchestra in the popular summer lunchtime concert series. On *Love Live Music Day* the RTÉ CO rehearsed and performed at St Agnes School in Crumlin in recognition of the school's extraordinary commitment to music in education. The RTÉ CO also reinvigorated its relationship with Cork City through fruitful



Phyllis Verdon with RTÉ National Symphony Orchestra Double Bass player Mark Jenkins getting to grips with the cello on the Luas



Two world-famous artists who appeared with the RTÉ Concert Orchestra within days of each other in September – Marvin Hamlisch and Lang Lang.

FOUR WORLD PREMIERES OF RTÉ COMMISSIONS BY LINDA BUCKLEY, FRANK CORCORAN, BRIAN BYRNE AND ELAINE AGNEW WERE PRESENTED.

collaborations with the Cork International Choral Festival and the Cork Opera House.

In addition to twenty two appearances, the RTÉ Vanbrugh Quartet gave eight workshops to primary and secondary pupils in many parts of the country. A new quartet by young Cork-born composer, Sam Perkin, was warmly received in performances in Dublin and Cork. The RTÉ Vanbrugh Quartet was central to the success of a special tribute to composer Frank Corcoran in association with the Royal Irish Academy of Music. The performance included the premiere of his Clarinet Quintet, an RTÉ commission. In the Frederick May Centenary Celebration at DIT, a collaboration between RTÉ, DIT and the Contemporary Music Centre, the Quartet represented RTÉ superbly in the long overdue homage to one of our most significant composers.

Both RTÉ choirs experienced significant changes in 2011. After 15 years of dedicated service, Mark Duley stepped down as Chorus Master RTÉ Philharmonic Choir at the end of the 2010/11 season. Coincidentally, Máire Mannion, Choral Director RTÉ Cór na nÓg, relinquished her position about the same time. By September new arrangements were in place for both choirs. The RTÉ Philharmonic has two chorus masters, Jeremy Haneman and Mark Hindley, for the 2011/12 season and Mary Amond O'Brien was invited to act as Choral Director RTÉ Cór na nÓg for the 2011/12 season. Both choirs have responded favourably to these appointments.

2011 started very unsteadily for the RTÉ PGs as the effects of the severe winter coupled with the economic downturn resulted in lower than expected attendances. As the year progressed editorial changes were made to output and several partnerships were secured within RTÉ – between the RTÉ PGs, RTÉ Radio, RTÉ Television and RTÉ.ie – with some strikingly positive outcomes and impacts. Intense promotional support produced sales volumes not normally experienced. By contrast with the start of the year,

the year-end was particularly successful. Twenty three events were co-ordinated by the RTÉ PGs in December alone and with the emphatic success of *Mooney Tunes* at the Bord Gáis Energy Theatre (RTÉ CO), *The Three Sopranos* at the NCH (RTÉ NSO), Christmas Lunchtime concerts (RTÉ NSO), *Christmas with Jesse Buckley* (RTÉ NSO) and the *Wizard of Oz* (RTÉ CO) among other audience-pleasing events, the audience deficit recorded in early 2011 was redressed.

Commercial Activity

Commercial revenue increased by 22% in 2011 compared to 2010 which had been a particularly disappointing year with volcanic ash and the unprecedented severe weather conditions impacting adversely on income.

Commissions and New Work

During 2011 the RTÉ PGs presented four world premieres of RTÉ commissions by Linda Buckley, Frank Corcoran, Brian Byrne and Elaine Agnew.

Five Irish composers, Kevin O'Connell, David Fennessy, Piers Hellawell, Philip Hammond and Jerome de Bromhead were featured in the RTÉ NSO Horizons series of free lunchtime concerts at the NCH. In addition, commercial CDs of music by John Kinsella (with Arts Council support), Sean O'Riada and Frederick May involving both RTÉ orchestras were released on the RTÉ lyric fm label.

RTÉ PERFORMING GROUPS (continued)



2011 Mentoring Scheme for Advanced Young Musician David Kenny, viola, Clare O'Keefe, percussion and Hugh Murray, violin, all from Cork.



RTÉ Big Music Week

Broadcasting

RTÉ's broadcasting and online services offer the RTÉ PGs unique opportunities to extend the experience of live music. The close relationship between the RTÉ PGs and RTÉ lyric fm is critically important. But 2011 was also particularly successful in terms of wide cross-media support with many popular TV and radio shows offering special profile, in particular to both orchestras.

Building Audiences and Profile

Throughout 2011 the RTÉ PGs strove to reach audiences in both conventional and unconventional spaces. Wider industry recognition of the RTÉ PGs was achieved through performances of quality, and quality associations. The nomination of Brian Byrne's song *Lay Your Head Down* performed by Sinead O'Connor with the RTÉ CO for a Golden Globe came as welcome pre-Christmas news. The Carlow Opera Project with the RTÉ NSO took the Allianz Business to Arts Award for *Best Use of Creativity in the Community Award*. In another achievement *The Irish Times/RTÉ Music in the Classroom* concerts reached up to 30,000 young people in 2011. Throughout the year the releases of music by Irish composers secured outstanding reviews in several international industry publications.

It was rewarding to see how several key partnerships enabled new encounters with audiences in 2011. External partnerships included the Irish Film Institute, Culture Ireland, the Jameson Dublin International Film Festival, the NCH, the Arts Council and several local authorities. Once again the RTÉ PGs were at the heart of RTÉ's *Big Music Week* with all five ensembles participating. The RTÉ NSO, the RTÉ Vanbrugh Quartet and RTÉ Cór na nÓg also performed as part of *Culture Night*.

SEVERAL KEY PARTNERSHIPS ENABLED NEW ENCOUNTERS WITH AUDIENCES IN 2011.

RTÉ'S BROADCASTING AND ONLINE SERVICES OFFER THE RTÉ PERFORMING GROUPS UNIQUE OPPORTUNITIES TO EXTEND THE EXPERIENCE OF LIVE MUSIC.



12th July Garden Party given by President Mary McAleese

RTÉ Performing Groups attendances

	2011	2010
Guest Ensembles	554	749
RTÉ Choirs Educational	250	0
RTÉ Choirs General	10,414	1,947
RTÉ Choirs Total ²	10,664	1,947
RTÉ VQ Educational	150	0
RTÉ VQ General	2,398	2,333
RTÉ VQ	2,548	2,333
RTÉ CO Educational	18,168	13,813
RTÉ CO General	71,790	79,677
RTÉ CO Total	89,958	93,490
RTÉ NSO/ Phil Choir	3,367	5,855
RTÉ NSO Educational	16,098	16,178
RTÉ NSO General	79,690	49,927
RTÉ NSO Total ¹	95,788	66,105
Overall Educational	34,666	29,991
Overall General	168,213	140,488
Overall Total	202,879	170,479

¹ The RTÉ NSO gave seven Ballet and five Opera Performances at the Bord Gáis Energy Theatre in 2011, contributing to the increase in audiences year on year

² RTÉ Cór na nÓg performed with Andre Rieu at the O2 in April 2011, contributing to the large increase in attendances in 2011

RTÉ Performing Groups educational activities

	2011	2010
Open Rehearsals	0	3
Pre-concert Talks	28	34
Workshops etc.	20	0
Educational Performances	44	39
Total Educational Activity	95	73

RTÉ Performing Groups performances

	2011	2010
Guest Ensembles	2	1
RTÉ Choirs Educational	1	0
RTÉ Choirs General	7	6
RTÉ Choirs Total	8	6
RTÉ VQ Educational	2	0
RTÉ VQ General	20	30
RTÉ VQ	22	30
RTÉ CO Educational	22	17
RTÉ CO General	71	78
RTÉ CO Total	93	95
RTÉ NSO/ Phil Choir	4	7
RTÉ NSO Educational	19	22
RTÉ NSO General	83	63
RTÉ NSO Total	102	85
Overall Educational	44	39
Overall General	187	185
Overall Total	231	224

RTÉ Performing Groups contemporary music activities

	2011	2010
World premieres of RTÉ commissioned works	4	5
Dedicated contemporary music concerts	6	4

Future Plans

We have set ourselves steep audience targets to meet in 2012. Audience retention, growth where possible, and diversification will remain our focus. Audience loyalty will be cherished and we will strive to find new audiences for live music experiences.

Online streaming of concerts will widen public access to our core work, while the provision of audio content on our website will be addressed.

Discussions are underway to develop a conducting competition with the RTÉ CO in collaboration with the Feis Ceoil. In addition, it is hoped that the RTÉ PGs and the Association of Irish Choirs will develop a jointly supported apprentice choral conducting scheme.

Following a consultation process the Arts Council has published additional funding opportunities for opera. However, as yet it is difficult to predict whether or not either RTÉ orchestra will play a role in the provision of indigenous opera production.

The Arts Council has also agreed to provide financial support for the creation of a new Contemporary Music Festival in 2013. This initiative is supported by the RTÉ PGs, the NCH and the Arts Council.

In the course of 2012 details for the tendering for chamber music services for RTÉ from 2014 will be drawn up and published. We will also pursue several productive North South initiatives involving both RTÉ orchestras in 2012 and into 2013.

A new President

President Michael D. Higgins and his wife Sabina celebrate his election following a long campaign contested by seven candidates. RTÉ covered the campaign across all media platforms – RTÉ Television, RTÉ Radio, RTÉ.ie and mobile.

Uachtaráin, 2011
I Election 2011



An Toghchán
Presidential

OVER THE COURSE OF THE PAST THREE YEARS, RTÉ HAS SUCCESSFULLY REDUCED ITS ANNUAL OPERATING COST BASE BY CIRCA €86 MILLION OR 20%.

Results

RTÉ reported a Net Deficit for 2011 of €16.8 million (2010 deficit €4.7 million) based on revenues of €351 million (2010: €372 million).

A synopsis which seeks to identify the critical factors impacting on the overall movement in the level of the Net Deficit between 2010 and 2011 is set out in the following table:

	2010 € m	Reduction in Commercial Revenue € m	Government imposed reduction in RTÉ Licence Fee revenue € m	Additional costs: General Election/ Queen Elizabeth II & US President Barack Obama Visits € m	Net overall cost reduction actions € m	2011 € m
Commercial revenue	175.7	(8.4)	-	-	-	167.3
Licence Fee revenue	196.0	-	(12.4)	-	-	183.6
Operating costs (includes Net Finance Income and Tax)	(376.4)	-	-	(3.4)	12.1	(367.7)
Net Deficit	(4.7)	(8.4)	(12.4)	(3.4)	12.1	(16.8)

Commercial Revenue

In 2011 aggregate RTÉ commercial revenues contracted by a further €8.4 million (5%) year-on-year notwithstanding welcome increases in some areas of activity.

RTÉ Television Advertising	€m (6.3)
RTÉ Radio Advertising	(3.5)
Other areas	1.4
Year-on-Year movement	(8.4)
Commercial Revenue 2010	175.7
Commercial Revenue 2011	167.3

Aggregate commercial revenues first began to perceptibly decline in Quarter 1 of 2008 and over the course of the past four years have reduced by circa 32% from their peak in 2007. The largest single element of commercial revenue is RTÉ Television advertising, which has reduced by circa 40% from its peak in 2007.

In 2011 RTÉ Television advertising accounted for some 27% of all RTÉ Revenues, down from 36% in 2007.

At €167 million, aggregate RTÉ commercial revenues in 2011 have shrunken to levels broadly equivalent to the level of total commercial revenues generated by RTÉ nine years ago in 2003 (€155 million).

Television Licence Revenue

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

RTÉ received €183.6 million in TV Licence revenue in 2011. This level of public funding reflects a reduction of €12.4 million / 6% in 2011 (2010 €196.0 million) and is equivalent to the level of TV Licence fee revenues received by RTÉ five years ago in 2006 (€183 million).

In the main the decrease in 2011 reflects the impact of two significant reductions in RTÉ TV Licence revenue arising from decisions incorporated in the Government Budget introduced in December 2010:

1. The elimination of part of the direct exchequer grant to TG4 and its direct replacement with a corresponding increase in the Grant to TG4 funded by a charge against TV Licence collections (€9.245 million in 2011) which had previously been paid to RTÉ.

2. An estimated reduction of up to €3 million in net TV Licence revenue as a result of the introduction of a monetary cap on the amount payable each year by the Department of Social Protection in respect of "Lifetime" TV Licences irrespective of the volume of such licences issued in any given year.

These reductions followed on from the 2010 decrease in licence fee income, of circa €4 million, arising from the provisions enacted in July 2009 in the *Broadcasting Act 2009*. That act increased the existing deduction made from TV Licence receipts (net of collection charges) in respect of the Sound & Vision Broadcasting Funding Scheme, operated by the Broadcasting Authority of Ireland (BAI), from 5% to 7%.

Material changes have taken place since 2007 impacting on both the domestic property market and on the rate of net formation / net contraction of domestic households. Following the recent publication of relevant information from Census 2011 an exercise is underway aimed at updating estimates of both the number of TV households and of the rate of TV Licence evasion.

Previously RTÉ has estimated that TV Licence evasion rates as being of the order of 10% to 15% of chargeable domestic households and business premises.

Operating Costs

Total operating costs were further reduced in 2011 by € 7.1 million / 2% compared to 2010:

	€m
Increase in Personnel Related Operating Costs (PROC)	1.9
Reduction in Non-Personnel Related Operating Costs (Non-PROC)	(4.7)
Reduction in Depreciation / Amortisation	(4.3)
Year-on-Year Decrease Operating costs 2010	(7.1) 376.6
Operating costs 2011	369.5

In response to the severe contraction in revenue, in late 2008 RTÉ embarked upon a series of substantial compensating cost reductions aimed at stabilising the business, contracting its operating cost base whilst simultaneously seeking to protect its programming commitments and employment to the greatest extent feasible. This contraction of the cost base accelerated in 2009 / 2010 and has continued into 2011.

Over the course of the past three years 2009, 2010 and 2011, RTÉ has successfully reduced its annual operating cost base (excluding depreciation and amortisation) cumulatively by circa €86 million / 20%.

Employee Numbers

At 31 December 2011 there were 2,093 (2010: 2,151) employees of which 300 (2010: 317) were part-time / casual. The reduction in employee numbers in 2011 amounted to a fall of 3% compared to 2010 and reflected departures in 2011 arising under both the 2011 Early Retirement & Redundancy Facility and Voluntary Severance Schemes.

At 2,093 people, direct employment by RTÉ has now been reduced to the level broadly prevailing at the end of 2003 / beginning 2004.

Net Finance Income

Total Net Finance Income for 2011 was €2.4 million (2010: €1.1 million).

This increase was primarily due to two factors, a fair value gain arising on currency forward contract derivatives of €1.5 million to manage US Dollar and Sterling exposures, offset by €0.6 million in respect of interest incurred on the project loan facility which is referred to under cash flow below.

Taxation

A tax charge of €0.6 million arose in 2011 principally in respect of deferred tax movements.

Cash Flow

Total cash resources at 31 December 2011 amounted to €60.7 million (2010: €63.2 million) while long-term liabilities arising under employee redundancy / early-retirement schemes amounted to €12.5 million (2010: €19.7 million).

Mindful of the economic pressures experienced from 2008 onwards, there has been a particular increased daily focus on cash management. This remained a critical financial management priority in 2011 with a view to ensuring that adequate cash flow and banking facilities were at all times available to protect the organisation's viability.

On 22 December 2010 RTÉNL, RTÉ's transmission subsidiary, entered into a project finance loan facility agreement with Barclays Bank amounting to €38.25 million as part of the funding for the transmission and distribution infrastructure required for the Digital Terrestrial Television (DTT) project (see below). This facility was drawn down in full at 31 December 2011.

Capital Expenditure

RTÉ's total capital expenditure in 2011 was €24.6 million (2010: €12.9 million) with the most significant item being a further €13.7 million incurred in respect of transmission and distribution infrastructure by RTÉNL for DTT.

DTT Infrastructure and SAORVIEW

RTÉNL has made substantial progress in putting the essential transmission and distribution infrastructure in place for Digital Terrestrial Television (DTT) to enable RTÉ to fulfil its statutory obligations in relation to DTT prior to Analogue Switch Off (ASO) of all existing Analogue Terrestrial Television (ATT) networks across Europe, including Ireland, by October 2012 as required by EU and Government policy.

The SAORVIEW DTT service has been transmitted nationally for most of 2011 with high levels of acceptance of both the quality of coverage and of reception.

This is the single largest capital infrastructure project ever undertaken by RTÉ and has involved extensive and diverse engineering works in some 70 locations around the country, many of which are in remote and inclement locations in difficult terrain.

In addition to RTÉNL building the necessary infrastructure, in the past year RTÉ has successfully launched the SAORVIEW service and has led and part funded a comprehensive public information campaign informing people across the country about the new service and how to access it. In 2011 the cost to RTÉ was €1.7 million.

Capital Renewal - Project 2025

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

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

review of aspects of the zoning decision by Dublin City Council. This process is ongoing.

Financial Risk Management

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

Financing activity

In 2011, RTÉNL entered into an interest rate swap agreement with Barclays Bank in order to fix the interest cost arising in respect of the project loan facility referred to above.

Pensions

RTÉ operates Defined Benefit (DB), Defined Contribution (DC) and "50/50" Risk-Sharing (a scheme with elements of both DB and DC) pension schemes as well as PRSA type arrangements for its employees.

RTÉ Superannuation Scheme (DB)

As at 31 December 2011, RTÉ had 405 employees who were members of the RTÉ Superannuation Scheme. In addition, RTÉ continues to make contributions to this scheme for a small number of former employees, who left RTÉ under various Early Retirement and Redundancy arrangements.

The RTÉ Superannuation Scheme is a 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.

At 31 December 2011 funds under management amounted to €776 million (2010: €813 million), at market value. In RTÉ's case the liabilities of the RTÉ Superannuation Scheme at 31 December 2011 of €823 million (2010: €809 million) are of the order of five times greater than the reported Net Assets of RTÉ itself.

In a change from 2010, as at 31st December 2011 the actuaries to the RTÉ Superannuation Scheme have estimated that the scheme is in deficit whether measured under the Minimum Fund Standard (MFS), the Long-Term Actuarial Funding or the IAS 19 Accounting bases. The exact size of the deficit estimated by the actuaries varies daily and depends on the measurement basis used:

MFS / Discontinuance	(€72m)
Long-Term Actuarial Funding	(€25m)
IFRS Accounting Valuation	(€48m)

As a consequence the Scheme trustees may be required to prepare a proposal for submission to the Pensions Board to address this deficit.

The RTÉ Defined Contribution Pension Scheme

All RTÉ employees who are not members of the RTÉ Superannuation Scheme are eligible for membership of a contributory defined contribution scheme, a "50 / 50" risk-sharing scheme or for PRSA type pension arrangements.

The RTÉ Defined Contribution Pension Scheme currently has 1,233 employee (active) members.

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

This scheme commenced on 1 September 2010 and currently has 237 employee (active) members.

Insurance

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

Corporate Responsibility

The RTÉ Corporate Responsibility Report on RTÉ.ie sets out how RTÉ deals with its audiences, staff, business partners, the Government and in relation to the environment.

THE SAORVIEW
DTT SERVICE HAS
BEEN TRANSMITTED
NATIONALLY FOR
MOST OF 2011 WITH
HIGH LEVELS OF
ACCEPTANCE OF
BOTH THE QUALITY
OF COVERAGE AND OF
RECEPTION.

THIS IS THE
SINGLE LARGEST
CAPITAL
INFRASTRUCTURE
PROJECT EVER
UNDERTAKEN
BY RTÉ.

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

Four years after the downturn first manifested itself in Quarter 1 of 2008 the trading outlook for Television and Radio advertising and other traditional media related revenues remains challenging.

At the same time RTÉ is of the view that it is imperative that the incurrence of Annual Net Deficits, such as have arisen over the past three years, must now be eliminated during the course of 2012 such that an annual Break-Even / small Net Surplus can be generated from 2013 onwards.

In considering how best to approach this task, five key factors influence the current financial outlook for RTÉ and thus the short to medium term fiscal actions required:

- Between 2009 and 2011 RTÉ's operating costs have already been successfully reduced, without irreparable service impairment, by an ongoing €86 million or circa 20% resulting in reduced available options in the continued search for a further contraction in costs;

- Legislative changes arising from the *Broadcasting Act 2009* / Government Budget 2010 have imposed an additional annual ongoing cost burden / revenue reduction on RTÉ of more than €18 million per annum.

- Since the collapse in RTÉ Commercial Revenues in 2009, there has as yet been no overall indication of a material return to domestic growth in Irish advertising and / or in related commercial revenues.

- RTÉ's continuing need to renew and update its capital asset base in a digital era; and

- RTÉ's cash resources, prudently managed in the boom years with the intention of assisting in the replacement of capital infrastructure and resources, are now being rapidly depleted and replaced by borrowings.

In the absence of clear and evident growth in revenues, and as also referred to in the Director-General's review, it is essential that RTÉ now implements a significant restructuring of its activities in 2012 with a view to ensuring that it will have sufficient revenues available, on a robust and sustainable basis, to meet the cost of RTÉ's statutory obligations into the foreseeable future.

FINANCIAL REVIEW (continued)

How Your TV Licence Fee is Used

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

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

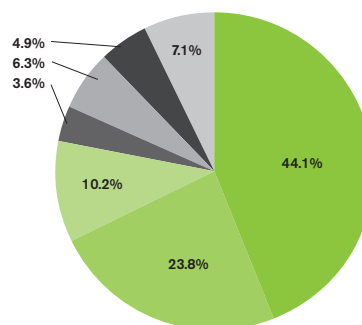
Utilisation of each TV Licence fee collected

	2011 €	2010 €
RTÉ One	58.01	61.03
RTÉ Two	31.21	36.20
RTÉ Television	89.22	97.23
RTÉ Radio 1	13.40	13.08
RTÉ Raidió na Gaeltachta (RTÉ RnaG)	8.33	8.50
RTÉ lyric fm	4.79	5.05
RTÉ Radio	26.52	26.63
RTÉ Performing Groups	9.26	9.07
RTÉ Activities	125.00	132.93
	78%	83%
RTÉ Support for TG4	6.39	6.36
BAI Levy	1.75	1.04
TG4 deduction	6.71	-
BCI Sound & Vision fund	10.53	10.57
Collection Costs - An Post / DCENR / DSP	9.62	9.10
Non-RTÉ Activities	35.00	27.07
	22%	17%
Avg. cost of TV Licence	€160.00	€160.00

The pie-chart below summarises the attribution of the TV Licence fee revenues that are received by RTÉ to the public service element of RTÉ's activities during 2011.

Attribution of Licence Revenue received by RTÉ in 2011

RTÉ One	44.1%
RTÉ Two	23.8%
RTÉ Radio 1	10.2%
RTÉ lyric fm	3.6%
RTÉ RnaG	6.3%
Support provided to TG4	4.9%
Performing Groups	7.1%



Cost per Transmitted hour

As part of its Performance Commitments for 2009 RTÉ undertook that in subsequent Annual Reports it would publish a statement of the average cost per transmitted hour of programmes broadcast. Tables providing this information and how it is computed for 2011 together with comparative figures for 2010 are set out below:

2011

	RTÉ One €'m	RTÉ Two €'m	RTÉ Radio 1 €'m	RTÉ 2fm €'m	RTÉ lyric fm €'m	RTÉ RnaG €'m
COSTS						
Indigenous Programming	117.1	63.0	33.6	11.0	6.1	10.3
Acquired Programmes - Ireland	0.8	0.1	-	-	-	-
- Overseas	12.8	11.4	-	-	-	-
General Broadcast & Transmission Operations	11.8	10.1	1.6	0.6	0.3	0.4
Transmission & Power Charges	3.2	3.6	1.8	0.9	0.9	0.9
	145.7	88.2	37.0	12.5	7.3	11.6

HOURS

	Hours	Hours	Hours	Hours	Hours	Hours
Annual Transmission Hours (incl.simulcast)	8,760	8,760	8,845	8,760	8,760	8,760

OVERALL AVERAGE COST PER TRANSMITTED HOUR

	€	€	€	€	€	€
All Transmission Hours	16,600	10,100	4,200	1,400	800	1,300

2010

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

HOURS

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

OVERALL AVERAGE COST PER TRANSMITTED HOUR

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

ANNUAL MOVEMENT

% Change in Cost per Hour						
All Transmission Hours	(0.6%)	(7.3%)	2.4%	(6.7%)	(11.1%)	(7.1%)

BOARD



1. Tom Savage Chairman

Term of office: 24 February 2009 – 31 August 2014

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

2. Fergus Armstrong

Term of office: 24 February 2009 – 31 August 2014

Fergus Armstrong is a mediator. He is a panel member of ONE~resolve, an interdisciplinary mediation grouping. His previous career was in law practice, first with the family firm now named Hegarty and Armstrong, Sligo, then as company solicitor with Aer Lingus. He later joined the firm of McCann FitzGerald, where he served as a partner in corporate law, then as managing partner and chairman. His mediation work encompasses disputes involving business and institutions, as well as conflict between individuals. He participates as a teacher and panelist 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 Castlknock College, University College Dublin and Harvard Law School.

3. Orlaith Carmody

Term of office: 16 February 2010 – 16 February 2015

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

4. Noel Curran Director-General

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

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

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

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

5. Alan Gilsenan

Term of office: 24 February 2009 – 31 August 2014

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

6. Karlin Lillington

Term of office: 24 February 2009 – 31 August 2014

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



7

7. Joe Little

Term of office: 30 September 2009 – 31 August 2014

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



8

8. Sean O'Sullivan

Term of office: 24 February 2009 – 31 August 2014

Sean is founder and Managing Director of Cork based software consultancy firm Seabrook Research Limited. He is also Chairman of the Business Information Systems Advisory Board at University College Cork 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.

9. Patricia Quinn

Term of office: 24 February 2009 – 31 August 2014

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

10. Aileen O'Meara

Term of office: 16 February 2010 – 16 February 2015

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



9

11. Eunice O'Raw

Term of office: 16 February 2010 – 16 February 2015

Eunice is a graduate of University College Dublin achieving a Masters Degree in Economics and later obtained a further Masters Degree in Economics from Trinity College Dublin.

Eunice is a barrister by profession and was called to the Bar in 1996. She was appointed as Junior Counsel to the Tribunal of inquiry into Certain Planning Matters and Payments in July 1998. In March 2011, she was appointed Director of Legal Affairs in the HSE.

Eunice is a former Chairperson of the Mental Health Tribunals of the Mental Health Commission and Chairperson of the Garda Disciplinary Board. Eunice lectured in Trinity College and the Kings Inns in Competition Law, in Economics in University College Dublin, in Financial Mathematics and Econometrics at the National College of Ireland and was visiting Professor of Irish Constitutional Law for Quinipiac University's Summer School. She is an accredited mediator and has a special interest in conflict resolution processes.

12. Stuart Switzer

Term of office: 16 February 2010 – 16 February 2015

Stuart is a television producer and has been producing television programmes for the past 25 years across factual and entertainment for RTÉ, BBC and many other broadcasters. He is a founding Director of Coco Television and Managing Director of Coco Television since 1998. Stuart is co-ordinator and producer or executive of numerous Coco productions. Stuart is the driving force behind Coco Television's interest in digital media, publishing and events. Stuart's background in finance was the reason Coco joined the group that created YMITV back in 2001 the first UK online financial channel.

He is a former board member of Screen Producers Ireland and has contributed to many media industry reports over the last ten years.

Stuart was principal of Switzer & Co., Financial Advisors and Management Consultants, for ten years prior to joining Coco Television.



10



11



12

Board Attendance

There were twelve meetings of the Board of RTÉ in 2011. The attendance of board members is outlined below:

	Meetings Eligible to Attend	Meetings Attended
Tom Savage (Chairman)	12	12
Fergus Armstrong	12	12
Orlaith Carmody	12	11
Noel Curran*	11	10
Alan Gilsean	12	10
Karlin Lillington	12	11
Joe Little	12	11
Aileen O'Meara	12	11
Eunice O'Raw	12	10
Sean O'Sullivan	12	11
Patricia Quinn	12	11
Stuart Switzer	12	12

* Following his appointment as the new Director-General, with effect from 1 February 2011, Noel Curran joined the Board as an ex officio member.

Board Committees

Audit and Risk Committee

There were eight meetings during 2011, attended as follows:

	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Sean O'Sullivan (Chairman)	8	8	10 March 2009
Karlin Lillington	8	8	13 December 2010
Eunice O'Raw	8	7	25 February 2010
Stuart Switzer	8	7	25 February 2010

Editorial and Creative Output Committee

There were six meetings of the Editorial and Creative Output Committee (formerly the Programme Committee) during 2011, attended as follows:

	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Alan Gilsean (Chairman)	6	6	10 March 2009
Fergus Armstrong	6	5	10 March 2009
Orlaith Carmody	6	4	25 February 2010
Aileen O'Meara	6	5	25 February 2010
Patricia Quinn	6	5	12 January 2010

Project 2025 Committee

Two meetings of the Committee took place during the year, with full attendance.

	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Patricia Quinn (Chairman)	2	2	22 April 2010
Orlaith Carmody	2	2	20 May 2010
Joe Little	2	2	22 April 2010
Aileen O'Meara	2	2	20 May 2010

Remuneration and Management Development Committee

Six meetings were held during 2011. The meetings were attended as follows (full attendance at each meeting):

	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Tom Savage (Chairman)	6	6	10 March 2009
Fergus Armstrong	6	6	10 March 2009
Sean O'Sullivan	6	6	10 March 2009

Technology and Innovation Committee

Three meetings of the Technology and Innovation Committee were held during the year, attended as follows:

	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Karlin Lillington (Chairman)	3	3	22 April 2010
Aileen O'Meara	3	2	20 May 2010
Sean O'Sullivan	3	2	22 April 2010

EXECUTIVE



1. Noel Curran Director-General

See biographical note on page 46.

2. Brian Dalton Managing Director Corporate Development

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

He holds a Masters in Management from Trinity College Dublin.

Prior to joining RTÉ Brian held senior director positions in both Operations and HR functions.

He has worked primarily in multinational companies such as GE, Intel, Becton Dickinson and more recently in Financial Services primarily relating to change management in the context of mergers and acquisitions.



3. Clare Duignan Managing Director Radio

Clare was appointed Managing Director Radio in February 2009. In addition she oversees RTÉ Performing Groups.

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

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

4. Conor Hayes Chief Financial Officer

Conor joined RTÉ as Chief Financial Officer in October 2001. In addition he oversees RTÉNL, Group Property & Services and the Television Licence Monitoring Unit and previously RTÉ Publishing (to September 2011) and Group Technology & IT (to January 2012). He is Chairman of the Trustees of the RTÉ Superannuation Scheme.

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

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



5. Glen Killane Managing Director Television

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

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

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

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





6. Múirne Laffan **Managing Director Digital**

Múirne Laffan was appointed Managing Director of the newly formed RTÉ Digital in October 2011.

Born in Dublin, Múirne is a graduate of the College of Marketing at Dublin Institute of Technology. She started her career in advertising in London before joining McCann-Erickson Worldwide (NY), in 1991. She was part of the team that set up McCann Interactive in 1994 to drive interactive and worldwide web activity to McCann's US based clients. Múirne also was part of the leadership team that created Universal McCann, where she held the position of SVP, Director of Worldwide Clients.

Múirne returned to Ireland in 2001 to join RTÉ, first as General Manager of RTÉ Commercial Enterprises Limited and then as Executive Director of RTÉ Publishing. Through a period of technological change and adaptation, Múirne led the team which innovated and created a successful portfolio of brands including RTÉ News Now, RTÉ Player, RTÉ Ten and RTÉ Aertel Digital amongst others and brought RTÉ.ie to a place across platforms and countries where it reaches and satisfies sizeable diverse audiences.

RTÉ Digital will replace RTÉ Publishing and Múirne now has responsibility for driving the digital strategy across RTÉ and for the delivery of on-demand content to RTÉ audiences.

7. 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 News and Current Affairs. Subsequently, he was the Assistant Head of Features and Current Affairs in RTÉ Radio and the Programme Editor of Television News, editing the *Six One* and *Nine o'clock* News programmes, and was appointed Managing Editor in the Newsroom Division in 1994. (Retired from RTÉ in March 2012).

8. Willie O'Reilly **Group Commercial Director**

Willie O'Reilly joined RTÉ as Group Commercial Director in January 2012.

A graduate of University College Dublin he joined RTÉ as a producer in 1980 and during this period was the Executive Producer of *The Gerry Ryan Show* on RTÉ 2fm for over ten years.

Willie was Chief Executive of Today FM between 1999 and 2011, where he was responsible for delivering increases in audiences and revenue while establishing Today FM as a strong brand within the Irish media landscape. During his time there he managed changes of ownership from private individuals to Scottish Radio Holdings to Emap Plc and now Communicorp Ltd.

As a former President of the Institute of Directors (IoD) he played an active role in establishing the IoD as a leader in director education. He recently graduated as a Chartered Director.

Willie was a board member of the Health Service Executive (HSE) 2009/ 2010 and a member of that organisation's Audit Committee. He has also served as Chairman of Independent Broadcasters of Ireland (IBI), the representative body for Irish independent radio stations.

9. Richard Waghorn **Chief Technology Officer**

Richard joined RTÉ as Chief Technology Officer in February 2012.

Richard holds a MBA from Henley Management College and is a graduate of the University of Leeds.

Between 2009 and 2011 Richard was Chief Technology Officer at the South African Broadcasting Corporation. Prior to that Richard was Controller of Distribution at the BBC for four years, leading the implementation of digital switchover. At the BBC he worked across a number of areas including strategy, new media, distribution and radio production.

Richard was a Board Director of Freesat and project manager for the launch of Freeview in 2002 in the UK.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 DECEMBER 2011

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

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

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

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

As a statutory corporation, originally established under the *Broadcasting Authority Act, 1960* and continued by the *Broadcasting Act, 2009*, the provisions of the 2010 *UK Corporate Governance Code* ("the Code") and the *Irish Corporate Governance Annex* ("the Annex") are not applicable to RTÉ. However, RTÉ does conform in as far as is feasible and on a voluntary basis with the Code and the Annex and has undertaken appropriate steps to achieve compliance with the principal requirements where relevant to RTÉ. The following exceptions from the Code and the Annex are applicable:

- The Board of RTÉ is appointed by and its remuneration is set by Government. Consequently, the requirements of the Code and the Annex 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. As

Board members are appointed under the *Broadcasting Act 2009*, RTÉ does not have a Nomination Committee.

- 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 conforms to Government policy.
- The details of Board members' remuneration on page 53 do not include amounts paid to Board members in their capacity as employees (where applicable) as required by the Companies Act, but do 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, makes no such stipulation.
- As the Government is responsible for appointing members of the Board, the Board does not consider it a requirement to evaluate the performance of the Board, its Chairman and its individual members. However, the Chairman continuously assesses the effectiveness of the Board and the participation of its members. The Board has commenced formal self-evaluation and may decide to avail of externally facilitated evaluation.

The Audit and Risk Committee is currently in the process of completing a self-assessment of its effectiveness and the extent to which it is adding value to the organisation. When this assessment is complete, the Board will consider the assessment process, and any changes needed to improve the process, with a view to extending self-assessment to other Board Committees during 2012.

- When a scheduled review of the Remuneration and Management Development Committee's terms of reference is carried out later in 2012, the updated terms of reference will be posted on the RTÉ.ie website in accordance with the *UK Corporate Governance Code*.

The Board of RTÉ Composition

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

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

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

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

Biographical details of the twelve members of the Board in office at 31 December 2011, including details of their terms of office, are set out on pages 46-47.

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

Role

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

Board members have varied backgrounds, skills and experience in a broad range of business areas relevant to the oversight of a public service broadcaster. The criteria for Board membership are set-out in Section 82 of the *Broadcasting Act 2009*. The criteria include matters such as: media affairs, public service broadcasting, broadcast content production, digital media technologies, business or commercial affairs, legal or regulatory affairs and matters pertaining to the development of the Irish language. Each member brings independent judgement to bear by constructively challenging the Executive and by helping to develop RTÉ's strategic objectives.

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

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

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

Board Procedures

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

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

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

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

Certain other matters are delegated to Board committees, as set-out below. The Board papers sent to Board members prior to each Board meeting include the minutes of committee meetings which have been held since the previous Board meeting or,

if minutes are not available at the time the papers are circulated, a verbal update is provided at the Board meeting. The Chairman of each committee is available to report and answer any questions on the committee's proceedings at Board meetings, as required.

Board Committees

The Board has established four permanent sub-committees to assist in the execution of its responsibilities. These are the Audit and Risk Committee, the Remuneration and Management Development Committee, the Editorial and Creative Output Committee and the Technology and Innovation Committee. Board members also serve on a joint working group with members of the executive in order to oversee Project 2025.

The membership of each committee, together with details of attendance at meetings held in 2011, is set out on page 47.

Temporary committees are formed from time to time to deal with specific matters under defined terms of reference. The Board did not consider it necessary to establish any temporary committees during 2011.

The *Audit and Risk Committee* comprises four Board members, all of whom are considered independent. Stuart Switzer is currently the Committee member with recent relevant financial experience. The Committee's terms of reference are available on the RTÉ website.

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

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

- Selecting the external auditors for approval and appointment by the Board, approving their terms of reference and fees, and determining with the external auditors the nature and scope of the audit work
- Reviewing the performance, independence and objectivity of the external auditors each year. In doing so, the Committee makes appropriate enquiries of management and Internal Audit

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

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

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

The *Remuneration and Management Development Committee* comprises three Board members, all of whom are considered independent. The Committee is assisted, as necessary, by a nominee from the Department of Communications, Energy and Natural Resources.

CORPORATE GOVERNANCE (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

The Committee has written terms of reference, which are scheduled to be revised and updated in 2012 prior to being made available on the RTÉ.ie website. The Committee's role and responsibilities include:

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

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

The *Editorial and Creative Output Committee* comprises five Board members, all of whom are considered independent. Formerly titled the Programme Committee, the Committee was renamed to better reflect the scope of its remit. This took place in the context of a review and update of its terms of reference, which the Board approved in late 2011. The Committee considers key developments and plans in respect of RTÉ Television and RTÉ Radio programmes and schedules. At each of its meetings, the Committee may meet with the Managing Directors of Television, Radio and News and Current Affairs and their senior management colleagues and with in-house and external independent programme-makers, to review programme output and upcoming strategy and plans.

During 2011 the *Project 2025* Committee ceased to be a permanent sub-committee of the Board and became a joint Board-Executive working group to oversee Project 2025. The working group has three roles to fulfil: supervision of the project; strategic monitoring, which will entail bringing strategic recommendations to the Board as deemed necessary during the life of the project; and oversight of succession to ensure continuity of expertise and executive management of this large project. In early 2011, when it operated as a permanent sub-Committee of the Board, the Committee comprised of four board members, three of whom were considered independent.

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

Independence of Members of the Board

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

Having regard to the integrity, strength of character and objectivity of Board members, all members are considered independent under those criteria. However, Noel Curran and Joe Little are RTÉ employees and therefore cannot, for that reason alone, be considered as independent members of the Board at 31 December 2011 as per the criteria of the Code.

As disclosed in further detail in Note 24 (Related Party Transactions), business transactions took place between RTÉ and certain Board members, or their close family members, in the normal course of business, during the year ended 31 December 2011. Notwithstanding these transactions, the Board has determined that these Board members remain independent in character and judgment. In reaching that conclusion, the Board has considered the following:

- In two cases of RTÉ commissioning a programme(s) from a production company owned / controlled by a Board member, the Board took account of the existence of formal and transparent Commissioning Procedures and Guidelines, which are published on the RTÉ website and are applied consistently for all commissions. In addition, all decisions on individual commissions are the responsibility of executive management, assessed using clear evaluation criteria, with contracts awarded in line with normal commercial terms and conditions in all cases. Decisions on individual programme commissions are not a matter for consideration and decision by the Board. To demonstrate transparency, an independent audit of specific commissioning procedures is also carried out on an annual basis and an Independent Productions Annual Report is submitted to the Minister for Communications, Energy and Natural Resources in accordance with Section 116 (9) of the *Broadcasting Act 2009*.

- The Board also considered the matter of a Board member, or their close family members, being engaged by RTÉ under an Artist contract in respect of a programme contribution. The Board noted that none of the applicable engagements in the year ended 31 December 2011 were, individually or in aggregate, for a material contract value. The decision to engage a programme contributor or presenter is undertaken by editorial line management having due regard for the requirements of the programme and the skills and experience of the individual being engaged. The Board also noted that the contracts were entered into on normal commercial terms and in line with RTÉ's policy for engaging personnel.

Internal Control and risk management

The Board has overall responsibility for the Group's systems of internal control and for reviewing their effectiveness. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and 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. This process is in accordance with the updated Turnbull guidance on Internal Control.

RTÉ operates a risk management process, which identifies the key risks facing the business and reports to the Board on how these risks are being managed. Each business division maintains a risk register which identifies its key risks, evaluates the probability of those risks occurring and the likely impact should the risks materialise. The actions taken to manage each risk to a desired level are recorded on the risk register and risks are ranked and prioritised. Key corporate support functions (Group IT, Group HR, Property & Services, etc.) also maintain risk registers in a similar format. Each of the risk registers are reviewed by the Audit and Risk Committee.

On an annual basis, the risk registers of each division and corporate function are reviewed by management to highlight trends and to identify common or interdependent risks across the RTÉ Group. This process facilitates the preparation of a Group risk register, which is reviewed and approved by the members of the RTÉ Executive. The Group risk register is also reviewed and approved by the Audit and Risk Committee as part of its review of the effectiveness of the system of internal control.

The Audit and Risk Committee carries out an update review of the Group risk register approximately twice a year in order to consider the risk mitigation actions and any other relevant developments. It reports its findings to the full Board.

Further key procedures have been established and are designed to provide effective internal control, including:

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

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

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

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

Going Concern

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

Board Members Fees¹

	2011 €'000	2010 €'000
Tom Savage	31	31
Fergus Armstrong	16	16
Orlaith Carmody	16	14
Noel Curran	-	-
Alan Gilsean	16	16
Karlin Lillington	16	16
Joe Little ²	13	16
Aileen O'Meara	16	14
Eunice O'Raw	13	14
Sean O'Sullivan	16	16
Patricia Quinn	16	16
Stuart Switzer	16	14
Payment to former Board member ³ :	-	3
	185	186

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

² In addition to his Board fees, Joe Little was paid as an employee of RTÉ. (See note below on a change in Government policy with respect to the payment of Board fees)

³ Emer Finnan's term of office as a Board member expired on 16 February 2010. Cathal Goan did not receive any Board fees in 2010 or 2011

In October 2011, the Department of Public Expenditure and Reform amended the policy relating to payments of additional remuneration to public servants for undertaking other duties in the public service (commonly referred to as the "One Person One Salary" principle). As an example, the policy addresses the matter of a public servant nominated to a state board position independently of his/her public service employment. Last set-out by the Department of Finance in January 2006, the policy, as a general rule, provided that public servants should not receive additional remuneration for undertaking other duties in the public service. However, the policy set-out exemptions which permitted additional payments, such as board fees, if certain specific criteria applied in relation to the engagement.

The Department of Public Expenditure and Reform has now amended the policy and the criteria used to determine the eligibility of public servants to receive additional payments. As a result of the change in policy, from 1 November 2011 all public servants serving in board related positions, and in receipt of additional remuneration in the form of a board fee, ceased to be eligible for such remuneration.

RTÉ has implemented this change in Government policy and is fully compliant. As a result, Joe Little and Eunice O'Raw ceased to be eligible for board fees with effect from 1 November 2011. (For the avoidance of doubt, RTÉ was also fully compliant with the Department of Finance policy in place prior to this recent change).

Expenses of Board Members¹

	2011 €'000	2010 €'000
Travel – mileage	6	6
Travel – other	1	1
Subsistence allowance	13	11
	20	18

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.

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-General¹

	Noel Curran ²		Cathal Goan ³	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
- Basic salary	229	-	12	261
Other Benefits				
- Pension contributions	58	-	1	22
- Other benefits	-	-	35	26
	287	-	48	309

¹ As explained earlier in this report, Cathal Goan retired as Director-General of RTÉ, effective from 19 January 2011. Noel Curran was appointed as the new Director-General with effect from 1 February 2011.

² Expenses amounting to €1,590 (2010: n/a) were incurred by Noel Curran in the conduct of the duties of the post.

³ Expenses amounting to €112 (2010: €2,753) were incurred by Cathal Goan in the conduct of the duties of the post.

No performance related pay was awarded or paid in respect of 2011 or 2010.

The amount paid by RTÉ to a Defined Contribution Pension Scheme on behalf of Noel Curran is set-out in the table above.

No pension benefits were earned by Cathal Goan in the period from 1 January 2011 to his date of leaving service of 18 January 2011. The total accrued pension at exit amounted to €130,000 (rounded), which was unchanged from the previous year-end.

BOARD MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The members of the Board of RTÉ listed on pages 46 to 47 present their annual report together with the audited Group financial statements for the year ended 31 December 2011.

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 and digital 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 2011 are set out in the Operational review on pages 10 to 39 and in the Financial review on pages 40 to 45. These reviews encompass the principal risks and uncertainties faced by the Group and an analysis of its key performance indicators, financial and non-financial. RTÉ's performance in meeting its annual commitments to its viewers and listeners, as set out in its *Annual Statement of Performance Commitments 2011*, are reviewed on pages 103 to 115.

Results for year

The results of the Group for the year are set out in the Income Statement on page 57 and in the related notes.

Members of the Board

The names of the persons who served as members of the Board as at 31 December 2011 are set out on pages 46 to 47.

Corporate governance

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

- Corporate governance pages 50 to 53
- Board members' profiles pages 46 to 47
- Statement of Board members' responsibilities page 55

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

Chairman

19 April 2012

Board Member and Chairman
of the Audit & Risk Committee

Director-General

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2011

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 50 to 53 reflects the Group's compliance with the *2009 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

Chairman

Board Member and Chairman
of the Audit & Risk Committee

Director-General

19 April 2012

INDEPENDENT AUDITOR'S REPORT TO THE MINISTER FOR COMMUNICATIONS, ENERGY AND NATURAL RESOURCES

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 2011 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 55.

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

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

We review whether the statement regarding the system of internal financial control required by the *2009 Code of Practice for the Governance of State Bodies* made in the Corporate Governance Statement on pages 50 to 53 reflects RTÉ's compliance with paragraph 13.1 (iii) of the Code and is consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not. We also review, at the request of the Board, whether the voluntary statement on pages 50 to 53 reflects RTÉ's compliance with the nine provisions of the Financial Reporting Council's *2010 FRC UK Corporate Governance* and the two provisions of the *Irish Corporate Governance Annex* 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 2011 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 2011; 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.



RUAIDHRÍ GIBBONS

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

30 April 2012
1 Stokes Place
St. Stephen's Green
Dublin 2

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 €'000	2010 €'000
Continuing Operations			
Revenue	1	350,880	371,667
Operating costs	2	(369,521)	(376,597)
Results from Operating Activities		(18,641)	(4,930)
Finance income	3	3,356	1,737
Finance expense	3	(1,134)	(735)
Net defined benefit pension related finance income	3	220	116
Net finance income		2,442	1,118
Deficit Before Income Tax	4	(16,199)	(3,812)
Income tax expense	6	(561)	(850)
Net Deficit for the Year		(16,760)	(4,662)

On behalf of the Board

Chairman

Board Member and Chairman
of the Audit & Risk Committee

Director-General

19 April 2012

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 €'000	2010 €'000
Deficit for the year		(16,760)	(4,662)
Other Comprehensive Income			
Actuarial loss on defined benefit pension scheme	19	(49,974)	(4,151)
Actuarial (loss) / gain on "50/50" risk-sharing pension scheme	19	(127)	9
Deferred tax on pension asset	20	400	668
		(49,701)	(3,474)
Change in fair value of cash flow hedge		(2,897)	-
Change in fair value of cash flow hedge transferred to:			
Property, Plant and Equipment		135	-
Income Statement		90	-
Fair value loss on cash flow hedge	22	(2,672)	-
Deferred tax on cash flow hedge	20	334	-
		(2,338)	-
Total other comprehensive loss for the year		(52,039)	(3,474)
Total Recognised Expense for the year		(68,799)	(8,136)

On behalf of the Board

Chairman

Board Member and Chairman
of the Audit & Risk Committee

Director-General

19 April 2012

GROUP BALANCE SHEET

AT 31 DECEMBER 2011

	Notes	2011 €'000	2010 €'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	100,248	92,115
Intangible assets	8	3,681	3,329
Pension asset	19	664	3,861
Restricted Cash	9	2,000	-
Derivative financial instruments	21	239	-
Deferred tax assets	20	348	474
Other receivables	12	208	338
Total Non-Current Assets		107,388	100,117
Current Assets			
Inventories	11	37,044	35,663
Trade and other receivables	12	37,763	39,778
Prepayments and accrued income		15,779	14,720
Derivative financial instruments	21	1,004	-
Liquid investments	13	23,201	37,182
Cash and cash equivalents	14	37,535	26,035
Total Current Assets		152,326	153,378
Total Assets		259,714	253,495
EQUITY			
Retained earnings		70,838	137,299
Cash flow hedge reserve	22	(2,338)	-
		68,500	137,299
LIABILITIES			
Non-Current Liabilities			
Interest-bearing loans and borrowings	15	38,250	-
Pension liability	19	47,797	-
Derivative financial instruments	21	1,926	-
Employee benefits	18	9,231	12,805
Total Non-Current Liabilities		97,204	12,805
Current Liabilities			
Trade and other payables	16	71,629	73,540
Taxation and social welfare	17	10,448	12,034
Derivative financial instruments	21	746	268
Employee benefits	18	11,187	17,549
Total Current Liabilities		94,010	103,391
Total Liabilities		191,214	116,196
Total Equity and Liabilities		259,714	253,495

On behalf of the Board

Chairman

Board Member and Chairman
of the Audit & Risk Committee

Director-General

19 April 2012

GROUP STATEMENT OF CHANGES IN EQUITY

AT 31 DECEMBER 2011

	Retained earnings €'000	Cash flow hedge reserve €'000 (Note 22)	Total Equity €'000
Balance at 1 January 2011	137,299	-	137,299
Total Recognised Expense	(66,461)	(2,338)	(68,799)
Balance at 31 December 2011	70,838	(2,338)	68,500
Balance at 1 January 2010	145,435	-	145,435
Total Recognised Expense	(8,136)	-	(8,136)
Balance at 31 December 2010	137,299	-	137,299

RTÉ STATEMENT OF CHANGES IN EQUITY

AT 31 DECEMBER 2011

	2011 €'000	2010 €'000
Retained earnings:		
Balance at 1 January	69,036	83,581
Total Recognised Expense	(76,227)	(14,545)
Balance at 31 December	(7,191)	69,036

On behalf of the Board

Chairman

Board Member and Chairman
of the Audit & Risk Committee

Director-General

19 April 2012

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 €'000	2010 €'000
Cash Flows from Operating Activities			
Deficit for the year		(16,760)	(4,662)
Adjustments for:			
Depreciation of property, plant and equipment	7	14,585	18,548
Amortisation of intangible assets	8	1,525	1,852
(Gain) / Loss on disposal of property, plant and equipment		(23)	5
Difference between pension charge and cash contributions		1,113	1,321
Net finance income	3	(2,442)	(1,118)
Income tax expense	6	561	850
		(1,441)	16,796
Change in inventories and related inventory payables		(1,203)	4,390
Change in trade and other receivables		2,135	(982)
Change in prepayments		(2,431)	57
Change in trade and other payables		(2,368)	(1,399)
Change in taxation and social welfare		(1,287)	127
Change in employee benefits		(11,070)	(4,508)
Net Cash (used in) / from Operating Activities		(17,665)	14,481
Cash Flows from Investing Activities			
Interest received		2,033	1,620
Proceeds from sale of property, plant and equipment		29	35
Acquisition of property, plant and equipment		(21,785)	(11,449)
Acquisition of intangible assets		(1,343)	(318)
Net Cash used in Investing Activities		(21,066)	(10,112)
Cash Flows from Financing Activities			
Proceeds from borrowings	15	38,250	-
Restricted cash	14	(2,000)	-
Decrease in liquid investments	13	13,981	4,536
Net Cash from Financing Activities		50,231	4,536
Net increase in cash and cash equivalents		11,500	8,905
Cash and cash equivalents at 1 January		26,035	17,130
Cash and Cash Equivalents at 31 December	14	37,535	26,035

On behalf of the Board

Chairman

Board Member and Chairman
of the Audit & Risk Committee

Director-General

19 April 2012

RTÉ BALANCE SHEET

AT 31 DECEMBER 2011

	Notes	2011 €'000	2010 €'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	7	33,040	33,454
Intangible assets	8	1,836	2,725
Investments in subsidiaries	10	65,827	65,827
Pension asset	19	664	3,861
Derivative financial instruments	21	239	-
Deferred tax assets	20	1,483	1,148
Other receivables	12	208	338
Total Non-Current Assets		103,297	107,353
Current Assets			
Inventories	11	34,965	34,644
Trade and other receivables	12	30,876	30,750
Prepayments and accrued income		13,400	12,008
Derivative financial instruments	21	1,004	-
Liquid investments	13	20,197	37,182
Cash and cash equivalents	14	31,901	25,441
Total Current Assets		132,343	140,025
Total Assets		235,640	247,378
EQUITY			
Retained earnings		(7,191)	69,036
LIABILITIES			
Non-Current Liabilities			
Pension liability	19	47,797	-
Employee benefits	18	9,231	12,805
Total Non-Current Liabilities		57,028	12,805
Current Liabilities			
Trade and other payables	16	165,248	138,901
Taxation and social welfare	17	9,782	9,269
Derivative financial instruments	21	-	268
Employee benefits	18	10,773	17,099
Total Current Liabilities		185,803	165,537
Total Liabilities		242,831	178,342
Total Equity and Liabilities		235,640	247,378

On behalf of the Board

Chairman

Board Member and Chairman
of the Audit & Risk Committee

Director-General

19 April 2012

RTÉ CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 €'000	2010 €'000
Cash Flows from Operating Activities			
Deficit for the year after tax		(26,526)	(11,070)
Adjustments for:			
Depreciation of property, plant and equipment	7	9,808	12,079
Amortisation of intangible assets	8	1,360	1,704
Gain on disposal of property, plant and equipment		(14)	(2)
Difference between pension charge and cash contributions		1,113	1,321
Net finance income		(2,801)	(942)
Income tax credit		(326)	(267)
		(17,386)	2,823
Change in inventories and related inventory payables		(143)	4,015
Change in trade and other receivables		4	846
Change in prepayments		(1,492)	314
Change in provisions and trade and other payables		24,131	15,855
Change in taxation and social welfare		904	(84)
Change in employee benefits		(10,451)	(4,625)
Net Cash (used in) / from Operating Activities		(4,433)	19,144
Cash Flows from Investing Activities			
Interest received		1,812	1,439
Proceeds from sale of property, plant and equipment		15	4
Acquisition of property, plant and equipment		(7,596)	(3,386)
Acquisition of intangible assets		(323)	(164)
Net Cash used in Investing Activities		(6,092)	(2,107)
Cash Flows from Financing Activities			
Decrease / (increase) in liquid investments	13	16,985	(2,528)
Net Cash used in / (from) Financing Activities		16,985	(2,528)
Net increase in cash and cash equivalents		6,460	14,509
Cash and cash equivalents at 1 January		25,441	10,932
Cash and Cash Equivalents at 31 December	14	31,901	25,441

On behalf of the Board

Chairman

Board Member and Chairman
of the Audit & Risk Committee

Director-General

19 April 2012

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 2011 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 2011 and are applied in accordance with the provisions of broadcasting legislation. The Group has also elected to present both its consolidated and RTÉ parent entity financial statements in accordance with the provisions of the Irish *Companies Acts, 1963 to 2009* in so far as necessary to give a true and fair view. Accordingly RTÉ's parent balance sheet, statement of cash flows and statement of changes in equity have also been presented with the consolidated financial statements as would ordinarily be required by the Irish *Companies Acts, 1963 to 2009*.

(c) Basis of preparation

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

The Group financial statements are prepared in Euro, rounded to the nearest thousand (€000), 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 affected. 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 and income tax and are documented in the relevant accounting policies below and in the related notes. The accounting policies set out below have been applied consistently by group entities and by RTÉ, where applicable, to all periods presented in these consolidated and RTÉ financial statements.

2. Basis of consolidation**(a) Subsidiaries**

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

(b) Transactions eliminated on consolidation

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

3. Significant accounting policies**(a) Revenue recognition**

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

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

(b) Licence Fee revenue

Licence Fee revenue payable by the Department of Social Protection (DSP) on behalf of individuals eligible for a "free" Television Licence is paid by the DSP to the Department of Communications, Energy and Natural Resources (DCENR). All other Licence Fee revenue is collected by An Post and paid over to DCENR, net of collection costs.

DCENR makes a non-repayable "grant-in-aid" to RTÉ from these Licence Fees collected, as provided in Section 123 of the *Broadcasting Act 2009*, as amended by section 69 of the *Communications Regulation (Postal Services) Act 2011*. This equates to the amounts paid to it by DSP together with the amounts collected by An Post, net of collection costs, a 7% levy to the Broadcasting Fund and amounts paid to TG4 as determined by the Minister for Communications, Energy and Natural Resources.

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

(c) Advertising and sponsorship income

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

(d) Network and facilities income

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

(e) Circulation and events income

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

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

(f) Content, merchandising and related income

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

4. Segment reporting

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

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

5. Foreign currency transactions

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

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

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

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

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

(b) Depreciation

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

The principal rates used are as follows:

Buildings	2.5%	-	25%
Plant & equipment	7.5%	-	20%
Fixtures & 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.

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

7. Intangible assets**(a) Recognition and measurement**

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

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

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

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

(b) Amortisation

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

(c) Impairment

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

ACCOUNTING POLICIES (CONTINUED)

8. Financial instruments**(a) Non-derivative financial instruments**

Non-derivative financial instruments comprise investment in subsidiaries, trade and other receivables (excluding prepayments), liquid investments, cash and cash equivalents, restricted cash, loans and borrowings, accrued income, employee benefits 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 amortised 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 bank balances and call deposits 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 call deposits 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.

Loans and borrowings

Interest bearing loans and borrowings are initially recorded at fair value, being the fair value of the consideration received, net of attributable transaction costs. Subsequent to initial recognition, variable rate borrowings are measured at amortised cost, using the effective interest rate methodology.

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

The Group is exposed to market risks relating to fluctuations in interest rates and currency exchange rates. The Group has entered an interest rate swap to manage the exposure to the interest rate fluctuations on its borrowings. Foreign currency forward contracts are used to manage the Group's exposure to fluctuations in US Dollar and Sterling for forecasted transactions. The Group does not enter into speculative derivative contracts.

The fair value of the interest rate swap is determined by discounting the projected cash flows on the swap arrangement to present value using an appropriate market rate of interest. The fair value of foreign currency forward contracts is determined based on the present value of the quoted forward price.

Derivative financial instruments are initially recognised at fair value and are subsequently re-measured to fair value at each reporting date. The Group categorises derivative financial instruments as financial assets or liabilities at fair value through surplus or deficit or as cash flow hedges. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Income Statement, except for the effective portion of cash flow hedges, which are recognised in the Statement of Comprehensive Income (as described below).

Cash flow hedges

At the inception of a cash flow hedge, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Where a derivative financial instrument is designated as a cash flow hedge of a recognised liability, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the Statement of Comprehensive Income. The ineffective part of any gain or loss is recognised in the Income Statement immediately. The amount accumulated

in equity is reclassified to the Income Statement in the same period that the hedged item affects surplus or deficit. If the hedging instrument no longer meets the criteria for hedge accounting or the designation is revoked, the hedge accounting is discontinued prospectively.

9. Inventories**(a) Programme inventories**

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

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

Features: 75% on first transmission, 25% on second transmission

Series: 99% on first transmission, 1% on second transmission

Sports rights inventories are the rights to broadcast sporting events. Costs for 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.

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

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

pension contributions for a substantial number of employees.

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

For the RTÉ Superannuation Scheme, a funded contributory defined benefit scheme and the defined benefit element of the RTÉ "50/50" Risk-Sharing Pension Scheme, the difference between the market value of the schemes' assets and the actuarially assessed present value of the schemes' liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability in the balance sheet, 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 and defined benefit element of the RTÉ "50/50" Risk-Sharing Pension Schemes assets during the year and the increase in the schemes' liabilities due to the unwinding of the discount during the year are shown as financing items in the Income Statement. Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities due to changes in assumptions or because actual experience during the year was different to that assumed, are recognised as actuarial gains and losses in the statement of recognised income and expense.

(b) Termination benefits

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

(c) Short-term benefits

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

11. 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.

12. Finance income and expenses

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

Finance expenses comprise interest on borrowings, unwinding of the discount on restructuring costs and fair value movements on derivative financial instruments that are recognised through the Income Statement.

13. New standards and interpretations

(a) Adopted during the year

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of IAS 24 *Related Party Disclosures (Amendment)* effective 1 January 2011.

IAS 24 Related Party Transactions (Amendment)

The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with Government and entities that are controlled, jointly controlled or significantly influenced by the same Government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

(b) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2011 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except for *IAS 19 Employee Benefits (Amendment)* which becomes mandatory for the Group's 2013 consolidated financial statements and could change the expected return on plan assets. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

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 (under the organisation structure in operation in 2011), RTÉ provided 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 Television.

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. The *Broadcasting Act 2009* charged RTÉ with the primary responsibility for providing a replacement digital transmission system to ensure that all Irish audiences can continue to access free-to-air television post analogue switch off. RTÉNL has made a significant investment in building the necessary infrastructure for a successful transition to Digital Terrestrial Television (DTT).

During 2011 RTÉ's operations and management were 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. Costs including elements of transmission tariffs and promotional costs incurred in preparation for the transition to

DTT but not specifically incurred in support of RTÉ Television and RTÉ Radio services are 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 cost 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 used 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. The provision of digital terrestrial transmission is invoiced by RTÉNL to RTÉ on the basis of a tariff model. Costs incurred in support of RTÉ's Television and RTÉ's Radio channels are charged to those channels on the basis of capacity used. Other elements of the charge are reported as a reconciling item between the cost of reportable segments and the total cost.

Other RTÉNL services are invoiced at appropriate commercial rates.

1. Principal activities and segmental information (continued)

Transactions between activities in pursuit of RTÉ's public service objects and activities in pursuit of the object to exploit commercial opportunities are effected at market rates. Television and Radio Invoice Publishing for air time advertising at open market rates. Transactions between RTÉ's public service online activities and the RTÉ Guide are at 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.

(c) Other analysis

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

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

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

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

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

No Licence Fee revenue is attributed to RTÉ 2fm. RTÉ seeks to operate this public service channel with the objective of generating sufficient commercial revenue to fully cover its costs and to generate a surplus. Adverse economic conditions have resulted in significant reductions in commercial revenue in 2010 and 2011, resulting in deficits being incurred on the operation of the channel.

The funding of RTÉ Radio 1's costs comprises:

- RTÉ Radio 1 advertising and sponsorship;
- surpluses generated by non-channel Radio IBD commercial activities; with the balance being made up of an attribution of Licence Fee revenue consisting of two elements:
- an amount equivalent to the allocated cost of services supplied to RTÉ Radio 1 by the News and Current Affairs IBD; and
- a balancing contribution towards the production costs of indigenous programmes broadcast on RTÉ Radio 1.

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

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

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

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

Geographical Information

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

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

Analysis of network charges to all RTÉ services

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

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

1 Principal activities and segmental information (continued)

(d) Revenues, costs and (deficit)/surplus by IBD (continuing operations), in line with RTÉ's organisation structure, year ended 31 December 2011:

	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	DTT Related €'000	Consolidation Adjustments* €'000	
Revenue										
Advertising income	94,233	24,268	-	2	-	6,225	-	-	(908)	123,820
Sponsorship income	5,450	2,211	-	30	-	464	-	-	-	8,155
Facilities income	2,115	179	-	454	-	-	-	-	(186)	2,562
Circulation and event income	-	-	-	2,163	-	4,113	-	-	-	6,276
Transmission, mast and towers income	-	-	-	-	28,339	-	-	-	(13,638)	14,701
Content, merchandising and related sales	4,477	1,946	-	38	-	6,432	-	-	(2,204)	10,689
Other commercial revenue	253	-	-	-	25	6	40	795	(65)	1,054
Commercial revenue	106,528	28,604	-	2,687	28,364	17,240	40	795	(17,001)	167,257
Licence Fee revenue attribution	88,788	28,119	53,932	12,784	-	-	-	-	-	183,623
	195,316	56,723	53,932	15,471	28,364	17,240	40	795	(17,001)	350,880
Costs by output category										
Programme costs - by source										
In-house productions	(95,963)	(48,529)	(55,538)	-	-	-	-	-	999	(199,031)
Statutory commissions	(38,146)	(1,406)	-	-	-	-	-	-	-	(39,552)
Non - statutory commissions	(10,590)	-	-	-	-	-	-	-	1	(10,589)
Indigenous programming	(144,699)	(49,935)	(55,538)	-	-	-	-	-	1,000	(249,172)
Acquired programmes – Ireland	(902)	-	-	-	-	-	-	-	-	(902)
Acquired programmes – Overseas	(24,184)	-	-	-	-	-	-	-	-	(24,184)
	(169,785)	(49,935)	(55,538)	-	-	-	-	-	1,000	(274,258)
General broadcast and transmission costs	(21,542)	(2,739)	(544)	-	(19,257)	-	-	(166)	772	(43,476)
RTÉNL transmission and power charges	(7,376)	(4,468)	-	-	-	-	-	(795)	12,639	-
Sales costs	(5,867)	(2,044)	-	-	-	(3,795)	-	-	2,604	(9,102)
Other output related costs	(3,821)	(786)	-	(15,471)	-	(15,522)	-	(1,733)	662	(36,671)
	(208,391)	(59,972)	(56,082)	(15,471)	(19,257)	(19,317)	-	(2,694)	17,677	(363,507)
Unallocated revenues and costs										
Corporate HQ	-	-	-	-	-	-	(4,468)	-	(35)	(4,503)
Interest payable	-	-	-	-	(584)	-	(550)	-	-	(1,134)
Interest receivable	1	-	-	-	226	-	1,618	-	-	1,845
IBD (Deficit)/Surplus	(13,074)	(3,249)	(2,150)	-	8,749	(2,077)	(3,360)	(1,899)	641	(16,419)
Net defined benefit pension related finance income										220
Deficit before Income Tax										(16,199)
Income tax										(561)
Net Deficit for the Year										(16,760)

* Elimination of intra-group revenue and costs

Additional Segmental Disclosures

Commercial revenue consists of:

External Customers	104,258	28,196	-	2,687	14,701	16,620	-	795	-	167,257
Revenue from other operating segments	2,270	408	-	-	13,663	620	-	-	(16,961)	-
	106,528	28,604	-	2,687	28,364	17,240	-	795	(16,961)	167,257

One Customer of the Television, Radio and Publishing reporting segments represents €37 million of the Group's total revenue while one customer of all the reporting segments represents €191 million of the Group's total revenue.

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

Difference between pension charge and cash contributions	508	259	222	87	25	12	-	-	-	1,113
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1 Principal activities and segmental information (continued)

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

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

*Elimination of intra-group revenue and costs

Additional Segmental Disclosures

Commercial revenue consists of:

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

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

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

Difference between pension charge and cash contributions	585	310	272	102	38	14	-	-	1,321
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NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

1 Principal activities and segmental information (continued)

(e) Analysis of revenues, costs and (deficit)/surplus by channel, service and broadcasting genre and between public service and non-public service activities, year ended 31 December 2011:

	RTÉ One €'000	RTÉ Two €'000	RTÉ Radio 1 €'000	RTÉ 2fm €'000	RTÉ lyric fm €'000	RTÉ RnaG €'000	TG4 Support €'000	Performing Groups €'000	Corporate HQ €'000	DTT Related €'000	Online Services €'000	Other €'000	Consolidation Adjustments €'000	Group Total €'000
PUBLIC SERVICE ACTIVITIES														
Indigenous programme costs														
In-house productions	(80,547)	(52,981)	(32,708)	(10,800)	(5,978)	(10,028)	(6,806)	-	-	-	(182)	-	999	(199,031)
Statutory commissions	(28,359)	(8,755)	(859)	(177)	(89)	(281)	(1,032)	-	-	-	-	-	-	(39,552)
Non - statutory commissions	(8,169)	(1,231)	-	-	-	-	(967)	-	-	-	(223)	-	1	(10,589)
	(117,075)	(62,967)	(33,567)	(10,977)	(6,067)	(10,309)	(8,805)	-	-	-	(405)	-	1,000	(249,172)
Programme costs - By Genre														
Arts	(1,782)	-	(1,832)	-	(152)	(81)	-	-	-	-	-	-	5	(3,842)
Education	(874)	-	-	(38)	-	(61)	-	-	-	-	-	-	-	(973)
Religious	(2,745)	-	(465)	-	-	(140)	-	-	-	-	-	-	1	(3,349)
Other factual	(29,202)	(2,386)	(1,806)	-	(221)	(1,417)	(783)	-	-	-	-	-	160	(35,655)
Factual	(34,603)	(2,386)	(4,103)	(38)	(373)	(1,699)	(783)	-	-	-	-	-	166	(43,819)
Drama	(23,661)	(587)	(615)	-	-	(12)	(387)	-	-	-	(223)	-	4	(25,481)
Entertainment	(19,767)	(5,428)	(2,817)	(4,136)	(659)	(797)	(1,163)	-	-	-	-	-	29	(34,738)
Music	(1,486)	(72)	(6,087)	(4,436)	(4,421)	(1,656)	-	-	-	-	-	-	78	(18,080)
News, Current Affairs and Weather	(36,668)	(2,807)	(16,246)	(2,141)	(557)	(4,780)	(5,829)	-	-	-	-	-	685	(68,343)
Sport	(890)	(40,743)	(3,699)	(226)	-	(1,180)	(3)	-	-	-	-	-	25	(46,716)
Young Peoples	-	(10,943)	-	-	(57)	(185)	(641)	-	-	-	(182)	-	13	(11,995)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indigenous Programming	(117,075)	(62,966)	(33,567)	(10,977)	(6,067)	(10,309)	(8,806)	-	-	-	(405)	-	1,000	(249,172)
Indigenous non-broadcast output costs														
	-	-	-	-	-	-	-	(15,471)	-	(1,733)	(6,729)	-	86	(23,847)
	(117,075)	(62,966)	(33,567)	(10,977)	(6,067)	(10,309)	(8,806)	(15,471)	-	(1,733)	(7,134)	-	1,086	(273,019)
Public Funding														
Licence Fee revenue attribution	81,239	43,694	18,767	-	6,662	11,590	8,887	12,784	-	-	-	-	-	183,623
	(35,836)	(19,272)	(14,800)	(10,977)	595	1,281	81	(2,687)	-	(1,733)	(7,134)	-	1,086	(89,396)
Other public service activity costs by output category														
Acquired Programmes														
- Ireland	(805)	(97)	-	-	-	-	-	-	-	-	-	-	-	(902)
- Overseas	(12,778)	(11,406)	-	-	-	-	-	-	-	-	-	-	-	(24,184)
General broadcast and transmission costs	(11,777)	(10,098)	(1,607)	(570)	(286)	(415)	(81)	-	-	(166)	-	-	81	(24,919)
RTÉNL transmission and power charges	(3,185)	(3,594)	(1,801)	(866)	(865)	(866)	-	-	-	(795)	-	(667)	-	(12,639)
	(28,545)	(25,195)	(3,408)	(1,436)	(1,151)	(1,281)	(81)	-	-	(961)	-	(667)	81	(62,644)
Unallocated revenues and costs														
Corporate HQ	-	-	-	-	-	-	-	-	(4,468)	-	-	-	(35)	(4,503)
Net interest receivable	-	-	-	-	-	-	-	-	1,069	-	-	(358)	-	711
Net defined benefit pension related finance income	-	-	-	-	-	-	-	-	-	-	-	220	-	220
Deficit on public service activities	(64,381)	(44,467)	(18,208)	(12,413)	(556)	-	-	(2,687)	(3,399)	(2,694)	(7,134)	(805)	1,132	(155,612)
NON-PUBLIC SERVICE ACTIVITIES														
Commercial revenue														
External revenue	71,177	28,498	19,516	7,804	597	-	-	2,687	-	795	4,208	31,975	-	167,257
Internal revenue	157	27	103	-	-	-	-	-	40	-	449	16,225	(17,001)	-
	71,334	28,525	19,619	7,804	597	-	-	2,687	40	795	4,657	48,200	(17,001)	167,257
Non-Public service operating costs														
General broadcast and transmission costs	-	-	-	-	-	-	-	-	-	-	-	(19,247)	690	(18,557)
RTÉNL transmission and power charges	-	-	-	-	-	-	-	-	-	-	-	-	12,639	12,639
Sales costs	(4,215)	(1,651)	(1,519)	(484)	(41)	-	-	-	-	-	(940)	(2,856)	2,604	(9,102)
Other output related costs	-	-	-	(303)	-	-	-	-	-	-	-	(13,096)	575	(12,824)
	(4,215)	(1,651)	(1,519)	(787)	(41)	-	-	-	-	-	(940)	(35,199)	16,508	(27,844)
Contribution from non-public service activities	67,119	26,874	18,100	7,017	556	-	-	2,687	40	795	3,717	13,001	(493)	139,413
(Deficit) / Surplus before income tax	2,738	(17,593)	(108)	(5,396)	-	-	-	-	(3,359)	(1,899)	(3,417)	12,196	639	(16,199)
Income tax	-	-	-	-	-	-	-	-	-	-	-	(561)	-	(561)
Net (Deficit) / Surplus for the Year	2,738	(17,593)	(108)	(5,396)	-	-	-	-	(3,359)	(1,899)	(3,417)	11,635	639	(16,760)

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

1 Principal activities and segmental information (continued)

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

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

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

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 2011								
Segment assets	94,540	11,046	6,277	90,211	8,170	1,189	-	211,433
Unallocated assets	-	-	-	-	-	-	48,281	48,281
Total Assets	94,540	11,046	6,277	90,211	8,170	1,189	48,281	259,714
Segment liabilities	(45,709)	(3,464)	(730)	(52,341)	(4,383)	(824)	-	(107,451)
Unallocated liabilities	-	-	-	-	-	-	(83,763)	(83,763)
Total Liabilities	(45,709)	(3,464)	(730)	(52,341)	(4,383)	(824)	(83,763)	(191,214)
Capital expenditure	6,939	1,304	1,169	13,266	1,672	250	-	24,600
Depreciation of property, plant and equipment	5,823	1,873	1,888	5,098	375	178	(650)	14,585
Amortisation of intangible assets	1,009	216	96	19	177	8	-	1,525
Year ended 31 December 2010								
Segment assets	92,533	13,273	7,147	72,628	7,142	1,151	-	193,874
Unallocated assets	-	-	-	-	-	-	59,621	59,621
Total Assets	92,533	13,273	7,147	72,628	7,142	1,151	59,621	253,495
Segment liabilities	(48,563)	(4,152)	(1,587)	(12,527)	(4,329)	(447)	-	(71,605)
Unallocated liabilities	-	-	-	-	-	-	(44,591)	(44,591)
Total Liabilities	(48,563)	(4,152)	(1,587)	(12,527)	(4,329)	(447)	(44,591)	(116,196)
Capital expenditure	2,524	749	515	8,453	481	163	-	12,885
Depreciation of property, plant and equipment	6,670	2,698	2,212	6,743	466	299	(540)	18,548
Amortisation of intangible assets	968	585	99	27	161	12	-	1,852

1 Unallocated assets principally comprise cash and liquid investments. Unallocated liabilities principally comprise pension, tax and other financial liabilities together with employee benefits.

Total assets contain €1 million situated outside of the Republic of Ireland in 2011 (2010: €1.2 million).

(g) Analysis of network charges to all RTÉ Services

	2011 €'000	2010 €'000
RTÉ One	3,764	3,778
RTÉ Two	3,650	3,284
RTÉ Radio 1	1,906	1,942
RTÉ 2fm	891	956
RTÉ lyric fm	888	965
RTÉ Raidió na Gaeltachta	978	1,107
Other	667	-
	12,774	12,032

2 Operating Costs

	2011 €'000	2010 €'000
Employee costs (note 5)	152,926	152,955
Other personnel related costs (including contractors)	35,559	33,667
Personnel Related Operating Costs	188,485	186,622
Direct commissioned programme costs	45,220	52,100
Direct acquired programme costs	26,116	23,908
Sports and other copyrights	20,579	24,589
Outside broadcast contracts	7,056	6,770
Communication circuits	3,316	3,544
RTÉ Guide printing and related costs	1,977	2,152
Network electricity	2,895	2,666
Music licences	6,925	6,433
Insurance policies	1,203	1,138
Other third party costs	49,639	46,275
Non Personnel Related Operating Costs before depreciation and amortisation	164,926	169,575
Depreciation and Amortisation	16,110	20,400
Non Personnel Related Operating Costs	181,036	189,975
Total Operating Costs	369,521	376,597

3 Finance Income and Expense

	2011 €'000	2010 €'000
Interest income on bank deposits	1,844	1,737
Fair value gains on derivative financial instruments not designated as cash flow hedges	1,512	-
Finance income	3,356	1,737
Interest and finance costs on borrowings	(494)	-
Fair value loss on interest rate swap realised in period	(90)	-
Unwind of discount on restructuring cost (note 18)	(550)	(650)
Fair value losses on derivative financial instruments not designated as cash flow hedges	-	(85)
Finance expense	(1,134)	(735)
Expected return on scheme assets (note 19)	40,501	41,063
Interest cost on scheme liabilities (note 19)	(40,281)	(40,947)
Net defined benefit pension related finance income	220	116
Net Finance Income recognised in income statement	2,442	1,118

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

4 Deficit on Continuing Operations Before Income Tax

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

	2011 €'000	2010 €'000
Depreciation and amortisation		
- Depreciation of property, plant and equipment	14,585	18,548
- Amortisation of intangible assets	1,525	1,852
(Gain) / loss on disposal of property, plant and equipment and intangible assets	(23)	5

(b) Auditors' remuneration:

	2011 €'000	2010 €'000
Group		
Audit of the Group and subsidiary accounts	114	114
Other assurance services	108	84
Tax advisory services	56	68
Other non-audit services	64	111
	342	377

	2011 €'000	2010 €'000
RTÉ		
Audit of RTÉ company accounts	90	90
Other assurance services	97	79
Tax advisory services	55	57
Other non-audit services	64	9
	306	235

(c) Directors' remuneration:

	2011 €'000	2010 €'000
Fees ¹	185	186
Other remuneration including pension contributions	335	309
	520	495

¹ In addition to his Board Fees, Joe Little was paid as an employee of RTÉ.

5 Employee Information

Group staff costs during the year amounted to:

	2011 €'000	2010 €'000
Wages and salaries	129,773	130,266
Social welfare costs	9,716	9,235
Pension costs and life assurance	13,437	13,454
	152,926	152,955

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	
	2011	2010	2011	2010
RTÉ Group	2,093	2,151	1,934	1,987

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

	2011	2010
RTÉ Group	2,150	2,151

6 Income Tax Expense

	2011 €'000	2010 €'000
Current Tax (Credit) / Expense		
Current corporation tax	203	1,624
Prior period (over) / under provision	(502)	1
	(299)	1,625
Deferred Tax Expense / (Credit)		
Origination and reversal of temporary differences (note 20)	860	(775)
Total Income Tax Expense	561	850
Reconciliation of Effective Tax Rate		
	2011 €'000	2010 €'000
Deficit before income tax multiplied by the standard rate of corporation tax in Ireland of 12.5% (2010: 12.5%)	(2,025)	(477)
Effects of:		
Income taxable at a higher rate of tax	253	217
Recognition of losses forward	1,346	(415)
Other differences	1,039	153
Permanent differences	40	1,372
Carry back of losses to prior year	(92)	-
Total Income Tax Expense	561	850
Deferred Tax Recognised directly in Equity		
Relating to pension asset (note 20)	(400)	(668)
Relating to cash flow hedge (note 20)	(334)	-
	(734)	(668)

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 €539 million at 31 December 2011. Due to the uncertainty surrounding when these losses may ultimately be utilised, no deferred tax asset has been recognised.

In addition, a deferred tax asset has not been recognised in respect of the deficit on the RTÉ Superannuation Scheme of €5.97 million due to uncertainty surrounding when the asset may be utilised (note 20).

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

7 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 2010	65,898	143,654	1,670	30,442	241,664
Additions	-	-	-	12,415	12,415
Reclassifications	756	12,891	18	(13,665)	-
Disposals and retirements	(31)	(7,533)	(12)	-	(7,576)
Balance at 31 December 2010	66,623	149,012	1,676	29,192	246,503
Balance at 1 January 2011	66,623	149,012	1,676	29,192	246,503
Additions	-	-	-	22,723	22,723
Reclassifications	2,326	27,552	8	(29,886)	-
Disposals and retirements	(11)	(2,028)	-	-	(2,039)
Balance at 31 December 2011	68,938	174,536	1,684	22,029	267,187
Depreciation					
Balance at 1 January 2010	44,764	97,621	993	-	143,378
Depreciation for the year	3,566	14,803	179	-	18,548
Disposals and retirements	(27)	(7,498)	(13)	-	(7,538)
Balance at 31 December 2010	48,303	104,926	1,159	-	154,388
Balance at 1 January 2011	48,303	104,926	1,159	-	154,388
Depreciation for the year	3,101	11,352	132	-	14,585
Disposals and retirements	(8)	(2,026)	-	-	(2,034)
Balance at 31 December 2011	51,396	114,252	1,291	-	166,939
Net Book Value					
At 31 December 2010	18,320	44,086	517	29,192	92,115
At 31 December 2011	17,542	60,284	393	22,029	100,248

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

Capitalised borrowing costs

Over the past numbers of years RTÉ (through its subsidiary RTÉNL) has been progressively planning, constructing and installing the DTT infrastructure necessary to enable Analogue Switch-Off (ASO) to happen at an estimated total cost to RTÉNL of approximately €70 million. The DTT project is the largest infrastructure project carried out by RTÉ since the launch of Television services in 1962 and is being financed entirely by RTÉNL from a combination of its own resources and from bank borrowing. The amount of borrowing costs capitalised during the year ended 31 December 2011 was €0.6 million.

7 Property, Plant and Equipment (continued)

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 2010	58,303	65,672	1,636	3,880	129,491
Additions	-	-	-	3,845	3,845
Reclassifications	637	5,349	18	(6,004)	-
Disposals and retirements	(22)	(2,723)	(6)	-	(2,751)
Balance at 31 December 2010	58,918	68,298	1,648	1,721	130,585
Balance at 1 January 2011	58,918	68,298	1,648	1,721	130,585
Additions	-	-	-	9,395	9,395
Reclassifications	1,182	2,903	8	(4,093)	-
Disposals and retirements	-	(1,258)	-	-	(1,258)
Balance at 31 December 2011	60,100	69,943	1,656	7,023	138,722
Depreciation					
Balance at 1 January 2010	41,550	45,286	965	-	87,801
Depreciation for the year	3,304	8,599	176	-	12,079
Disposals and retirements	(22)	(2,721)	(6)	-	(2,749)
Balance at 31 December 2010	44,832	51,164	1,135	-	97,131
Balance at 1 January 2011	44,832	51,164	1,135	-	97,131
Depreciation for the year	2,817	6,861	130	-	9,808
Disposals and retirements	-	(1,257)	-	-	(1,257)
Balance at 31 December 2011	47,649	56,768	1,265	-	105,682
Net Book Value					
At 31 December 2010	14,086	17,134	513	1,721	33,454
At 31 December 2011	12,451	13,175	391	7,023	33,040

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

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

8 Intangible Assets
Group

	Software €'000	Software under construction €'000	Total €'000
Cost			
Balance at 1 January 2010	8,989	154	9,143
Additions	-	470	470
Reclassifications	369	(369)	-
Disposals and retirements	(18)	-	(18)
Balance at 31 December 2010	9,340	255	9,595
Balance at 1 January 2011	9,340	255	9,595
Additions	-	1,877	1,877
Reclassifications	390	(390)	-
Disposals and retirements	(22)	-	(22)
Balance at 31 December 2011	9,708	1,742	11,450
Amortisation and impairment losses			
Balance at 1 January 2010	4,432	-	4,432
Amortisation for the year	1,852	-	1,852
Disposals and retirements	(18)	-	(18)
Balance at 31 December 2010	6,266	-	6,266
Balance at 1 January 2011	6,266	-	6,266
Amortisation for the year	1,525	-	1,525
Disposals and retirements	(22)	-	(22)
Balance at 31 December 2011	7,769	-	7,769
Net Book Value			
At 31 December 2010	3,074	255	3,329
At 31 December 2011	1,939	1,742	3,681

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

RTÉ

	Software €'000	Software under construction €'000	Total €'000
Cost			
Balance at 1 January 2010	8,276	106	8,382
Additions	-	207	207
Reclassifications	185	(185)	-
Disposals and retirements	(18)	-	(18)
Balance at 31 December 2010	8,443	128	8,571
Balance at 1 January 2011	8,443	128	8,571
Additions	-	471	471
Reclassifications	68	(68)	-
Disposals and retirements	(22)	-	(22)
Balance at 31 December 2011	8,489	531	9,020
Amortisation and impairment losses			
Balance at 1 January 2010	4,160	-	4,160
Amortisation for the year	1,704	-	1,704
Disposals and retirements	(18)	-	(18)
Balance at 31 December 2010	5,846	-	5,846
Balance at 1 January 2011	5,846	-	5,846
Amortisation for the year	1,360	-	1,360
Disposals and retirements	(22)	-	(22)
Balance at 31 December 2011	7,184	-	7,184
Net Book Value			
At 31 December 2010	2,597	128	2,725
At 31 December 2011	1,305	531	1,836

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

9 Restricted Cash

	Group 2011 €'000	Group 2010 €'000	RTÉ 2011 €'000	RTÉ 2010 €'000
Restricted cash	2,000	-	-	-

In accordance with the Barclay's project loan facility entered into on 22 December 2010 (note 15) the Group was obliged to pay €2 million into a restricted cash account as at 31 December 2011.

10 Investments in Subsidiaries**RTÉ**

	Total €'000
Balance at 1 January 2011	65,827
Additions	-
Balance at 31 December 2011	65,827

RTÉ had the following subsidiaries at 31 December 2011:

Subsidiary companies	Share capital held	Class of business
RTÉ Commercial Enterprises Limited	100%	Publications, various commercial activities and other
RTÉ Music Limited	100%	Music publishing
RTÉ Transmission Network Limited	100%	Management of transmission network assets
RTÉ Licence Collections Limited	100%	Dormant
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.

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

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 promotional sales		•		
Studio production of Radio advertisements		•		
Non-broadcasting advertising revenue share		•		
Statutory commissioning of programme content from independent EU producers	•			
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	•			
Provision of news and current affairs content to RTÉ's free web based public service Online services	•			
RTÉ NETWORK IBD				
Provision of national analogue radio and television broadcast transmission services				•
Provision of national digital 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 a range of free to public, public service web based Online services		•		
Operation of the RTÉ Player to domestic and international audiences		•		
Sale of online banner advertising and sponsorship		•		
Sale of teletext advertising and sponsorship		•		
Commercial Telecoms revenue		•		
Production and publication of the RTÉ Guide magazine		•		
RTÉ Guide advertising sales		•		
Incubation and development of new media technologies		•		
Administration of RTÉ Publishing IBD		•		
Provision of additional opportunities to access RTÉ's public service news content via RTÉ News Now		•		
RTÉ PERFORMING GROUPS IBD				
Orchestral and choir performances	•			
Commission, production, performance and recording of orchestral and choir music	•			
Hire of RTÉ National Symphony and Concert Orchestras	•			
Administration of RTÉ Performing Groups IBD	•			
CENTRALLY INCURRED SHARED SERVICES				
Group Communications, Central HR, Group Legal, Group Treasury, Central IT Support, Donnybrook Site Services, Group Insurance and Group Pensions	•			
CORPORATE HQ				
Direction and overall operation of Public Service Broadcaster	•			
Holding of investments in broadcasting related activities	•			

11 Inventories

	Group		RTÉ	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
<i>Work in progress</i>				
In-house programmes	1,030	1,212	980	1,135
Commissioned programmes	11,622	12,410	11,622	12,410
<i>Finished programmes</i>				
Acquired programmes and films	18,810	16,792	18,810	16,792
In-house programmes	826	1,095	826	1,095
Commissioned programmes	2,727	3,212	2,727	3,212
Other inventories	2,029	942	-	-
	37,044	35,663	34,965	34,644

Inventories consumed during the year ended 31 December 2011 total €81.6 million (2010: €92.0 million).

Other inventories relate to minor spare parts held in the Network business and printing paper held within Publishing in respect of the *RTÉ Guide*.

12 Trade and Other Receivables

	Group		RTÉ	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
<i>Current Assets</i>				
Trade receivables	37,137	39,606	30,257	30,582
Other receivables	626	172	619	168
	37,763	39,778	30,876	30,750
<i>Non-Current Assets</i>				
Other receivables	208	338	208	338
	37,971	40,116	31,084	31,088

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	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
Liquid Investments - Term Deposits	23,201	37,182	20,197	37,182
Weighted average interest rate on term deposits	3.28%	2.94%	3.14%	2.94%

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

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

14 Cash and Cash Equivalents

	Group		RTÉ	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
<i>Current Assets</i>				
Bank balances	2,686	5	2,053	5
Call deposits	34,849	26,030	29,848	25,436
Cash and Cash Equivalents	37,535	26,035	31,901	25,441
<i>Non-Current Assets</i>				
Restricted cash (note 9)	2,000	-	-	-
Total Cash and Cash Equivalents	39,535	26,035	31,901	25,441
Weighted average interest rate	4.10%	3.11%	4.00%	3.11%

Bank balances include €1.17 million (2010: €0.13 million) in respect of amounts held in the Independent Programmes account in accordance with section 116 of the *Broadcasting Act 2009*.

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

15 Interest-bearing loans and borrowings

	Interest rate %	Maturity	Group		RTÉ	
			2011 €'000	2010 €'000	2011 €'000	2010 €'000
Bank Loan Facility	EURIBOR	22				
	plus	December				
	margin	2015	38,250	-	-	-
			38,250	-	-	-

On 22 December 2010, RTÉNL entered into a five year project loan facility agreement amounting to €38.25 million. RTÉNL entered an interest rate swap to convert floating rate debt to fixed rate debt for the entire value and duration of the borrowing facility.

Lender covenants

RTÉNL's bank facility requires it maintain certain financial covenants. Non-compliance with financial covenants would give the lender the right to terminate facilities and demand early repayment of any sums drawn thereunder thus altering the maturity profile of RTÉNL's debt and RTÉNL's liquidity. Calculations for financial covenants are completed quarterly. RTÉNL was in full compliance with the financial covenants at the balance sheet date.

RTÉNL is not aware of any stated events of default as defined in the Agreements.

Lender security

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

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

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

16 Trade and Other Payables

	Group		RTÉ	
	2011 €'000	2010 ¹ €'000	2011 €'000	2010 ¹ €'000
Trade payables	4,238	6,044	3,413	4,832
Amounts owed to subsidiary entities	-	-	108,480	82,100
Accruals	60,693	60,489	51,387	50,686
Deferred income	6,698	7,007	1,968	1,283
	71,629	73,540	165,248	138,901

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

¹ Amounts shown as Provisions of €5.69 million in the prior year have been reclassified as Accruals and the comparative information has been restated accordingly.

17 Taxation and Social Welfare

	Group		RTÉ	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
VAT	4,095	5,200	3,760	3,760
Payroll	6,559	5,210	6,432	5,118
Corporation tax	(206)	1,624	(410)	391
	10,448	12,034	9,782	9,269

18 Employee Benefits**(a) Total Employee Benefits**

	Group		RTÉ	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
Restructuring costs (b)	12,505	19,708	12,505	19,708
Other payroll related accruals (c)	7,913	10,646	7,499	10,196
Total employee benefits	20,418	30,354	20,004	29,904
Analysed as follows:				
Non-Current Liabilities	9,231	12,805	9,231	12,805
Current Liabilities	11,187	17,549	10,773	17,099
	20,418	30,354	20,004	29,904

(b) Restructuring Costs

Group and RTÉ	2011 €'000	2010 €'000
Balance at beginning of year	19,708	24,150
Reclassification from other payroll related accruals	1,768	-
Utilised during the year	(9,521)	(5,092)
Interest charge (note 3)	550	650
Balance at end of year	12,505	19,708

Analysed as follows:

Non-Current	9,231	11,038
Current	3,274	8,670

The restructuring costs at 31 December 2011 represents the Board's best estimate of the discounted value of future payments required in respect of the Group's remaining obligations under the various restructuring schemes.

(c) Other Employee Related Accruals

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

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

19 Pension arrangements (Group and RTÉ)

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

The RTÉ "50/50" Risk-Sharing Pension Scheme commenced for the first time on 1 September 2010 and consists of a core defined benefit (DB) promise based on a capped salary level with a defined contribution (DC) arrangement for earnings above the cap.

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

	2011 €'000	2010 €'000
RTÉ Superannuation Scheme		
- current service cost	4,242	4,371
- past service cost	39	-
RTÉ "50/50" Risk-Sharing Pension Scheme (DB Section)		
- current service cost	413	113
	4,694	4,484
RTÉ "50/50" Risk-Sharing Pension Scheme (DC Section)	198	80
RTÉ Defined Contribution Pension Scheme	8,107	8,694
Other schemes	23	105

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

	2011 €'000	2010 €'000
Group and RTÉ		
Net pension (liability) / asset in RTÉ Superannuation Scheme	(47,797)	3,633
Net pension asset in RTÉ "50/50" Risk-Sharing Pension Scheme	664	228
	(47,133)	3,861

The movement in the pension asset / (liability) during the year is as follows:

	RTÉ Superannuation Scheme €'000	RTÉ "50/50" Risk-Sharing Pension Scheme €'000	2011 Total €'000	2010 Total €'000
At 1 January	3,633	228	3,861	9,208
Current service costs	(4,242)	(413)	(4,655)	(4,484)
Past service costs	(39)	-	(39)	-
RTÉ contributions	2,613	968	3,581	3,163
Net DB pension related finance income	212	8	220	116
Net actuarial loss on DB Scheme	(49,974)	(127)	(50,101)	(4,142)
At 31 December	(47,797)	664	(47,133)	3,861

RTÉ Superannuation Scheme:

As is required by the *Pensions Act, 1990*, independent actuarial valuation reports based on actuarially determined long-term funding assumptions are regularly carried out in respect of the RTÉ Superannuation Scheme. The most recent actuarial funding valuation report is dated 1 January 2012 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 deficit of €25.22 million (1 January 2011: surplus €3.55 million), with allowance being made in the liabilities for relevant related post retirement increases. The actuarial funding valuation report is not available for public inspection; however, the results of valuations are advised to members.

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 deficit on this basis of €71.8 million (31 December 2010: surplus of €21.9 million).

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.

19 Pension arrangements (Group and RTÉ) (continued)

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

Valuation method	2011 Projected unit	2010 Projected unit	2009 Projected unit
Average projected rate of increase in salaries:			
Over the next two years	0%	1.0%	1.0%
Over the following year	2.0%	2.5%	2.5%
Thereafter	2.5%	2.5%	2.5%
Average projected rate of increase in pensions in payment:			
Over the next two years	0%	0%	0%
Over the following four years	1.7%	2.4%	1.8%
Thereafter	2.5%	2.5%	2.5%
Discount rate	4.85%	5.05%	5.40%
Inflation assumption	2.0%	2.0%	2.0%
Mortality	Years	Years	Years
Life Expectancy Future Retirees			
Male of age 65	24.7	23.6	21.8
Female of age 65	25.8	24.7	24.8
Life Expectancy Existing Pensioners			
Male of age 65	23.2	22.0	20.5
Female of age 65	24.6	23.5	23.4

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

Asset category	2011	2010
Equities	39.6%	52.3%
Bonds	41.7%	36.0%
Property	5.9%	5.9%
Other	12.8%	5.8%
	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:

	2011		2010		2009	
	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	6.55%	306,963	6.20%	425,294	6.50%	394,878
Bonds	3.35%	323,368	3.50%	292,147	4.00%	293,574
Property	4.20%	45,543	3.75%	48,010	5.00%	47,734
Other	5.90%	99,816	6.20%	47,246	5.00%	42,946
Total fair value of assets		775,690		812,697		779,132
Actuarial value of the liability		(823,487)		(809,064)		(769,924)
(Deficit) / Surplus in RTÉ Superannuation scheme		(47,797)		3,633		9,208
Net Pension (Liability) / Asset Recognised		(47,797)		3,633		9,208

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

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

	2011 €'000	2010 €'000
Defined Benefit Obligations at 1 January	809,064	769,924
Current service cost	4,242	4,371
Past service cost	39	-
Member contributions	2,448	2,559
Benefits paid by the plan	(38,615)	(37,150)
Interest cost	40,221	40,947
Actuarial losses recognised in equity (see below)	6,088	28,413
Defined Benefit Obligations at 31 December	823,487	809,064

Movement in Present Value of Plan Assets

	2011 €'000	2010 €'000
Fair Value of Plan Assets at 1 January	812,697	779,132
RTÉ contributions	2,613	2,831
Member contributions	2,448	2,559
Benefits paid by the plan	(38,615)	(37,150)
Expected return on plan assets	40,433	41,063
Actuarial (losses) / gains recognised in equity	(43,886)	24,262
Fair Value of Plan Assets at 31 December	775,690	812,697

Expense Recognised in Group Income Statement

	2011 €'000	2010 €'000
Charged to Operating Costs		
Current service costs	4,242	4,371
Past service costs	39	-
	4,281	4,371
Credited to Net Finance Income		
Expected return on pension scheme assets	40,433	41,063
Interest on pension scheme liabilities	(40,221)	(40,947)
	212	116
Actual Return on Plan Assets	(3,453)	65,325

Actuarial Gains and (Losses) Recognised directly in Equity

	2011 €'000	2010 €'000
Cumulative amount at 1 January	(13,491)	(9,340)
Actual return less expected return on pension scheme assets	(43,886)	24,262
Experience gains arising on the scheme liabilities	(1,018)	1,792
Changes in assumptions underlying the present value of the scheme liabilities	(5,070)	(30,205)
Cumulative amount at 31 December	(63,465)	(13,491)

Pensions Levy:

The Irish Government pension levy which is based on 0.6% of the Scheme assets at 30 June 2011 has been included as a reduction in the actuarial movement on plan assets and accordingly has been recorded in Other Comprehensive Income.

The employer contribution rate to the RTÉ Superannuation Scheme for the year ended 31 December 2011 was 8% of employee members' pensionable earnings (2010: 8%).

19 Pension arrangements (Group and RTÉ) (continued)

Historical Information

	2011 €'000	2010 €'000	2009 €'000	2008 €'000	2007 €'000
Present value of the defined benefit obligation	(823,487)	(809,064)	(769,924)	(820,051)	(979,195)
Fair value of the plan assets	775,690	812,697	779,132	733,434	996,730
(Deficit) / surplus in the plan	(47,797)	3,633	9,208	(86,617)	17,535
Difference between expected and actual return on assets	(43,886)	24,262	33,971	(295,890)	(77,765)
Expressed as a percentage of scheme assets	(5.7%)	3.0%	4.4%	(40.3%)	(7.8%)
Experience (loss) / gain arising on scheme liabilities	(1,018)	1,792	48,910	(3,917)	(2,967)
Expressed as a percentage of scheme liabilities	(0.1%)	0.2%	6.4%	(0.5%)	(0.3%)
Effect of changes in actuarial assumptions	(5,070)	(30,205)	17,243	194,543	74,420
Expressed as a percentage of scheme liabilities	(0.6%)	(3.7%)	2.2%	23.7%	7.6%
Total actuarial (losses) and gains	(49,974)	(4,151)	100,124	(105,264)	(6,312)
Expressed as a percentage of scheme liabilities	(6.1%)	(0.5%)	13.0%	(12.9%)	(0.6%)

The Group expects to pay €2.3 million in contributions to the RTÉ Superannuation Scheme in 2012.

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

The most recent actuarial funding valuation in respect of the RTÉ "50/50" Risk-Sharing Pension Scheme was carried out as at 1 January 2012 and was completed subsequent to the year end by the Scheme actuary, Mercer. This actuarial funding valuation, which uses the "attained age" method of valuation to derive the future service cost, discloses the scheme to have a surplus of €0.7 million (1 January 2011: surplus €0.2 million). The actuarial funding valuation report is not available for public inspection; however, the results of valuations are advised to members.

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

	2011 Projected unit	2010 Projected unit
Valuation method		
Average projected rate of increase in salaries:		
Over the next two years	0%	1.0%
Over the following year	2.0%	2.5%
Thereafter	2.5%	2.5%
Average projected rate of increase in pensions in payment	2.0%	2.0%
Discount rate	4.85%	5.05%
Inflation assumption	2.0%	2.0%
Mortality	Years	Years
Life Expectancy Future Retirees		
Male of age 65	24.7	23.6
Female of age 65	25.8	24.7

The assets of the Defined Benefit section of the RTÉ "50/50" Risk-Sharing Pension Scheme are invested in the Irish Life Consensus Managed Fund. A long term expected rate of return of 5.7% was assumed based on the asset class split in this managed fund.

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

	2011 €'000	2010 €'000
Total fair value of assets	1,955	508
Actuarial value of the liability	(1,291)	(280)
Surplus in RTÉ "50/50" Risk-Sharing Pension Scheme	664	228
Net Pension Asset Recognised	664	228

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

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

	2011 €'000	2010 €'000
Defined Benefit Obligations at 1 January	280	-
Current service cost	413	113
Member contributions	523	179
Benefits paid	-	-
Insurance premium paid	(35)	(12)
Interest cost	60	-
Actuarial losses recognised in equity (see below)	50	-
Defined Benefit Obligations at 31 December	1,291	280

Movement in Present Value of Plan Assets

	2011 €'000	2010 €'000
Fair Value of Plan Assets at 1 January	508	-
RTÉ contributions	968	332
Member contributions	523	179
Benefits paid	-	-
Insurance premium paid	(35)	(12)
Expected return on plan assets	68	-
Actuarial gains recognised in equity	(77)	9
Fair Value of Plan Assets at 31 December	1,955	508

Expense Recognised in Group Income Statement

	2011 €'000	2010 €'000
Charged to Operating Costs		
Current service costs	413	113
	413	113
Credited to Net Finance Income		
Expected return on pension scheme assets	68	-
Interest on pension scheme liabilities	(60)	-
	8	-
Actual Return on Plan Assets	(9)	9

Actuarial Gains and Losses Recognised directly in Equity

	2011 €'000	2010 €'000
Cumulative amount at 1 January	9	-
Actual return less expected return on pension scheme assets	(77)	9
Experience losses arising on the scheme liabilities	(48)	-
Changes in assumptions underlying the present value of the scheme liabilities	(2)	-
Cumulative amount at 31 December	(118)	9

Pensions Levy:

The Irish Government pension levy which is based on 0.6% of the Scheme assets at 30 June 2011 has been included as a reduction in the actuarial movement on plan assets and accordingly has been recorded in Other Comprehensive Income.

19 Pension arrangements (Group and RTÉ) (continued)

The employer contribution rate to the Defined Benefit Section of the RTÉ "50/50" Risk-Sharing Pension Scheme for the year ended 31 December 2011 was 8.75 % of employee members' remuneration (defined as pensionable salary and allowances up to the cap currently €48,000 p.a.). The actuaries to the scheme have carried out a long term actuarial funding valuation which gave rise to a surplus of €0.7 million as at 1 January 2012. (1 January 2011: surplus €0.2 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 €1.2 million (1 January 2011: surplus €0.3 million).

The Group expects to pay €1.0 million in contributions to the RTÉ "50/50" Risk-Sharing Pension Scheme in 2012.

Historical Information

	2011 €'000	2010 €'000
Present value of the defined benefit obligation	(1,291)	(280)
Fair value of the plan assets	1,955	508
Surplus in the plan	664	228
Difference between expected and actual return on assets	(77)	9
Expressed as a percentage of scheme assets	(3.9%)	1.8%
Experience loss arising on scheme liabilities	(48)	-
Expressed as a percentage of scheme liabilities	(3.7%)	-
Effect of changes in actuarial assumptions	(2)	-
Expressed as a percentage of scheme liabilities	(0.1%)	-
Total actuarial (losses) / gains	(127)	9
Expressed as a percentage of scheme liabilities	(9.8%)	3.2%

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

	Assets		(Liabilities)	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
Property, plant and equipment	97	987	-	-
Pension asset	-	-	(83)	(483)
Inventories	-	-	-	(1,253)
Derivatives - cash flow hedge	334	-	-	-
Others	-	-	-	(124)
Tax losses	-	1,347	-	-
Net Tax Assets / (Liabilities)	431	2,334	(83)	(1,860)

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

20 Deferred Tax (continued)**Movement in Temporary Differences during 2011**

	Opening Balance	Recognised in Income	Recognised in Equity	Closing Balance
Property, plant and equipment	987	(890)	-	(97)
Pension assets	(483)	-	400	(83)
Inventories	(1,253)	1,328	-	75
Derivatives - cash flow hedge	-	-	334	334
Others	(124)	49	-	(75)
Tax losses	1,347	(1,347)	-	-
	474	(860)	734	348

Movement in Temporary Differences during 2010

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

RTÉ**Recognised Deferred Tax Assets and Liabilities**

	Assets Net		(Liabilities) Net	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
Property, plant and equipment	1,566	1,631	-	-
Pension asset	-	-	(83)	(483)
Inventories	-	-	-	(1,276)
Others	-	-	-	(71)
Tax losses	-	1,347	-	-
Net Tax Assets / (Liabilities)	1,566	2,978	(83)	(1,830)

Movement in Temporary Differences during 2011

	Opening Balance	Recognised in Income	Recognised in Equity	Closing Balance
Property, plant and equipment	1,631	(65)	-	1,566
Pension asset	(483)	-	400	(83)
Inventories	(1,276)	1,276	-	-
Others	(71)	71	-	-
Tax losses	1,347	(1,347)	-	-
	1,148	(65)	400	1,483

Movement in Temporary Differences during 2010

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

Unrecognised Deferred Tax Assets (Group and RTÉ)

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 €539 million at 31 December 2011. Due to the uncertainty surrounding when these losses may ultimately be utilised, no deferred tax asset has been recognised.

In addition, a deferred tax asset of €5.97 million has not been recognised in respect of the deficit on the RTÉ Superannuation Scheme (note 19) given the uncertainty as to when the asset would be utilised.

21 Financial Instruments and financial risk management (Group and RTÉ)

(a) Overview of Financial Risk Management

(i) Risk environment

The Group has exposure to the financial risks relating to credit, liquidity, foreign exchange, interest rate and operational 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, interest rate risk, liquidity risk, foreign exchange risk and counterparty credit risk.

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 foreign currency forward contracts have a maturity date of less than 18 months from the balance sheet date. These foreign currency forward contracts are not specifically designated into hedge relationships from an accounting perspective but are nevertheless regarded as valid economic hedges.

RTÉ obtained variable rate borrowings in 2011 and entered a derivative contract in order to hedge exposures arising from fluctuations in the interest rate. The Group designated the financial instrument as a cash flow hedge pursuant to IAS 39.

Financial instruments are derecognised on settlement or sale.

(ii) Financial instruments classification

All financial assets and liabilities, excluding provisions and employee related liabilities are financial instruments carried at amortised cost, with the exception of the derivative assets / liabilities which are categorised as follows:

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

21 Financial Instruments and financial risk management (Group and RTÉ) (continued)

GROUP	Derivative financial instruments at fair value through surplus or deficit		Derivative financial instruments with hedging relationship		Assets/ (liabilities) held at amortised cost		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Non-Current Financial Assets								
Restricted Cash	-	-	-	-	2,000	-	2,000	-
Derivative financial instruments	239	-	-	-	-	-	239	-
Other receivables	-	-	-	-	208	338	208	338
Total Non-Current Financial Assets	239	-	-	-	2,208	338	2,447	338
Current Financial Assets								
Trade and other receivables	-	-	-	-	37,763	39,778	37,763	39,778
Accrued income	-	-	-	-	2,437	2,791	2,437	2,791
Derivative financial instruments	1,004	-	-	-	-	-	1,004	-
Liquid investments	-	-	-	-	23,201	37,182	23,201	37,182
Cash and cash equivalents	-	-	-	-	37,535	26,035	37,535	26,035
Total Current Financial Assets	1,004	-	-	-	100,936	105,786	101,940	105,786
Total Financial Assets	1,243	-	-	-	103,144	106,124	104,387	106,124
Non-Current Financial Liabilities								
Interest-bearing loans and borrowings	-	-	-	-	(38,250)	-	(38,250)	-
Employee benefits	-	-	-	-	(9,231)	(12,805)	(9,231)	(12,805)
Derivative financial instruments	-	-	(1,926)	-	-	-	(1,926)	-
Total Non-Current Financial Liabilities	-	-	(1,926)	-	(47,481)	(12,805)	(49,407)	(12,805)
Current Financial Liabilities								
Trade and other payables	-	-	-	-	(71,629)	(73,540)	(71,629)	(73,540)
Employee benefits	-	-	-	-	(11,187)	(17,549)	(11,187)	(17,549)
Derivative financial instruments	-	(268)	(746)	-	-	-	(746)	(268)
Total Current Financial Liabilities	-	(268)	(746)	-	(82,816)	(91,089)	(83,562)	(91,357)
Total Financial Liabilities	-	(268)	(2,672)	-	(130,297)	(103,894)	(132,969)	(104,162)

The foreign exchange forward contracts are financial instruments at fair value through the surplus or deficit. The interest rate swap is a derivative designated as a cash flow hedge.

21 Financial Instruments and financial risk management (Group and RTÉ) (continued)

RTÉ	Derivative financial instruments at fair value through surplus or deficit		Derivative financial instruments with hedging relationship		Assets/ (liabilities) held at amortised cost		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Non-Current Financial Assets								
Derivative financial instruments	239	-	-	-	-	-	239	-
Other receivables	-	-	-	-	208	338	208	338
Total Non-Current Financial Assets	239	-	-	-	208	338	447	338
Current Financial Assets								
Trade and other receivables	-	-	-	-	30,876	30,750	30,876	30,750
Accrued income	-	-	-	-	508	900	508	900
Derivative financial instruments	1,004	-	-	-	-	-	1,004	-
Liquid investments	-	-	-	-	20,197	37,182	20,197	37,182
Cash and cash equivalents	-	-	-	-	31,901	25,441	31,901	25,441
Total Current Financial Assets	1,004	-	-	-	83,482	94,273	84,486	94,273
Total Financial Assets	1,243	-	-	-	83,690	94,611	84,933	94,611
Non-Current Financial Liabilities								
Interest-bearing loans and borrowings	-	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	(9,231)	(12,805)	(9,231)	(12,805)
Derivative financial instruments	-	-	-	-	-	-	-	-
Total Non-Current Financial Liabilities	-	-	-	-	(9,231)	(12,805)	(9,231)	(12,805)
Current Financial Liabilities								
Trade and other payables	-	-	-	-	(165,248)	(138,901)	(165,248)	(138,901)
Employee benefits	-	-	-	-	(10,773)	(17,099)	(10,773)	(17,099)
Derivative financial instruments	-	(268)	-	-	-	-	-	(268)
Total Current Financial Liabilities	-	(268)	-	-	(176,021)	(156,000)	(176,021)	(156,268)
Total Financial Liabilities	-	(268)	-	-	(185,252)	(168,805)	(185,252)	(169,073)

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

21 Financial Instruments and financial risk management (Group and RTÉ) (continued)
(b) Credit risk

Overview

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. The Group has detailed procedures for monitoring and managing the credit risk related to its financial assets.

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

	Notes	Group		RTÉ	
		Carrying amount		Carrying amount	
		2011 €'000	2010 €'000	2011 €'000	2010 €'000
Liquid investments	13	23,201	37,182	20,197	37,182
Cash and cash equivalents	14	37,535	26,035	31,901	25,441
Restricted cash	9	2,000	-	-	-
Derivative financial instruments	21	1,243	-	1,243	-
Trade receivables	12	37,137	39,606	30,257	30,582
Accrued income and other receivables		3,271	3,301	1,335	1,406
		104,387	106,124	84,933	94,611

Treasury related credit risk

The Group is exposed to credit risk from the counterparties with whom it holds its bank accounts and transacts with in the financial markets. Liquid investments, other financial assets and cash and cash equivalents are primarily funds invested with Irish financial institutions covered by the Irish Government Bank Guarantee Scheme with limits on amounts held with individual banks or institutions at any one time. Derivative financial instruments are held with Irish and UK financial institutions and the Group has not experienced any losses due to failure of such counterparties to deliver on their obligations.

Customer credit risk

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.

21 Financial Instruments and financial risk management (Group and RTÉ) (continued)

(b) Credit risk (continued)

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

	Group		RTÉ	
	Carrying amount		Carrying amount	
	2011	2010	2011	2010
	€'000	€'000	€'000	€'000
Ireland	35,994	37,800	29,388	29,353
United Kingdom	1,090	1,708	853	1,229
Other Regions	53	98	16	-

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

	Group		RTÉ	
	Carrying amount		Carrying amount	
	2011	2010	2011	2010
	€'000	€'000	€'000	€'000
Non-agency debtors	6,713	7,942	1,644	818
Other debtors - agency	30,424	31,664	28,613	29,764
Trade Receivables	37,137	39,606	30,257	30,582

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

The Group's most significant debtor, an Irish company, accounts for €4.9 million (13%) of the trade receivables carrying amount at 31 December 2011 (2010: €4.3 million).

The aging of trade receivables at the reporting date was:

	Group			Gross	RTÉ	
	Gross	Impairment	Net		Gross	Impairment
	2011	2011	2011	2011	2011	2011
	€'000	€'000	€'000	€'000	€'000	€'000
Not past due	18,276	(594)	17,682	14,221	(2)	14,219
Past due 0-30 days	19,147	(592)	18,555	15,675	(354)	15,321
Past due 31-120 days	1,599	(699)	900	1,291	(574)	717
Greater than 120 days	257	(257)	-	152	(152)	-
	39,279	(2,142)	37,137	31,339	(1,082)	30,257

	Group			Gross	RTÉ	
	Gross	Impairment	Net		Gross	Impairment
	2010	2010	2010	2010	2010	2010
	€'000	€'000	€'000	€'000	€'000	€'000
Not past due	20,341	(1,340)	19,001	14,291	(742)	13,549
Past due 0-30 days	20,159	(403)	19,756	16,790	(173)	16,617
Past due 31-120 days	1,091	(280)	811	516	(139)	377
Greater than 120 days	182	(144)	38	92	(53)	39
	41,773	(2,167)	39,606	31,689	(1,107)	30,582

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

	Group		RTÉ	
	2011	2010	2011	2010
	€'000	€'000	€'000	€'000
Balance at 1 January	2,167	2,237	1,107	1,148
Bad debts written off in the year	(25)	(266)	(25)	(231)
Provided during the year	-	196	-	190
Balance at 31 December	2,142	2,167	1,082	1,107

No credit exposure is perceived in relation to pre-payments. Accrued income consists of unbilled receivables from a small number of customers. The Group has not experienced losses due to the failure of any of these customers to deliver on their obligations.

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

21 Financial Instruments and financial risk management (Group and RTÉ) (continued)

(c) 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 following tables set out the contractual maturities of financial liabilities, including interest payments associated with borrowings and the undiscounted net cash flows attributable to derivative financial instruments.

The following are the contractual maturities of financial liabilities:

31-Dec-11	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
	€'000	€'000	€'000	€'000	€'000
Group					
Interest-bearing loans and borrowings	38,250	44,225	1,469	1,369	41,387
Derivative financial instruments	2,672	2,864	746	866	1,252
Trade and other payables	71,629	71,629	71,629	-	-
Employee benefits	20,418	21,424	11,227	2,779	5,233
	132,969	140,142	85,071	5,014	47,872

31-Dec-10	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
As restated	€'000	€'000	€'000	€'000	€'000
Group					
Derivative financial instruments	268	268	268	-	-
Trade and other payables	73,540	73,540	73,540	-	-
Employee benefits	30,354	31,255	18,399	5,082	6,689
	104,162	105,063	92,207	5,082	6,689

The following are the contractual maturities of financial liabilities (excluding intercompany liabilities):

31-Dec-11	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
	€'000	€'000	€'000	€'000	€'000
RTÉ					
Trade and other payables	56,768	56,768	56,768	-	-
Employee benefits	20,004	21,010	10,813	2,779	5,233
	76,772	77,778	67,581	2,779	5,233

31-Dec-10	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
As restated	€'000	€'000	€'000	€'000	€'000
RTÉ					
Derivative financial instruments	268	268	268	-	-
Trade and other payables	56,801	56,801	56,801	-	-
Employee benefits	29,904	30,805	17,949	5,082	6,689
	86,973	87,874	75,018	5,082	6,689

21 Financial Instruments and financial risk management (Group and RTÉ) (continued)**(d) Currency risk**

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

The Group primarily uses foreign currency forward contracts to economically hedge its currency risk. Changes in the fair value of foreign currency forward contracts are recognised in the income statement. At 31 December 2011 the fair value of the associated derivative asset was €1,243,000 (2010: liability of €268,000).

The Group and Company did not have any material foreign currency denominated monetary assets at 31 December 2011 or 2010.

RTÉ had no financial liabilities denominated in foreign currencies except for those outlined in the following tables.

Breakdown of Trade Payables by Currency

	2011 €'000	2010 €'000
Group		
Euro	3,943	5,260
GBP	163	489
USD	59	13
Other	73	282
	4,238	6,044

Breakdown of Trade Payables by Currency

	2011 €'000	2010 €'000
RTÉ		
Euro	3,125	4,383
GBP	159	164
USD	56	3
Other	73	282
	3,413	4,832

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2011 Euro	2010 Euro	2011 Euro	2010 Euro
USD 1	1.3920	1.3257	1.2939	1.3362
GBP 1	0.8679	0.8578	0.8353	0.8606

In managing currency risks, the Group aims to reduce the impact of short term fluctuations on the Group's earnings. Foreign currency forward purchase contracts are used by the Group to reduce volatility arising from these foreign currency exposures. As a result the Group mitigates significant risk of movements in foreign exchange rates. A plus or minus change of 10% in relevant foreign currency exchange rates, based on outstanding foreign currency-denominated financial liabilities at 31 December 2011 would not have a material positive or negative impact on the Income Statement.

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

21 Financial Instruments and financial risk management (Group and RTÉ) (continued)

(e) Interest rate risk

At 31 December 2011 the Group had total borrowings of €38,250,000 (2010: nil). The borrowing is a variable rate loan with a maturity in 2015. The Group entered an interest rate swap to fix the rate on the borrowings until maturity – consequently any changes in the interest rate would have an equal and opposite income statement effect for both the interest rate swap and the debt. A 1% movement in the interest rate would have a positive or negative effect on equity of €1.2 million (net of tax).

At the reporting date the interest rate profile of RTÉ's interest-bearing financial assets was:

	Carrying Amount	
	2011 €'000	2010 €'000
Group		
Fixed Rate Instruments		
Financial assets	58,050	63,212
Variable Rate Instruments		
Financial assets	2,686	5
	Carrying Amount	
	2011 €'000	2010 €'000
RTÉ		
Fixed Rate Instruments		
Financial assets	50,045	62,618
Variable Rate Instruments		
Financial assets	2,053	5

A 1% movement in the interest rate on RTÉ's interest bearing financial assets would have a positive or negative effect on the Income Statement of €0.6 million (net of tax).

(f) Fair Values

The fair value of a financial instrument is the amount it could be exchanged for in an arm's length transaction between informed and willing parties, other than in a forced or liquidation sale. Fair value analysis, other than for derivative financial instruments, was based on discounted cash flow analysis using an appropriate discount rate.

The fair value of derivative financial instruments was based on the fair value hierarchy. The fair value for foreign exchange forward contracts and the interest rate swap were calculated using the following valuation method:

Level 2: inputs, other than unadjusted quoted prices in active markets for identical assets and liabilities, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The Level 2 valuation method and instruments valued using the method has not changed during this or the previous reporting period. There has been no transfer between levels in the fair value hierarchy.

The Group determined that the fair value for all financial instruments at 31 December 2011 and 2010 were materially in line with their carrying values.

21 Financial Instruments and financial risk management (Group and RTÉ) (continued)**(g) Derivative financial instruments**

The contractual cash-flows associated with the derivative financial instruments are outlined below:

31-Dec-11	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000
Group					
Derivative assets / (liabilities)					
Interest rate swap	(2,672)	(2,864)	(746)	(866)	(1,252)
Foreign exchange forward contracts	1,243	1,243	1,004	239	-
	(1,429)	(1,621)	258	(627)	(1,252)
31-Dec-11					
	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000
RTÉ					
Derivative assets / (liabilities)					
Foreign exchange forward contracts	1,243	1,243	1,004	239	-
	1,243	1,243	1,004	239	-
31-Dec-10					
	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000
Group and RTÉ					
Derivative assets / (liabilities)					
Foreign exchange forward contracts	(268)	(268)	(268)	-	-
	(268)	(268)	(268)	-	-

Any gains or losses arising from changes in the fair value of foreign exchange forward contracts are taken directly to the Income Statement.

At 31 December 2011 the Group had total borrowings of €38,250,000 (2010: nil). The Group entered an interest rate swap to fix the variable rate on the borrowings until maturity. At the inception of the hedge, the Group formally designated the hedge relationship and consequently the effective part of any gain or loss on the derivative financial instrument is recognised directly in the Statement of Comprehensive Income.

22 Cash flow hedge reserve

	Note	Cash flow hedge reserve €'000
Balance at 1 January 2011		-
Effective portion of cash flow hedge		(2,672)
Deferred tax on cash flow hedge	20	334
Balance at 31 December 2011		(2,338)

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of the interest rate swap related to the Barclay's project loan facility. During the year €135,000 was transferred to Property, Plant and Equipment and €90,000 was transferred to the Income Statement representing the loss realised during the year on the interest rate swap.

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

	Group		RTÉ	
	2011 €'000	2010 €'000	2011 €'000	2010 €'000
Contracted but not provided for	2,581	14,083	115	909
Authorised but not contracted for	7,422	6,231	290	684
	10,003	20,314	405	1,593

(b) Programme/Rights Purchase Commitments

	Group		RTÉ	
	2011 €'000	2010 as restated €'000	2011 €'000	2010 as restated €'000
Contracted but not provided for	95,032	107,625	95,032	107,625

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

23 Financial Commitments and Contingencies (continued)

(c) Contingent Liabilities

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

24 Related Party Transactions

(a) Transactions with related parties excluding key management personnel

RTÉ is a statutory corporation, originally established as a commercial semi-state body under the *Broadcasting Authority Act, 1960*. The members of the RTÉ Board are appointed by the Government. The Government is deemed to have control over the group and is recognised as a related party as defined by the accounting standards. The group has applied the exemption in IAS 24 Related Party Disclosures, that exempts an entity from the related party disclosure requirements in respect of the Government and Government related entities unless transactions are individually significant or collectively significant.

In the normal course of business the group has entered into transactions with the Government and Government related entities involving the provision of advertising and other similar services, together with purchases of goods and services to/from Government departments and to entities controlled by the Irish Government. An Post collects the Television Licence Fee on behalf of the Department of Communications, Energy and Natural Resources.

At 31 December 2011, the total payables to RTÉ subsidiary undertakings was €108.5 million (2010: €82.1 million).

(b) Transactions with key management personnel¹

For the purposes of the disclosure requirements of IAS 24 the term "key management personnel" (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the company) comprises the RTÉ Board, the Director-General, the Chief Financial Officer, the Heads of the Integrated Business Divisions and of the principal corporate functions, including all of the team reporting directly to the Director-General. The total amount of remuneration paid to key management personnel is as follows:

	2011 €'000	2010 €'000
Key Management Compensation:		
Short-term employee benefits	3,335	3,387
Post employment pension benefits	446	518
Termination benefits	-	50
Other long term benefits	11	12
Total	3,792	3,967

Purchases by RTÉ from a company owned/ controlled by Board members, other key management personnel and/ or their close family members in 2011 amounted to €3.4 million (2010: €2.7 million) primarily in respect of commissioned programmes. Sales by RTÉ to a company owned/ controlled by Board members, other key management personnel and/ or their close family members in 2011 amounted to €0.02 million (2010: €0.02 million). Outstanding contractual commitments from a company owned/ controlled by Board members, other key management personnel and/ or their close family members in 2011 amounted to €1.7 million (2010: €1.1 million). There were no material amounts outstanding at either year end.

Programme contributions paid by RTÉ to Board members, other key management personnel and their close family members in 2011 amounted to €5,186 (2010: €9,921).

Terms and conditions of transactions with related parties

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

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

25 Board Approval

The Board of RTÉ approved the financial statements on pages 57 to 102 in respect of the year ended 31 December 2011 on 19 April 2012.

OTHER REPORTING REQUIREMENTS

Audience Council

Section 96 of the *Broadcasting Act 2009* established the RTÉ Audience Council on a statutory basis. It provides a voice for the viewers and listeners with regard to RTÉ's output and delivery on its public remit. The Council, which is chaired by Professor Gearóid Ó Tuathaigh, held its inaugural meeting on 29 July 2010 and will serve for a period of four years to 31 December 2014. In total, 7 meetings of the Audience Council took place in 2011.

The 15 members are selected by the members of the RTÉ Board taking into account the requirements of the *Broadcasting Act 2009*. The RTÉ Board appoints one of its members as an ex officio member of the Council. The members serve in a voluntary capacity, but may receive such out-of-pocket expenses as may be reasonably incurred in the performance of their functions.

Further information on the Audience Council, its members and a summary of the meetings held during the year is available at www.rte.ie/about/audiencouncil.html

RTÉ Annual Statement of Performance Commitments 2011

Introduction

Under the provisions of the *Broadcasting Act 2009* RTÉ is obliged to fulfil three new reporting requirements: preparation of a statement of strategy (s99); preparation of a public service statement (s101), following a public consultation; and preparation of annual statements of performance commitments (s102).

RTÉ's Statement of Strategy demonstrates how RTÉ aims to fulfil its public service objects over the five-year period 2010-2014, with strategic priorities, actions and targets. RTÉ's Public Service Statement 2010, informed by a consultative process to gain the perspectives of the Irish public, sets out the principles to be observed and activities to be undertaken by RTÉ in fulfilling its public service objects. In fulfilment of statutory requirements both were submitted to the Minister during 2011 and are publicly available on RTÉ.ie.

RTÉ's Statement of Performance Commitments 2011 (ASPC) was prepared in accordance with its objects and drew directly from the six high level strategic objectives in RTÉ's Statement of Strategy 2010-2014 that are intended to guide the business over the five year period. RTÉ's ASPC 2011 identified key performance measures, qualitative and/or quantitative, for each commitment, and targets where appropriate. RTÉ aimed to meet and exceed its targets in all cases. Pursuant to section 102(3) of the Act RTÉ's ASPC 2011 was submitted to the BAI and the Minister on 31 March 2011, as agreed with the BAI, and is published on RTÉ.ie.

This performance summary is presented in fulfilment of section 102(5) of the Act and in compliance with section 102(4) of the Act, a separate and more detailed report on fulfilment or otherwise of commitments was submitted to the BAI and the Minister on 30 March 2012.

1. Fulfil all our Public Service Objects and strive for the highest standards in ethics and accountability, on and off-air

1A Deliver a wide range of programming and services as per *Broadcasting Act 2009* (s114)

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Operate a range of national media services in the public interest	Two television, four FM radio and an online service available	7 services	Commitment achieved
Broadcast a range of programming, including programmes that are entertaining, informative, educational and inclusive	Minimum peaktime indigenous output hours for TV genres: Entertainment & Music, and Factual	Ent/ Music = 325; Fact = 342	Commitment achieved
	Commission new TV science series	1 series	Commitment achieved
	Target output hours for Radio genres: Entertainment, Factual & Education	Ent = 272; Fact = 70; Edu = 20	Commitment achieved
Deliver a range of music performances to entertain and educate	Performing Groups to give 180 Public Performances	180 perfs	Commitment achieved
	Performing Groups to give 77 educational performances, talks and workshops	77 educational activities	Commitment achieved
	RTÉ Radio coverage of major and niche music festivals	10 festivals	Commitment achieved
	Broadcast a range of radio programmes across the schedule to celebrate RTÉ Big Music Week 2011	Report	Commitment achieved
Deliver programming and services relevant to the social and cultural needs of young people living in Ireland	Minimum all-day indigenous output hours for Young People's Programming on Television	650 hrs	Commitment achieved
	Output target original hours on RTÉ Junior (radio)	200 hrs	Commitment achieved
	Radio series for Leaving Cert students: Countdown to 0806 on RTÉ 2fm	1 series	Commitment achieved

OTHER REPORTING REQUIREMENTS (CONTINUED)

1. Fulfil all our Public Service Objects and strive for the highest standards in ethics and accountability, on and off-air (continued)

1B Place ourselves at the centre of Irish life and society and be a forum for debate			
Performance Commitments	Key Measures	Target / Delivery	2011 Results
Deliver a comprehensive news and current affairs service	Target hours from News and Current Affairs on Television and Radio (NB TV = News + CA hrs)	1,110 hrs TV & 1,669 hrs Radio	Commitment achieved
Ensure appropriate coverage of key international and national events: notably the General Election	Dedicated TV count programmes for General Election and for Presidential Election (as well as coverage of Presidential Inauguration)	2 count programmes	Commitment achieved
	Special TV programmes on General Election: Debate with Party Leaders and <i>Campaign Daily</i>	Debate + 11 hrs of CD	Commitment achieved
	Take a range of radio programmes around the country to cover the General Election	Q1	Commitment achieved
	Cross-platform coverage of minimum four international events involving Irish teams or individuals	4 events	Commitment achieved
	Guarantee a space where national conversation, reflection and debate can take place, covering public affairs, democratic values, culture, and religious beliefs and practices	<i>The National Rehabilitation Hospital</i> : an observational TV documentary about carers and patients	1 series
	A range of new single and two-part TV documentaries that explore contemporary and historical Ireland	7 singles and 1 series	Commitment achieved
	<i>Prime Time</i> to maintain audience share (of live viewing) at 27%	27%	Commitment achieved
	New sports programme on Raidió na Gaeltachta	33 hours	Commitment largely achieved. Two new programmes were delivered. Hours were just slightly short of target (31 hours).
Maintain commitment to Irish language programming	Maintain 2010's total 7am-7pm weekday reach for RTÉ Radio 1	24%	Commitment achieved
	4 returning TV series incl. <i>Scannal</i> and <i>An Cór</i> , and new series <i>Réabhlóid</i> brings stories of Ireland	6 series	Commitment achieved
Maintain commitment to Irish cultural programming	Maintain core News and Current Affairs output on RTÉ Raidió na Gaeltachta	780 hrs	Commitment achieved
	Broadcast new plays on RTÉ Radio 1	20 plays	Commitment achieved
Undertake education and outreach initiatives	<i>The View</i> to continue and six new hour-long <i>Arts Lives</i> TV documentaries on iconic Irish figures	1 series & 6 docs	Commitment achieved
	RTÉ lyric fm Education & Outreach to include schools & 3rd level institutions	45 visits	Commitment achieved
	New literacy series on Television: <i>A Story with Me in It</i> . TV also to report on services and initiatives delivered.	1 series	Commitment achieved
Participate fully in transition to digital broadcasting	RTÉ Radio: choral workshops for teachers/choral directors and sounding out workshops for adults	6 workshops	Commitment not achieved. Three of the six workshops were completed. The remaining three did not take place due to reductions in staff numbers after the Early Retirement / Voluntary Redundancy Exit Scheme.
	Launch 18-month information campaign on SAORVIEW to educate the public about DTT, its benefits and how to access the service	Q2	Commitment achieved
	Maintain unique digital radio services with T-DAB coverage at 52% of population	52%	Commitment achieved

1C Promote inclusiveness and diversity

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Reflect the daily lives, concerns and the cultural and regional diversity of the people of the whole island of Ireland	Two new TV series exploring aspects of Ireland's health service and a returning series on families	3 series	Commitment largely achieved. Two series broadcast as committed. Transmission of the third series was deferred to 2012 due to financial cutbacks
	Minimum of four archive TV series	4 series	Commitment achieved
	Radio series on rural affairs (<i>Countrywide</i>) and on marine matters (<i>Seascapes</i>) to continue	2 series	Commitment achieved
	Radio series on Anglo-Irish programming to mark Royal visit	Report	Commitment achieved
Provide coverage of religious, community and cultural activities, including minority cultures and interests	<i>Would You Believe</i> and <i>Spirit Level</i> to return; <i>Festivals</i> brings six short films reflecting minority faiths in Ireland	2 series and six short films	Commitment achieved
	A new TV series exploring the origins of Irish Travellers	1 series	Commitment achieved
	TV coverage of live games from GAA Championships	31 live games	Commitment achieved
	Weekly Masses, Services or other devotional programming on RTÉ Radio 1 and RTÉ Raidió na Gaeltachta	52 weeks	Commitment achieved
	Radio series to reflect lives changed by physical or emotional challenges: <i>A Life Less Ordinary</i>	1 series	Commitment achieved

OTHER REPORTING REQUIREMENTS (CONTINUED)

1. Fulfil all our Public Service Objects and strive for the highest standards in ethics and accountability, on and off-air (continued)

1D Retain existing and attract new audiences through the provision of relevant services			
Performance Commitments	Key Measures	Target / Delivery	2011 Results
Fulfil universal service obligation for analogue TV & radio	98% transmission coverage for analogue TV and Radio	98%	Commitment achieved
Increase / maintain reach for RTÉ television services	Maintain RTÉ Television average monthly (15+ mins) reach among all Individuals	>90%	Commitment achieved
Increase / maintain reach for RTÉ radio services	Maintain RTÉ Total Radio average daily reach at 2010 levels	36%	Commitment largely achieved. Reach was 35% just one point below target.
Increase / maintain reach for RTÉ online services	Build on 2010's average monthly unique browsers for RTÉ.ie	Average of 4m ub/month	Commitment achieved
Increase / maintain reach for all RTÉ services	Maintain 2010's monthly reach figure for all of RTÉ services among adults 15+	>90%	Commitment achieved
Maintain reach among key audience cohorts and increase where possible	Maintain RTÉ Radio 1's reach for 35-54 year olds at 28%	28%	Commitment largely achieved. Reach was 26% just two points below target and station peaktime commitment was met.
	Build RTÉ 2fm's 2010 reach for 25-44 year olds to 19%	19%	Commitment not achieved Reach was 16%, three points below target.
	Maintain RTÉ Television average monthly (15+ mins) reach among 4-14s at greater than 85%	>85%	Commitment achieved
	Maintain RTÉ Television average monthly (15+ mins) reach among 15-34s at greater than 85%	>85%	Commitment achieved
	Maintain RTÉ Television average monthly (15+ mins) reach among adults aged 35+ at greater than 95%	>95%	Commitment achieved
Facilitate access to TV for those with sensory disabilities	Increase subtitling hours by 9% on 2010 target hours	8,500 hours	Commitment achieved
Provide service to Irish Diaspora	Devise strategy for extending international reach of RTÉ's online services, and begin implementation	Strategy agreed in Q3	Commitment achieved
	Maintain international radio services	7 platforms	Commitment achieved
	Increase overseas unique browsers of RTÉ.ie on 2010 levels	Average of 1.5m ub/month	Commitment achieved
Maintain audience connection with services	Maintain audience connection above 80 for RTÉ TV	>80	Commitment achieved
	Maintain strong audience connection for RTÉ Radio	>80	Commitment achieved

1E Be accountable, honest and responsible in all of our activities

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Maintain best practice governance and reporting systems	Maintain the high standard of the award winning Annual Report and Group Financial Statements	Submit to DCENR Q1	Commitment achieved
	Report on fees and aggregate expenses paid to Board members	In Annual Report	Commitment achieved
Fulfil all legislative and regulatory requirements	Maintain register of Regulatory Submissions (Public & Internal)	Q2	Commitment achieved
	Review two new revised schemes and complete relevant actions: Irish language scheme (under section 11 of the Official Languages Act) & Archive scheme	Report	Commitment achieved
	Ensure compliance with Regtel Code of Practice	0 Regtel complaints upheld	Commitment achieved
Ensure compliance with all relevant codes	Maintain compliance with Code of Practice for Governance of State Bodies. Carry out annual review and report on findings	Report in Q2	Commitment achieved
	Publish updated Internal Audit Charter following a review and any relevant updates.	Publish Q4	Commitment achieved
	Review new BAI Codes (Complaints and Right of Reply) and take relevant actions	Compliance	Commitment achieved
	Ensure full compliance with Advertising Code and Children's Advertising Code	0 BAI advertising complaints upheld	Commitment largely achieved. A monitoring exercise by the BAI found that on one occasion RTÉ exceeded its maximum permitted minutage in any one hour on RTÉ Radio 1 and on RTÉ 2fm. New scheduling procedures have been put in place to ensure that this should not re-occur in future.
Ensure best practice policies used for new technologies and social media tools	Monitor operation and effectiveness of social media policy	Report	Commitment achieved
Ensure transparency and pro-active communications.	Developed communications and public affairs strategy adopted by RTÉ Executive	Q2	Commitment achieved
	Publish RTÉ's Public Service Statement and RTÉ's 2011 Annual Statement of Performance Commitments.	Q1	Commitment achieved
Align management PDS system with performance measurement systems where practicable	Align PDS system to 2011's Annual Statement of Performance Commitments	Q1-2	Commitment achieved

OTHER REPORTING REQUIREMENTS (CONTINUED)

1. Fulfil all our Public Service Objects and strive for the highest standards in ethics and accountability, on and off-air (continued)**1F Exceed minimum standards**

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Demonstrate leadership in access services by exceeding minimum standards and providing new / innovative services where possible	Subtitle, on both channels, all main weather forecasts, all main TV News and Current Affairs (incl. budgets, elections, state and international events) as well as a number of live entertainment shows	Report	Commitment achieved
Publish Corporate Social Responsibility Report annually	Update CSR report and publish on RTÉ.ie	Publish in Q2	Commitment not achieved due to reduced staffing in the relevant area.
Maintain public access via central phone and e-mail information services	Telephone Information service available 6 days a week	Services available	Commitment achieved
Ensure highest business and accounting standards through voluntary compliance with international codes & IFRS	RTÉ Annual Report and Group Financial Statements to comply with IFRS	In Annual Report	Commitment achieved
	Conform with the <i>UK Corporate Governance Code</i> (formerly the <i>Combined Code on Corporate Governance</i>) as far as is feasible having regard to requirements under the <i>Broadcasting Act 2009</i>	Narrative in Annual Report	Commitment achieved

2. Be the leading provider of the best quality, distinctively Irish content and the premier and most trusted source of Irish news and current affairs**2A Be the primary source of independent News and Current Affairs in Ireland**

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Maintain significant audience for flagship news and current affairs programmes	Maintain cumulative reach for RTÉ News: <i>Six One</i> and <i>Nine O'Clock</i> (Ave weekly 5+ mins) at 35%	35%	Commitment achieved
	Maintain reach for <i>Morning Ireland</i> at 12%	12%	Commitment achieved
Deliver impartial and objective news and current affairs	Maintain Audience perceptions of "fairness and impartiality" of RTÉ News: <i>Nine o'clock</i>	>95%	Commitment achieved
	Maintain Audience perceptions of "fairness and impartiality" of <i>Morning Ireland</i>	>95%	Commitment largely achieved. RTÉ achieved 94.2% on this score, less than 1%-point below target.
Build audience appreciation for and increase relevance of RTÉ news and current affairs programmes	Maintain AI for RTÉ News Television above 80	>80	Commitment achieved
	Maintain AI for RTÉ News Radio above 80	>80	Commitment achieved
Maintain and enhance foreign coverage where possible to deliver an Irish perspective on international events	Quality coverage of key international events within resources	Report	Commitment achieved
	A dedicated TV count programme for Northern Ireland Assembly Election	1 count programme	Commitment achieved

2B Be the primary source of Irish / home produced content, nationally and from the regions

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Ensure a high proportion of home-production during peak on RTÉ One	Indigenous hours as a % of total peakttime hours on RTÉ One	>65%	Commitment achieved
Ensure regional coverage	Broadcast eight new regional series on Television covering a range of topics, and report on coverage across all genres	8 new series and report	Commitment achieved
	At least one peakttime (7am-7pm) daily radio show from the regions	1 programme	Commitment achieved
	Radio programmes <i>Blas and Glór Anor</i> on Raidió na Gaeltachta	2 programmes	Commitment achieved
Performing Groups to be the leading provider of live music of quality and diversity in their field	Maintain Performing Groups audience at 2010 levels	>165,000	Commitment achieved

2C Deliver the best quality programmes and services

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Be the leader in Irish TV & Radio programmes across all key genres	Maintain Reaction Panel Appreciation Index (AI) for RTÉ Television	>80	Commitment achieved
	Maintain Reaction Panel Appreciation Index (AI) for RTÉ Radio	>80	Commitment achieved
Continue strong RTÉ performance on annual top 20 programme lists	Maintain 2010 performance on Top 20 list for Television	17/20	Commitment achieved
	Maintain 18 out of 20 programmes on Top 20 lists for Radio	18/20	Commitment achieved
Participate in international and national competitions	At least ten RTÉ programmes shortlisted in international competitions	10 programmes	Commitment achieved

2D Meet the needs of Irish audiences and build affinity with RTÉ

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Provide state of the art audience research for programme makers	Use enhancements to ARP tool to provide research on children's media consumption habits and behavioural trends	Report	Commitment achieved
Further embed research in decision-making processes through optimising benefits of enhancements to ARP verbatim tool	New and improved verbatims analyses incorporated on-going research reports	Report	Commitment achieved
Build affinity with RTÉ	Investigate impact of new technologies and diversification on media consumption habits, particularly among 15-34 year olds	Report	Commitment achieved

OTHER REPORTING REQUIREMENTS (CONTINUED)

2. Be the leading provider of the best quality, distinctively Irish content and the premier and most trusted source of Irish news and current affairs (continued)**2E Implement highest editorial standards**

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Review editorial guidelines in context of legislation and codes of practice	Publish Revised Programme Makers Guidelines	Q3	Commitment not achieved. This process was deferred to 2012 due to increased demands on The Broadcast Compliance Office from General and Presidential Elections. Revised guidelines were since published in Q1, 2012.
	Ensure full compliance with BAI Broadcasting Codes on Elections (General and Presidential) and Referenda coverage	Report	Commitment achieved
Minimise legal / regulatory corrective actions	Deliver internal workshops and provide General Advice Notes to staff	3 workshops & 2 G.A. Notes	Commitment achieved
Minimise BAI complaints upheld	Complaints upheld against RTÉ programmes	Zero	Commitment largely achieved. Seven BAI programme complaints were upheld during 2011. Five were from programmes on RTÉ Television and two from RTÉ Radio.
Deal with BAI complaints promptly	All BAI complaints dealt with within mandatory timeframes	100%	Commitment achieved

2F Deliver innovative programming and services

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Optimise technology usage to facilitate innovation in programming	Develop and publish editorial guidelines for RTÉ.ie. Guidelines to align with other internal editorial guidelines and relevant legislation and codes	Guidelines published Q4	Commitment not achieved. Other projects were prioritised, however some developments occurred in 2011 that will aid in the compilation of editorial policy guidelines in 2012
	Implement iTraining programme across Radio IBD to facilitate end-to-end digital content production	1 rep per Prog Team	Commitment achieved
Bring new formats, initiatives and programmes to all media	Three new formats across RTÉ 2fm and RTÉ Radio 1 schedules	Three new formats	Commitment achieved
Deliver cross-platform and cross-media initiatives	Deliver two cross-platform and one cross-media event	3 events	Commitment achieved
Create new encounters for musicians and audiences	Develop a pilot scheme for sourcing young/new conductors: host open-rehearsals	6	Commitment achieved

3. Harness technologies to ensure delivery of and access to our content across the widest range of platforms and devices to meet the needs of the audience

3A Facilitate access to content through digital media and increase connection points with RTÉ

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Increase accessibility to RTÉ content	Build on 2010's monthly usage of RTÉ player (and increase the amount of acquired content by 20%)	Average monthly streams of 2.2m	Commitment achieved
	Greater availability of RTÉ News Now through expansion of display-out-of-home offering and launch of RNN on iPad	RNN launched on iPad and expanded DOOH offering	Commitment achieved
	Maintain 2010's average monthly download figure	900,000	Commitment achieved
Maintain availability of archive content via online services	Report on Archive website	Report	Commitment achieved
Grow Digital Radio Services, on digital radio and online	Increase number of digital radio households	7%	Commitment achieved
Deliver mobile applications for relevant products	Launch radio's Pocket Player on Android	Q2	Commitment achieved
Develop new avenues to connect with audiences across the whole island of Ireland and facilitate interaction with RTÉ	Right of Reply feature to be developed	Q1	Commitment achieved
	Develop smaller ensemble programmes, within existing resources, in order to build new audiences	5 NSO & 2 CO initiatives	Commitment achieved
	Increase volume and range of web specific journalism	Report	Commitment achieved

3B Implement technology change programme

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Develop new multimedia production models	Use of software-based production tools to acquire and produce content for RTÉ TEN	Q2	Commitment achieved
	Extend use of Avid editing system to external producers in order to reduce costs	Minimum of 1 series edited	Commitment achieved
Efficient use of technology for appropriate programme making and transmission of services	Use of software-based production tools to automate transmission/delivery of RTÉ News Now service	Q4	Commitment achieved
Efficient use of technology for appropriate programme making and transmission of services	Harness technology to deliver enhanced election count coverage on television and online: including social media blogging and provision of extended live and near-live video via broadband	Report	Commitment achieved

3C Implement end-to-end Digitisation Programme

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Build end-to-end digital content production network over next 4 years	Implement Phase 1 of FAST (File Acquisition Server Technology) project	Phase 1 commenced	Commitment achieved
Migrate to HDTV	HDTV broadcasts via DTT (Digital Terrestrial Television)	HDTV broadcasts in Q2	Commitment achieved

3D Ensure content distribution / delivery across all platforms

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Use end-to-end digital content production network to populate all platforms and devices	Establish new production workflows to enhance Radio services with reduced budget	Q4	Commitment achieved
Ensure delivery on digital terrestrial, cable, satellite as well as (mobile) Internet and across IP networks	Full consumer launch of SAORVIEW (DTT)	Q2	Commitment achieved
Achieve targeted population coverage for DTT	Target DTT population coverage for PSB Mux	97%	Commitment achieved

OTHER REPORTING REQUIREMENTS (CONTINUED)

3. Harness technologies to ensure delivery of and access to our content across the widest range of platforms and devices to meet the needs of the audience (continued)**3E Progress Project 2025**

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Achieve phase 1 targets by 2014	Achieve appropriate zoning for the totality of the lands in RTÉ Donnybrook	Non-RTÉ dependent	Commitment not achieved. Legal proceedings challenging the unsatisfactory zoning decision in the Dublin City development plan initiated in January 2011.

4. Effectively manage RTÉ's finances into the future through optimising funding sources and controlling costs**4A Manage finances prudently**

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Meet budgetary target for 2011	Agreed budget out-turn for the year	Budget	Commitment achieved
Solvency: Target availability of cash / facilities to meet commitments as they fall due	Available cash reserves	Report	Commitment achieved
Cost control and cost curtailment initiatives	Achievement of cost reduction targets within budget 2011 (TV)	Report	Commitment achieved
Review ERP systems and implement new integrated system by 2014	Review feasibility of consolidating relevant business systems	Report	Commitment achieved

4B Optimise funding sources

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Maximise the exploitation of all revenue streams both traditional and new	Achieve revenue targets in Television, Radio, Network and Publishing	Commercial revenue targets	Commitment not achieved. Commercial revenues declined by -€14.3 million (-8%) when compared with Budget 2011 (or -€8.4 million (-5%) when compared with 2010).
Diversify and increase funding sources	Revenue from new sources and initiatives including cross-media sales	Report	Commitment achieved

4C Optimise Market Share

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Endeavour to maintain audience share on television in the face of significant national and international competition	Maintain total RTÉ National individuals peaktime share (of live viewing) at 2010 levels	40%	Commitment achieved
Optimise audience share for key radio services	Maintain RTÉ Radio Commercial peaktime share at 2010 levels	33%	Commitment achieved

4D Deliver a value for money service

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Ensure best value for money achieved in all areas of the business	Reduce costs through supplier re-negotiation, multi-annual contracts and co-production	Report	Commitment achieved
Continue to make best use of Licence Fee income	Licence Fee attribution by service	Report	Commitment achieved

4E Control People Costs

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Set Personnel Related Operating Costs (PROC) at not more than 50% of Total Costs	Achieve PROC target for 2011 Budget	Budget	Commitment largely achieved. PROCs accounted for 51% of RTÉ's Total Operating Costs in 2011 and were therefore slightly higher than targeted.
Management of headcount and new contracts	Centrally monitor and manage issue of new contracts. Agree specification and initiate tender for automated workflow and tracking system critical for better process control by HR Shared Services.	Automated workflow system in place	Commitment achieved

4F Efficient resource management

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Monitor cost per transmitted hour	Publish CPTH in Annual Report	Report	Commitment achieved
Efficient usage of facilities (TV Centre)	Studio utilisation targets TV	TV 75%	Commitment achieved
Efficient usage of facilities (Radio Centre)	Studio utilisation targets Radio	Radio 76%	Commitment achieved
Improve resource management procedures and utilisation of programme personnel	Implement new resource scheduling software solution to ensure staff , agency and talent optimisation	Report	Commitment achieved

5. Ensure that RTÉ has a high quality workforce and is optimally organised to deliver the best value for money service to the Irish public**5A Develop people and skills**

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Conduct cost-neutral internal training in line with business requirements	Review Pilot Mentoring Programme with a view to organisational wide roll-out. Deliver Performance Management workshops for supervisory staff.	Q2-4	Commitment achieved
Provide relevant staff development opportunities	Deliver workshops on Interviewing Skills for line managers	Q2-4	Commitment achieved
	Review structures to ensure fitness for purpose in challenging economic environment	Report	Commitment achieved
Maintain best practice in communications to staff	Regular staff bulletins, supported by meetings with Senior Managers	Report	Commitment achieved

OTHER REPORTING REQUIREMENTS (CONTINUED)

5. Ensure that RTÉ has a high quality workforce and is optimally organised to deliver the best value for money service to the Irish public (continued)**5B Optimise organisational structure**

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Regularly review workforce numbers to achieve further optimisation where possible	Introduce voluntary severance and early retirement facilities in an effort to reduce headcount by year end.	Launch in Q2 with departures in Q4	Commitment achieved
Review organisational structure to fulfil public purpose in best manner	Benchmark RTÉ against European broadcasters	Benchmark comparisons Q4	Commitment achieved
Deliver annual manpower plan in each IBD and monitor adherence to same	Roll-out headcount reports to give greater analysis of variance in budgeted vs. actual headcount	Headcount reports rolled-out Q3	Commitment not achieved. Work on both the Early Retirement / Voluntary Redundancy Exit Facility and RTÉ Organisation Review resulted in a reprioritisation of projects.

5C Optimise work practices

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Review work practices	Continue internal work practice review and identify changes	On-going: Report	Commitment achieved

6. Establish and maintain collaborative partnerships and take a leadership role in the creative and digital economies in Ireland**6A Maintain and grow collaborative relationships**

Performance Commitments	Key Measures	Target / Delivery	2011 Results
Support the development of the independent production sector	Radio: IRP commissioning process to continue	2 rounds	Commitment achieved
	TV: Cross genre open day and individual genre meetings with the Independent Sector	Report	Commitment achieved
Ensure Radio and Television independent commissioning meet statutory spending requirements	Fulfil obligations under <i>Broadcasting Act 2009</i> section 116	Statutory Spend	Commitment achieved
Develop training initiatives with independent producers, the BAI and other organisations	Seek opportunities to partner with the BAI on development of Independent Production sector	Report	Commitment achieved
Nurture productive relations with local authorities and others to enable meaningful engagement at local and international level	Explore opportunities for partnerships and collaborations: engaging with Arts Council, Culture Ireland, Contemporary Music Centre, Music Network and other relevant bodies	Report	Commitment achieved
Explore opportunities to host media industry events	RTÉ to host the fourth electronic media conference	1 event	Commitment not achieved. RTÉ decided not to go ahead with this event due to financial constraints.
Maintain strong membership of EBU and contribute to other European and international projects as appropriate	RTÉ lyric fm to offer 30 concerts of Irish material to the EBU	30 concerts offered, + report	Commitment achieved
	Explore potential partnerships and co-productions with BBC and other broadcasters	Report	Commitment achieved
Continue to forge close relationships with regulatory bodies	Regular meetings and communication with regulatory bodies such as BAI, ComReg and Government.	Report	Commitment achieved
Continue to forge close relationships with trade bodies	Regular attendance at industry meetings such as IBEC, SPI and joint research committees	Report	Commitment achieved

6B Foster creativity, new ideas and cultural expression

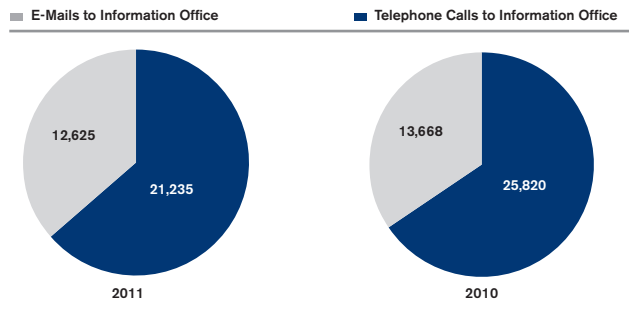
Performance Commitments	Key Measures	Target / Delivery	2011 Results
Support cultural events, including minority interests	RTÉ presence at BT Young Scientists, National Ploughing Championships, All-Ireland Amateur Drama Festival and Tall Ships Race	4 events	Commitment achieved
	Radio coverage of arts festivals	4 festivals	Commitment achieved
	Support an Irish Act at the 2011 Eurosonic Festival	Report	Commitment achieved
Develop new talent (presenters, musicians, artists, programme makers and content creators)	Radio: New female voices on air	Report	Commitment achieved
	TV: New talent on Television	Report	Commitment achieved
Show leadership within the creative industries	TV: Continued participation in animation projects: investment in Frameworks	2 shorts	Commitment achieved
	Radio: Promotion of Irish composers and musicians	5 CDs	Commitment achieved
Commission and premiere new work	Radio: Appoint a new Composer-in-Residence	Report	Commitment achieved
	Radio: Host the 2011 Electroacoustic Composition competition	Q2	Commitment not achieved. The 2011 Diffusion Prize (the Electroacoustic Competition) was not awarded this year as the external body took the decision not to hold the competition in 2011.
	New feature-length TV drama and two returning TV series. Continued development of <i>Fair City</i>	2 series and 1 feature-length	Commitment largely achieved. Two series returned and <i>Fair City</i> was developed as committed. The planned feature-length TV drama was postponed as a result of financial cut-backs.

6C Explore new creative and cultural partnerships

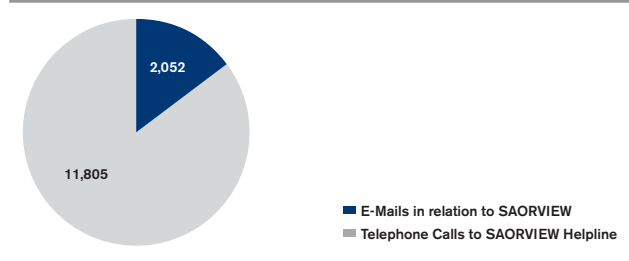
Performance Commitments	Key Measures	Target / Delivery	2011 Results
Explore opportunities for partnerships	Joint project with UCD Archives for transfer of literary and cultural documents from RTÉ Corporate Written Archive and appointment of Project Archivist	Report	Commitment achieved
	Partner with Arts Council and Council of National Cultural Institutions to leverage RTÉ resources for key cultural events	Report	Commitment achieved
Engage other agencies in evolving a policy regarding National Audio-Visual policy and collections	Ongoing consultation with relevant bodies including Irish national cultural institutions, universities and Irish Film Archive	Report	Commitment achieved

OTHER STATISTICAL INFORMATION

RTÉ Information Unit - enquiries handled



SAORVIEW Helpline¹ - enquiries handled



¹In March 2011, in advance of the launch of a major public information campaign, RTÉ introduced a dedicated lo-call helpline and website to deal with queries from members of the public in relation to SAORVIEW, Ireland's first free-to-air digital television service. Queries to the office are set out above. Like the rest of the EU, television broadcasting in Ireland is switching from analogue to digital transmission. The analogue television transmission service in Ireland will be turned off in late October 2012, to be replaced by the SAORVIEW digital transmission service.

Freedom of Information Requests to RTÉ

	2011	2010
Total Requests	87	75
Granted	26	28
Partially Granted	34	27
Refused	23	18
Withdrawn	4	2

Complaints to Broadcasting Authority of Ireland about RTÉ Output

	2011	2010
Number of Complaints Received ¹	147	284
Number of Complaints Upheld ²	7	11

¹On 4 May 2011 the BAI introduced changes to the manner in which the public can make complaints about Irish radio and television programmes. From that date, all complaints about programming and commercial communications should be directed, in the first instance, to the relevant broadcaster and not to the BAI. These changes were introduced in the context of the requirements of Section 47 of the *Broadcasting Act 2009*. The complaint may be referred to the BAI only if the broadcaster has not responded to the original complaint in the timeframe included in the broadcaster's Code of Practice, or if the complainant is not satisfied with the broadcaster's response

²In 2011 the BAI upheld seven complaints about RTÉ output, comprising complaints relating to three television programmes, two radio programmes and two television news broadcasts.

RTÉ AWARDS 2011

Overview

In 2011, RTÉ won 78 international and 74 national awards, marking its second highest result in six years. Such a degree of recognition reinforces the organisation's commitment to innovation and quality production standards despite current financial constraints.

Key successes for RTÉ Radio this year included the prestigious Broadcaster of the Year Award at the 2011 New York Festivals. This was the first time in the Festivals' 54 year history for an Irish radio station to achieve this acclaimed status. It won The Outstanding Interview Program/ Feature Category award at "The Gracies", the radio version of the Oscars, where the station was the only award winner from outside of the US or Canada in this year's competition. Radio also gained major awards at the Association For International Broadcasters Media Awards, the Prix Italia and the Prix Europa. RTÉ Raidió na Gaeltachta won the Station Of The Year accolade at the Celtic Media Festival. On home ground, RTÉ Radio was very successful at the PPI Awards, taking the most gold awards, encompassing documentary, music, features, speech and drama.

RTÉ Television programmes continue to compete very successfully internationally, taking the lion's share of awards with 83 awards (up 28% from last year) along with 109 nominations in a wide range of competitions, chiefly across Europe and the USA. RTÉ Television was also honoured with the Broadcaster Of The Year title for its animation support, at Cartoon Forum, the major European annual event for animation, thereby underlining RTÉ's commitment to this growing and talented sector. Nationally, RTÉ Television won 11 awards at the Irish Film and Television Awards, with many awards going to its commissioned programmes.

RTÉ News and Current Affairs won a Prix Italia award for a *Prime Time Investigates* programme. It also gained a nomination in the news documentary category of the Monte Carlo Television Festival Awards. Radio News won the News Broadcaster Of The Year Gold Award, News Reporter Of The Year Gold Award and Best News Programme Bronze Award at the PPI Awards. RTÉ News was also a winner at the Justice Media Awards and won the Transport Journalist Of The Year award. *Prime Time* won an award at the UCD Michael Smurfit Graduate School Journalism Awards. Reflecting RTÉ's up-to-the-minute developments in digital news media, RTÉ News and Current Affairs was successful at the Social Media Awards, the Digital Media Awards and the ICT Excellence Awards.

Competition	Entry	Category
Association For International Broadcasting	Don't Go Far	Best Creative Feature
Berlinale Film Festival	Domhnall Gleeson (When Harvey Met Bob)	Shooting Star
Big Sky Documentary Film Festival, USA	A Film From My Parish	Artistic Vision Award
Bloom	RTÉ lyric fm	Silver Medal
Boston Irish Film Festival	Parked	Best Feature
Boston Irish Film Festival	Deep End Dance	Best Short
Brussels Film Festival	Parked	Audience Award
Business To Arts	RTÉSO Opera project	Best Use Of Creativity
Capital Irish Film Festival	Deep End Dance	Best Short Film
Capital Irish Film Festival	My Brothers	Critics' Choice Award
Cartoon Tributes 2011	RTÉ	Broadcaster Of The Year
Celtic Media Awards	RTÉ Raidió na Gaeltachta	Radio Station Of The Year
Celtic Media Awards	Teens In The Wild	Education
Celtic Media Awards	Rónán Mac Aodha Bhúí	Radio Presenter/Personality
Celtic Media Awards	Deep End Dance	Short Drama
Celtic Media Awards	Vincent O'Brien: The Master	Sports
Chicago Irish Film Festival	A Film From My Parish	Best Film: Second Place
Clarion Award, USA	Ten Minutes From Kenema	Best Radio Documentary
Clermont-Ferrand International Short Film Festival	A Film From My Parish	Mention Speciale Du Jury Presse Labo
Close Up Film Festival, France	Parked	Best Irish Feature
Community Games Media Awards	News Report: Ciarán Mulloly	Media Award
Community Games Media Awards	news2day	Media Award
Cork Film Festival	A Film From My Parish	Best International Short: Honourable Mention
Cork Film Festival	A Film From My Parish	Best Irish Short: Honourable Mention
Dallas International Film Festival	Parked	Feature: Honourable Mention
Digital Media Awards	RTÉ News Now App	Best New Application: Bronze Award
Digital Media Awards	RTÉ Sports GAA App	On-Line Entertainment: Bronze Award
Dublin Fringe Film Festival	A Film From My Parish	Best Editing
Eckerd College Environmental Film Festival, USA	A Film From My Parish	Special Jury Mention

RTÉ AWARDS 2011 (CONTINUED)

Competition	Entry	Category
Edmonton Film Festival	Crossword	Jury Prize For Best International Short
Edmonton Film Festival	Crossword	People's Choice For Best Short
Ekofilm Festival	Broken Tail	Winner Best Screenplay
Envirofilm	Broken Tail	Award From Slovak Television
European Film Promotion Shooting Star Awards	Domhnall Gleeson (When Harvey Met Bob)	Screen International Star Of Tomorrow
European Meteorological Society	Jean Byrne	Weather Forecaster Award
Fastnet Short Film Festival	Deep End Dance	Best Dance Film
Foyle Film Festival	The Crush	Best Irish Short Film
Galway Film Fleadh	The Boy In The Bubble	Best Animation
Galway Film Fleadh	Parked	Best First Feature
Galway Film Fleadh	Parked	Best Short Film
Horse Racing Ireland Awards	Colm Murray	Contribution To The Industry Award
IADWRT Documentary Awards	I Can Tell By Looking At You	Documentary
IADWRT Documentary Awards	An Extraordinary Affair	Documentary: Honourable Mention
IADWRT Documentary Awards	Do Tell: Queer Women Vets Sound Off	Documentary: Honourable Mention
IADWRT Documentary Awards	Our Rights, Our Responsibilities	Documentary: Honourable Mention
ICT Excellence Awards	RTÉ News Now App	Mobile Technology Project Of The Year
IDILL Online International Festival, Belgium	Deep End Dance	Special Jury Prize
IFFS Don Quixote Awards	The Boy In The Bubble	Honourable Mention
IFTA Awards	When Harvey Met Bob: Domhnall Gleeson	Actor In A Lead Role
IFTA Awards	Swansong: Story Of Occi Byrne: Martin McCann	Actor In A Lead Role, Film
IFTA Awards	Single Handed: Stephen Rea	Actor In A Supporting Role
IFTA Awards	Single Handed: Ruth McCabe	Actress In A Supporting Role
IFTA Awards	The Republic Of Telly: Rubber Bandits	Best TV Moment
IFTA Awards	Voices From The Grave	Documentary
IFTA Awards	Freefall : The Night The Banks Failed	Documentary Series
IFTA Awards	My Brothers: Emer Reynolds	Editing
IFTA Awards	Your Bad Self	Entertainment Programme
IFTA Awards	Operation Transformation	Factual Programme
IFTA Awards	Domhnall Gleeson (When Harvey Met Bob)	Rising Star
IFTA Awards	When Harvey Met Bob	Single Drama/Drama Serial
IFTA Awards	Love/Hate: Stuart Carolan	Writer
Institute Of Designers In Ireland	Prime Time Investigates	Highly Commended
Institute Of Designers In Ireland	Autumn Launch 2011	Highly Commended
Institute Of Designers In Ireland	Premier Saturday	Highly Commended
Institute Of Designers In Ireland	TRTÉ branding	IDI Eye
Institute Of Designers In Ireland	Winning Streak	Set Design
Institute Of Transport	Transport Reports: Samantha Libreri	Journalist Of The Year
International Festival Of Ethnographic Film	A Film From My Parish	Cinematography: Special Jury Mention
Jackson Hole Festival	Broken Tail's Last Journey	Best Hosted/Presenter Led Program
Jackson Hole Festival	Broken Tail's Last Journey	Best Conservation Program
Jackson Hole Festival	Broken Tail's Last Journey	Best Of Festival
Jameson International Film Festival	Snap	Best Irish Director
Jameson International Film Festival	Snap	Best Irish Film
Justice Media Awards	News: NAMA report	Court Reporting: Broadcast Radio
Justice Media Awards	Drivetime: Repossession	High Court Reporting
Justice Media Awards	The Walsh-Cassidys at Lissadell House	National Radio
Justice Media Awards	Scannal: Eileen Flynn	TV Features And Documentaries
Kerry Film Festival	A Film From My Parish	Best Documentary Short
KidsScreen Awards, NY	Aisling's Summer Diary	Best One-Off/TV Movie

Competition	Entry	Category
Mannheim-Heidelberg International Film Festival	Parked	Best Film
Marketing Institute AIM Awards	RTÉ 2fm/SVP Toys For Tubs Campaign	Integrated Marketing
Medical Media Awards	In The Same Boat	Broadcast Media Radio
Medical Media Awards	Children In Charge: Ireland's Young Carers	Broadcast Media TV - Documentary
NaturVision Festival	Broken Tail	Expedition Adventure Category - second place
NCNA Awards	RTÉ Crèche	Centre Of Excellence
New York Festivals Radio	Jimi Hendrix: Look Over Yonder	Bronze: Best Music Special
New York Festivals Radio	The Hit List	Bronze: Best Sound
New York Festivals Radio	The Caretaker	Bronze: Culture & The Arts
New York Festivals Radio	Dogfight: Conor And Charlie	Finalist Award: Social Issues/Current Events
New York Festivals Radio	Heroes Of The Caribbean	Finalist Award: Sports Commentary/Analysis
New York Festivals Radio	Ian Really Likes Mary	Gold: Best Director
New York Festivals Radio	In Praise Of Darkness	Gold: Best Editing
New York Festivals Radio	Los Preciosos	Gold: Best Narration
New York Festivals Radio	Grenades	Gold: Best Regularly Scheduled Drama Program
New York Festivals Radio	Medea	Gold: Drama Special
New York Festivals Radio	Searching For Answers	Gold: Editorial/Viewpoint Programming
New York Festivals Radio	In The Same Boat	Gold: Health/Medical
New York Festivals Radio	Don't Go Far	Gold: Profiles/Community Portraits
New York Festivals Radio	Don't Go Far	Grand Award
New York Festivals Radio	The Burial At Thebes	Silver: Best Writing
New York Festivals Radio	The Sea In Song	Silver: History
New York Festivals Radio	RTÉ Radio	Broadcaster Of The Year
New York Festivals Television	Raw	Mini-Series Finalist Certificate Winner
NUI Galway	Seán O'Rourke	Honorary Doctorate
Oireachtas Media Awards	Rónan MacAodha Bhuí	Radio Personality Of The Year
Oireachtas Media Awards	Rónan Beo @3	Radio Programme Of The Year
OPSO Awards, Australia	The Nazarone	People's Choice Award
PPI Radio Awards	This Week: Pre-Election Interviews	Bronze: News Programme
PPI Radio Awards	Cathal MacCoille	Gold: News Broadcaster Of The Year
PPI Radio Awards	Cian McCormack	Gold: News Reporter Of The Year
PPI Radio Awards	Saturday View : Brian Cowan Resigns	Bronze: Current Affairs
PPI Radio Awards	The Rick O'Shea Show	Bronze: Music Programme - General
PPI Radio Awards	Katrina McFadden	Bronze: News Reporter Of The Year
PPI Radio Awards	Don't Go Far	Gold: Documentary
PPI Radio Awards	Grenades	Gold: Drama
PPI Radio Awards	Philip King	Gold: Specialist Music Broadcaster
PPI Radio Awards	1911 Census	Gold: Specialist Speech Programme
PPI Radio Awards	Miriam Meets...	Gold: Speech Driven Programme
PPI Radio Awards	Arena - Richie Beirne	Silver: Best Short Feature
PPI Radio Awards	Election 2011 on Drivetime	Silver: Current Affairs
PPI Radio Awards	An Extraordinary Affair	Silver: Documentary
PPI Radio Awards	Nova: Roger Doyle - Chalant	Silver: New Irish Music
PPI Radio Awards	Arts Tonight: Sam Stephenson	Silver: Specialist Speech Programme
PPI Radio Awards	Saturday Sport: RTÉ Radio 1	Silver: Sports Programme
Prix Europa	Don't Go Far	Radio: Special Recommendation
Prix Italia	Prime Time Investigates: Cigarette Smuggling	Documentary
Prix Marulic Awards	Ian Really Likes Mary	Drama
Prix Marulic Awards	The Annotated Jack	Second Prize
RAI International Festival Of Ethnographic Film	A Film From My Parish	Material Culture And Archaeology Film

RTÉ AWARDS 2011 (CONTINUED)

Competition	Entry	Category
Red Rock Film Festival, USA	A Film From My Parish	Best Animation Short, Grand Jury Prize
Red Rock Film Festival, USA	A Film From My Parish	Best Documentary Short, Grand Jury Prize
Sapporo International Film Festival, Japan	Cold Turkey	Audience Award
Seoul International Drama Awards	When Harvey Met Bob	Single Drama/Drama Serial
Short Shorts & Asia 2011	Crossword	Audience Award
Social Media Awards	Morning Ireland	Social Media Effectiveness
Spectrum International	Super Crew	Outstanding Achievement
Tabor Film Festival, Tabor	A Film From My Parish	Best Documentary
The Amsterdam Film Festival	Cold Turkey	Excellence In Cinematography
The Gracie Awards	In The Same Boat	Outstanding Interview Program
The Lifetree Film Festival, USA	Crossword	Best Short
The Media Awards	"Field Of Dreams" Campaign	Best Collaboration
The Media Awards	RTÉ with Marks and Spencers	Best Sales Initiative
The Media Awards	"Field Of Dreams" Campaign	Best Use Of Media
The Media Awards	"Summer Of Discovery"	Best Use Of Media
The Media Awards	Innocent Smoothies	Best Use Of Media
UCD Business Journalism Awards	Ian Kehoe, Tanya Sillen	Business Broadcast
University Of Ulster	Miriam O'Callaghan	Honorary Doctorate
Waterford Film Festival	Crossword	Best Short Film
ZeBBies	Tom Murphy: A Whistle In The Dark	Best Radio Script
ZeBBies	The Crush	Best Short Film Script
ZeBBies	Love/Hate: Stuart Carolan	Best TV Script

RTÉ Acquired: RTÉ continues to licence international series of the highest quality. Amongst major awards won in 2011 were the following:

Primetime Emmy Awards	The Good Wife	Lead Actress In A Drama Series
Primetime Emmy Awards	The Big Bang Theory	Lead Actor In A Drama Series
Primetime Emmy Awards	Mad Men	Best Drama Series
Primetime Emmy Awards	The Kennedys	Outstanding Lead Actor In A Mini Series/Movie
Golden Globe Awards	Sons Of Anarchy	Best Performance By An Actress, TV Series
Golden Globe Awards	The Big Bang Theory	Best Performance By An Actor, TV Series
Golden Globe Awards	The Big Bang Theory	Best Performance By An Actress, TV Series

FINANCIAL HISTORY

	IFRS 2011 €'000	IFRS 2010 €'000	IFRS 2009 €'000	IFRS 2008 €'000	IFRS 2007 €'000
INCOME STATEMENT					
Television Licence Fees	183,623	195,968	200,217	200,852	195,699
Commercial income	167,257	175,699	174,704	239,908	245,453
Total revenue	350,880	371,667	374,921	440,760	441,152
Operating costs	(369,521)	(376,597)	(389,393)	(460,510)	(430,189)
(Deficit) / Surplus before financing and tax	(18,641)	(4,930)	(14,472)	(19,750)	10,963
Finance income	3,356	1,737	1,826	5,363	3,970
Finance expense	(1,134)	(735)	(661)	(764)	(1,534)
Net defined benefit pension related finance income	220	116	(2,814)	5,725	16,184
Tax	(561)	(850)	(339)	9,459	(3,154)
(Deficit) / Surplus before Exceptional Item	(16,760)	(4,662)	(16,460)	33	26,429
Exceptional Item (restructuring charge)	-	-	(11,341)	-	-
(Deficit) / Surplus for the year	(16,760)	(4,662)	(27,801)	33	26,429
BALANCE SHEET					
Non-current and current assets					
Property, plant and equipment	100,248	92,115	98,286	108,931	79,096
Intangible assets	3,681	3,329	4,711	4,973	4,515
Pension assets	664	3,861	9,208	-	17,535
Inventories	37,044	35,663	37,156	41,314	44,387
Other assets	118,077	118,527	112,625	134,418	175,922
Total assets	259,714	253,495	261,986	289,636	321,455
Non-current and current liabilities					
Employee benefits - restructuring costs	12,505	19,708	24,150	16,343	17,439
Pension liability	47,797	-	-	86,617	-
Deferred tax liability	-	-	969	-	10,365
Other liabilities	128,240	96,488	91,432	112,413	112,922
Total liabilities	188,542	116,196	116,551	215,373	140,726
Equity	71,172	137,299	145,435	74,263	180,729
Total equity and liabilities	259,714	253,495	261,986	289,636	321,455
CASH FLOW					
Net cash (used in) / generated from operating activities	(17,665)	14,481	9,323	18,437	31,224
Net cash flow from acquisition of property, plant, equipment and intangible assets	(23,128)	(11,732)	(20,506)	(45,907)	(22,689)
EMPLOYEE HEADCOUNT					
RTÉ	2,093	2,151	2,214	2,351	2,307
Total at 31 December	2,093	2,151	2,214	2,351	2,307