

IRISH CHANNEL TV3 WINS COMPETITION AUTHORITY COMPLAINT AGAINST PUBLIC BROADCASTER RTÉ

Brussels, 13 October 2011 – Ireland yesterday took an important step towards establishing a competitive broadcasting market. The Irish free-to-air channel TV3 received confirmation from the Competition Authority that it had completed its investigation of public broadcaster RTÉ’s commercial practices. RTÉ has entered into a settlement with the Authority and been forced to abolish its “share deal” scheme. TV3 had alleged that RTÉ was abusing its dominance in TV advertising founded on a system of “dual financing” by demanding advertisers spend a percentage share of their total TV advertising with RTÉ.

Ross Biggam, ACT Director General, said: “It is impossible to overstate the significance of this decision. Ireland has long been characterised by an extraordinary degree of dominance enjoyed by the dual-financed public broadcaster RTÉ, whose advertising sales practices have now been found to be an abuse of their dominant position”.

The Competition Authority will publish RTÉ’s undertakings with the Authority’s Enforcement Decision “in due course”.

TV3 estimates that the operation of unfair share deals may not only have cost TV3 Group directly in excess of €30 million over the past five years, but severely and adversely impacted on its employees and its stakeholders. Independent analysis commissioned by TV3 shows the Irish advertising market fell by close to 50% peak to trough, a far greater collapse than for the overall economy.

The analysis also shows that a recovery in the market has been stymied by RTÉ’s business practices. RTÉ, in addition to receiving €200 million annual funding from the taxpayer also has the highest share of TV advertising in their market of any State broadcaster in the EU.

Commenting on the Competition Authority’s investigation, David McRedmond CEO of TV3 Group said: “The state aid of RTÉ has led to a shocking abuse of dominance as the broadcaster has been totally unregulated. Government and the regulators must now step in to rescue the advertising market. RTÉ’s dual-funding model has failed, and now that this market abuse has been uncovered regulators must ensure transparency and fairness in RTÉ’s commercial operations. We want immediate action.”

Pat Kiely, Commercial Director of TV3 Group said: “In our dealings with advertisers and their agencies, the RTE Share Deals have been a grossly unfair impediment. At a time when TV3’s audience has been growing significantly (set against RTÉ’s decline) advertisers have been massively restricted in allocating their ad spend in line with this trend and punished when they attempted to do so. Nor should RTÉ be allowed to sell below cost to the detriment of the whole industry”.

About the ACT:

The Association of Commercial Television in Europe (ACT) represents the interests of the commercial broadcasting sector in Europe. Formed in 1989, the ACT has thirty-two member companies licensed in 34 different European countries and distributed across 45 European markets and beyond. Our members operate several hundred free-to-air and pay-tv channels and distribute many more channels and new services. The ACT members encompass several business models: free-to-air broadcasters and pay-TV players, digital platform operators and multimedia groups. www.acte.be

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