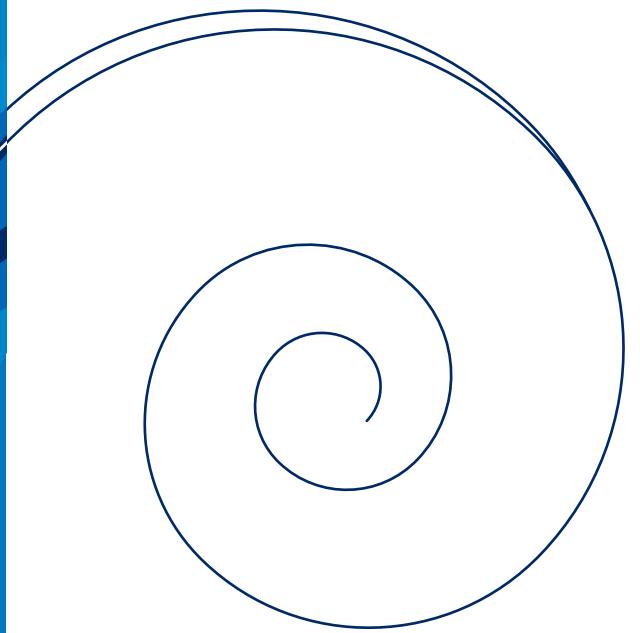


# Annual Report 2006





The Public Service  
Broadcaster RTV Slovenia  
**Annual Report 2006**

## **Accessibility to the programme output of RTV Slovenia**

The programme output of RTV Slovenia is available via the following paths:

- via terrestrial wireless waves in Slovenia;
- in cable networks in Slovenia and those foreign countries that signed contracts on reemission (in Austria, Bosnia and Herzegovina, France, Macedonia, Serbia, Montenegro, Croatia, Poland, Slovakia, Sweden, the Czech Republic, Hungary);
- via the satellite Hot Bird 8 - Vroča ptica 8, 13 degrees east, 12.30288 ghZ, y-polarisation 27.500 – ¾, Wide Beam;
- on the web site [www.rtvslo.si](http://www.rtvslo.si);

Broadcasts for foreign countries are regularly also aired in cable systems in Germany, USA, Canada, Argentina, Australia, on the satellite channel 3-sat, the satellite channel Europe by Satellite and the satellite channel Scuola.

Published by: RTV Slovenia

Edited by: Public Relations Service of RTV Slovenia

Design: Barbara Ciuha - Pika

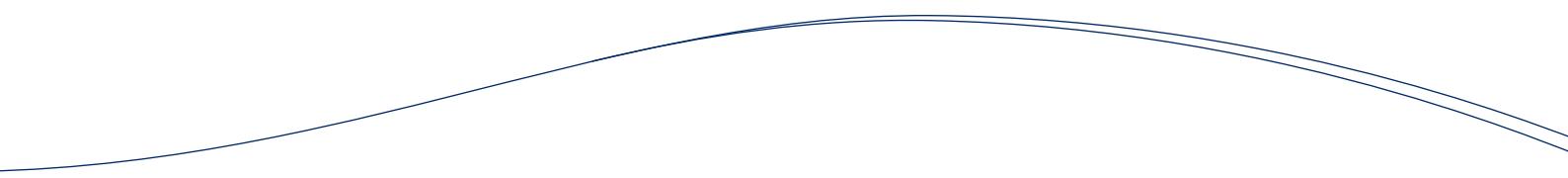
Implementation design: Studio DTS

Translation: Nataša Lindič

Photos: Stane Sršen, Darko Koren, Žiga Culiberg, Mediaspeed.net,

Fulvio Grissoni, foto archives of RTV Slovenia

Print: DZS, d. d.



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## Presentation of RTV Slovenia

RTV Slovenia is a public institute of special cultural and national importance rendering public service in the field of radio and television activities for the purpose of ensuring democratic, social and cultural needs of the citizens of the Republic of Slovenia and the Slovenes in the world, the members of Slovene national minorities in Italy, Austria and Hungary, the Italian and Hungarian national communities in the Republic of Slovenia as well as offering other activities in compliance with the Law on RTV Slovenia.

As stipulated by the Law on RTV Slovenia, the public service broadcaster must prepare two national television programmes, three national radio programmes, radio and television programmes of the regional RTV centres in Koper and Maribor, one radio and one television programme for the autochthonous Italian and Hungarian national communities respectively, radio and television broadcasts for the Roman ethnic community, radio and television programmes for Slovene national minorities in the neighbouring countries and for the Slovene emigrants and migrant workers, radio and television programmes for foreign public and the teletext, Internet and mobile portal. Moreover, RTV Slovenia must also prepare a special national television programme intended for live broadcasts and broadcasting of recordings of sessions from the National Assembly of the Republic of Slovenia and its working bodies.

Within the scope of RTV Slovenia the activities are also performed by the Symphony Orchestra, Big Band, the Chamber Choir and the Children's and Youth Singing Choir, the group of music producers and Nototeka that dedicate a majority of their work to the creation and performance of musical works and to making the archives of the musical treasury of RTV Slovenia richer with their recordings. We should not go past by mentioning their versatile concert activities both at home and abroad as well as the promotion of RTV Slovenia and of Slovenia as a country.

The Record Label is also active within RTV Slovenia. It releases CDs, audio cassettes, video cassettes and DVDs.

The future activities of RTV Slovenia are reflected in the development of Multimedia Centre responsible for teletext, the Internet pages of the multimedia portal ([www.rtvslo.si](http://www.rtvslo.si)) and the WAP portal ([wap.rtvslo.si](http://wap.rtvslo.si)). The Multimedia Centre is also responsible for creating three info channels (children's, entertaining and informative) and for the subtitling of broadcasts for the deaf and the mute.

In compliance with the Law on Public Service Broadcaster, RTV Slovenia must respect the principles of truthful, unbiased and integral information, human personality and dignity, political equilibrium and weltanschauung pluralism. It must respect the principle of constitutionalism and legality in creating the programmes; it should not encourage cultural, religious, sexual, racist, national or any other intolerance. The public service broadcaster must ensure integral and unbiased information and the freedom of creating opinions, it must respect the principle of political independence and journalists' autonomy, enforce professional ethics of reporters, strictly distinguish between information and comments in the journalists' contributions and protect children and the young against the contents that could harmfully influence their mental and corporal development.

In its programmes RTV Slovenia must ensure truthful and unbiased informative broadcasts, educational broadcasts of quality, feature programme production, it must create documentary broadcasts of national importance and ensure top quality in-house production intended for children, adolescents and old people. Furthermore, the employees of RTV Slovenia must prepare entertaining contents of high quality for all age groups as well as providing information on all important cultural, political, historical, sports, social and economic events.

RTV Slovenia supports the creation and development of transfrontier radio and television projects, performs programme contents intended for the blind and the poor of sight, the deaf and the deaf-and-dumb in the techniques adapted for them, a special attention is paid to the invalids and the contents related to them, it represents and promotes Slovene culture and science, stimulates cultural creativity and the freedom of artistic creation and ensures the creation, performance and broadcasting of artistic works.

RTV Slovenia pays special attention to the position and activities of registered religious communities and to the development of general linguistic and political culture. Apart from that RTV Slovenia extends the understanding of Slovene culture, history and identity, represents and initiates sport and provides information on the questions concerning health, environment and consumers' protection.

A national programme must cover a territory inhabited by at least 90 percent of the population of the Republic of Slovenia, or 90 percent of the territory inhabited by the members of

## Management Bodies

the Italian and Hungarian national communities, when a community programme is in question.

The programmes of RTV Slovenia should avoid religious propaganda or political propaganda, except during election campaigns, which is also very strictly stipulated by legal provisions.

The public RTV services are financed from several sources: RTV licence fee, commercial revenues, finances of the state budgets and from sponsorship and from other sources in compliance with the law and the articles of association. RTV licence fee payers are all those having a radio or television receiver on the territory of the Republic of Slovenia where technical conditions for the reception of at least one programme of RTV Slovenia are assured. It is considered that each electricity payer owns a receiver and is thus subject to the payment of RTV licence fee, unless a person gives a declaration, as stipulated by the law. There are more than 600,000 active RTV licence fee payers.

RTV Slovenia is founded by the Republic of Slovenia.

The management of RTV Slovenia is public. The programme council has 29 members, of which one member is appointed by the Hungarian and the Italian national community respectively, one member is appointed by the Slovene Academy of Arts and Sciences, two members are appointed by the President of the Republic of Slovenia on the motion of registered religious communities, three members are elected among the employees of RTV Slovenia at direct election in a way that informative department, culture-arts department and technical department are represented, five members are appointed by the National Assembly of the Republic of Slovenia upon a motion of political parties, whereby the representation of parties in the national assembly should be taken into account, and sixteen members are appointed by the National Assembly of the Republic of Slovenia upon a proposal of viewers and listeners, universities and faculties and associations, unions of associations or their organisations, especially from the fields of art, culture, science and journalism as well as other organisations of civil society, except political parties and their organisational forms.

The supervisory board of RTV Slovenia has eleven members, five of them are appointed by the National Assembly of the Republic of Slovenia, four of them by the Government of the Republic of Slovenia, and two of them by the employees of RTV Slovenia.

### Programme Council

Competences:

- adopts programme standards and programme concepts in compliance with this law and the law regulating the field of media and in compliance with the international acts;
- adopts the programme-production plan harmonised with the financial scope of RTV Slovenia;
- adopts programme plans;
- regularly discusses the implementation of the adopted programme concept and production plan and provides director general with instructions relating to the abolishment of deficiencies in these areas;
- discusses the actualisation of the adopted programme concept;
- treats complaints and suggestions of viewers and listeners of RTV Slovenia programmes and takes a standpoint towards them. When justified, it provides director general with instructions concerning programme policy and changes that need to be introduced in programmes;
- gives its consent to the Articles of Association of the Public Service Broadcaster RTV Slovenia;
- provides its opinion as to the proposal of the financial plan;
- appoints and dismisses director general of RTV Slovenia and gives preliminary consent to the appointment and dismissal of director of radio and director of television;
- decides on other issues of programme nature, when so stipulated by the Articles of Association;
- decides on other issues, when so stipulated by the law or the Articles of Association.

Setup of the Programme Council in the mandate period 2006 – 2010, constituted on January 24, 2006

- Stane GRANDA, Ph.D.  
(President of the Programme Council)
- Jože HRIBERNIK  
(Deputy President)
- Elizabeta BERNJAK, Ph.D.  
(appointed by the Hungarian national community)
- Maurizio TREMUL  
(appointed by the Italian national community)
- Ivan BRATKO, Ph.D.  
(appointed by SAZU until December 2006)
- Janez GRIL, Ph.D.  
(appointed by the President of the Republic of Slovenia)
- Saša PAUKOVIĆ.

Employees of RTV Slovenia:

- Tatjana PIRC (current affairs) – until December 2006
- Nataša BOLČINA ŽGAVEC (culture - arts department)
- Tom ZALAZNIK (technical field).

Members appointed by the National Assembly of the Republic of Slovenia (on the motion of political parties)

- Jana BEZENŠEK, Ph.D.
- Jože HRIBERNIK
- Tino MAMIĆ
- Vladimir MIHELJAK, Ph.D. – until December 2006
- Jernej PIKALO, Ph.D.

Members appointed by the National Assembly of the Republic of Slovenia (on the motion of viewers and listeners)

- Alenka Marija BOLE VRABEC
- Boris CIPOT
- Jože FAGANEL
- Boris GRABRIJAN
- Stane GRANDA, Ph.D.
- Spomenka HRIBAR, Ph.D. – until December 2006
- Ivo JAKOP
- Tanja KUŠTRIN
- Tanja LESNIČAR PUČKO – until December 2006
- Bine MATOH
- Gregor PIVEC
- Hubert POŽARNIK, Ph.D.
- Jože SNOJ
- Ivan Janez ŠTUHEC, Ph.D.
- Anton Mito TREFALT
- Helena ZUPANIČ KASTELIC.

## Supervisory Council

Competences:

- adopts the Articles of Association on the basis of a previous consent of the Programme Council;
- adopts the financial plan and the annual report of the public service broadcaster and decides on the use of a possible surplus of revenues over expenses;
- determines the price of services that are not part of the public service;
- determines the way of how receivers should be reported and how they should be temporarily or permanently signed off;
- determines a detailed schedule of payment of licence

fees for receivers and the criteria for write-off, partial write-off, postponement and instalment payment in compliance with this law;

- decides on tariffs and other terms for the broadcasting of programmes of other emitters;
- supervises the business operation of RTV Slovenia;
- supervises the keeping of business books and the legality of business operations as well as checking periodical accounts;
- has a right to have an insight into the documentation of the public service broadcaster, including the documentation referring to the operation of transmitters and communications;
- decides on other questions stipulated by the law or the Articles of Association.

Setup of the Supervisory Council of RTV Slovenia in the mandate period 2006–2010, constituted on January 26, 2006:

- Janez JEROVŠEK, Ph.D.  
(President of the Supervisory Council until September 2006),
- Franc OREŠNIK  
(President of the Supervisory Council since October 2006),
- Tomaž GLAŽAR  
(Deputy President).

Members appointed by the National Assembly of the Republic of Slovenia

- Nikola DAMJANIĆ
- Tomaž GLAŽAR
- Klemen JAKLIČ, M.A.
- Franc OREŠNIK
- Igor ŠETINC, M.A.

Members appointed by the Government of the Republic of Slovenia

- Janez ČADEŽ
- Janez Jerovšek, Ph.D. – until September 2006,
- Silvo ŠKORNIK, M.A. – since September 2006,
- Matjaž DURJAVA, Ph.D.
- Sonja HEINE.

Employees with RTV Slovenia:

- Martin ŽVELC
- Rajko GERIČ – until June 2006.

## Structure

### **Business and Programme Management of RTV Slovenia**

Director general is elected and appointed by the Programme Council of RTV Slovenia on the basis of a public tender.

Director of Radio and Director of Television are appointed by Director General on the basis of a public tender after having obtained a previous consent of the Programme Council.

Assistant to Director General of the Radio and Television for the autochthonous Italian national community and Assistant to Director General of the Radio and Television for the autochthonous Hungarian national community are appointed by Director General in accord with the programme board for the Italian or the programme board for the Hungarian national programme. Their mandate is linked to the mandate of Director General.

Editors-in-chief are appointed and dismissed by Director General upon a proposal of Director of Radio or Television, who make public tenders for these positions. A public tender for the programmes of multimedia or teletext, of the Internet and mobile portal is also carried out by the Directors of Radio and Television.

Director General independently appoints managers who assure smooth operation of the business system.

The mandate of all is four years.

UNITS OF RTV SLOVENIA according to the new Articles of Association of RTV Slovenia (valid since October 16, 2006):

- Programme-Production Unit TELEVISION SLOVENIA,
- Organisation Unit TV PRODUCTION,
- Programme-Production Unit RADIO SLOVENIA,
- Organisation Unit RADIO PRODUCTION,
- Organisation Unit MUSIC PROGRAMMES AND MUSIC PRODUCTION,
- Programme-Production Unit MULTIMEDIA CENTRE,
- Programme-Production Unit REGIONAL RTV CENTRE KOPER-CAPODISTRIA (Centro Regionale RTV Koper-Capodistria),
- Programme-Production Unit REGIONAL RTV CENTRE MARIBOR,
- Organisation Unit TRANSMITTERS AND COMMUNICATIONS.

The structure is subject to the requirements and needs of the public service broadcaster in the field of radio and television activities and multimedia performed by RTV Slovenia.

Apart from the public service RTV Slovenia performs the following marketing activities:

- marketing of advertising time and marketing of programmes;
- technical and telecommunications services that are not part of the public service;
- rental of transmission infrastructure and other real estates;
- publishing and concert activities;
- market programme services including interactive programme services;
- commercial use of archival materials;
- education and professional training, with the exception of those activities intended to provide functional skills to the employees.

### **PPU TELEVISION SLOVENIA**

The Programme-Production Unit Television Slovenia creates, prepares, broadcasts and archives national television programmes. Activities related to specialised programmes and production of Television Slovenia are

managed and coordinated by Director of Television. Specialised programme work relating to the programmes dedicated to the national communities is managed by General Director assistants for both programmes.

The Programme-Production Unit Television Slovenia consists of five editorial-production units (EPU) headed up by editors-in-chief, and of one organisation unit (OU):

- EPU Culture and Arts Programme
- EPU Current Affairs Programme
- EPU Entertainment Programme
- EPU Sports Programme
- EPU dedicated to a special national programme intended for parliamentary contents from the National Assembly of the Republic of Slovenia and its working bodies.

### **OU Television Production**

Television Production is a special organisation unit providing technical services, production, postproduction and broadcasting of television programmes in compliance with the needs of the Programme-Production Unit Television Slovenia.

### **PPU RADIO SLOVENIA**

The Programme-Production Unit Radio Slovenia creates, prepares, broadcasts and archives national radio programmes. Activities related to specialised programmes and production of Radio Slovenia are managed and coordinated by Director of Radio. Specialised programme work relating to the programmes dedicated to the national communities is managed by General Director assistants for both programmes.

The programme-production unit of Radio Slovenia consists of four editorial-production units (EPU) headed up by editors-in-chief, and of two organisation units:

- EPU First Programme,
- EPU Second Programme,
- EPU Third Programme,
- EPU of Current-Affairs and Experimental-Development Programmes.

### **OU Radio Production**

Radio Production is a special organisation unit providing technical services, production, postproduction and broadcasting of radio programmes in compliance with the needs of Programme-Production Unit Radio Slovenia.

### **OU Music Programmes and Music Production**

This unit includes the Symphony Orchestra of RTV Slovenia and Big Band of RTV Slovenia, as a joint music division, The Chamber Choir of RTV Slovenia, the Youth and Children's Singing Choir of RTV Slovenia. Programme contents of the Organisation Unit Music Programmes and Music Production are intended for both radio and television programmes.

The Organisation Unit Music Programmes and Music Production is managed by the Head of the organisation unit appointed and dismissed by Director General upon a proposal of Director of Radio.

### **PPU Regional RTV CENTRE KOPER-CAPODISTRIA - Centro Regionale RTV KOPER-CAPODISTRIA**

The Regional RTV Centre Koper-Capodistria creates, prepares, broadcasts and archives television and radio programmes in the Slovene language, the television and radio programme for the Italian national community and for the minority in Italy as well as preparing broadcasts for national radio programmes.

Organisational, business and other general affairs are managed and coordinated by the head of the Regional RTV centre.

The Programme-Production Unit Regional RTV Centre Koper-Capodistria consists of four editorial-production units (EPU) headed up by editors-in-chief:

- EPU Regional Television Programme,
- EPU Regional Radio Programme,
- EPU Television Programme for the Italian National Community,
- EPU Radio Programme for the Italian National Community.

The work of the programmes for the national community is managed and coordinated by two editors-in-chief of the programmes for the Italian national community, who act in compliance with the instructions of General Director Assistant for Radio and Television for the autochthonous Italian national community.

#### **PPU RTV CENTRE MARIBOR with a studio for the Hungarian programme in LENDAVA – Magyar Műsorok Stúdiója, Lendva**

The Regional RTV Centre Maribor creates, prepares, broadcasts and archives television and radio programmes in the Slovene language, a television and radio programme for the Hungarian national community and for the minority in Austria and Hungary as well as preparing broadcasts for national radio programmes and a radio programme for foreign audiences.

Organisational, business and other general affairs are led and coordinated by the head of the Regional RTV Centre.

The Programme-Production Unit Regional RTV Centre Maribor consists of four editorial-production units (EPU) headed up by editors-in-chief:

- EPU Regional Television Programme,
- EPU Regional Radio Programme,
- EPU Radio Programme for Foreign Audiences,
- EPU Television Programme for the Hungarian national community,
- EPU Radio programme for the Hungarian national community.

The work of the programmes for the national community is managed and coordinated by two editors-in-chief of the programmes for the Hungarian national community, who are accountable to Director General Assistant for the Radio and Television for the autochthonous Hungarian national community.

The main offices of the radio and television studio and of the Director General Assistant for the radio and television for the autochthonous Hungarian national community are in Lendava.

#### **PPU MULTIMEDIA CENTRE**

The Programme-Production Unit Multimedia Centre creates and broadcasts multimedia textual, image, audio and video contents for new media, subtitles the broadcasts for the people with impaired hearing. The Record Label of RTV Slovenia also functions within the Multimedia Centre.

The Programme-Production Unit MMC is managed and coordinated by the head of MMC.

All programme activities of the Editorial-Production Unit MMC are managed and coordinated by the editor-in-chief.

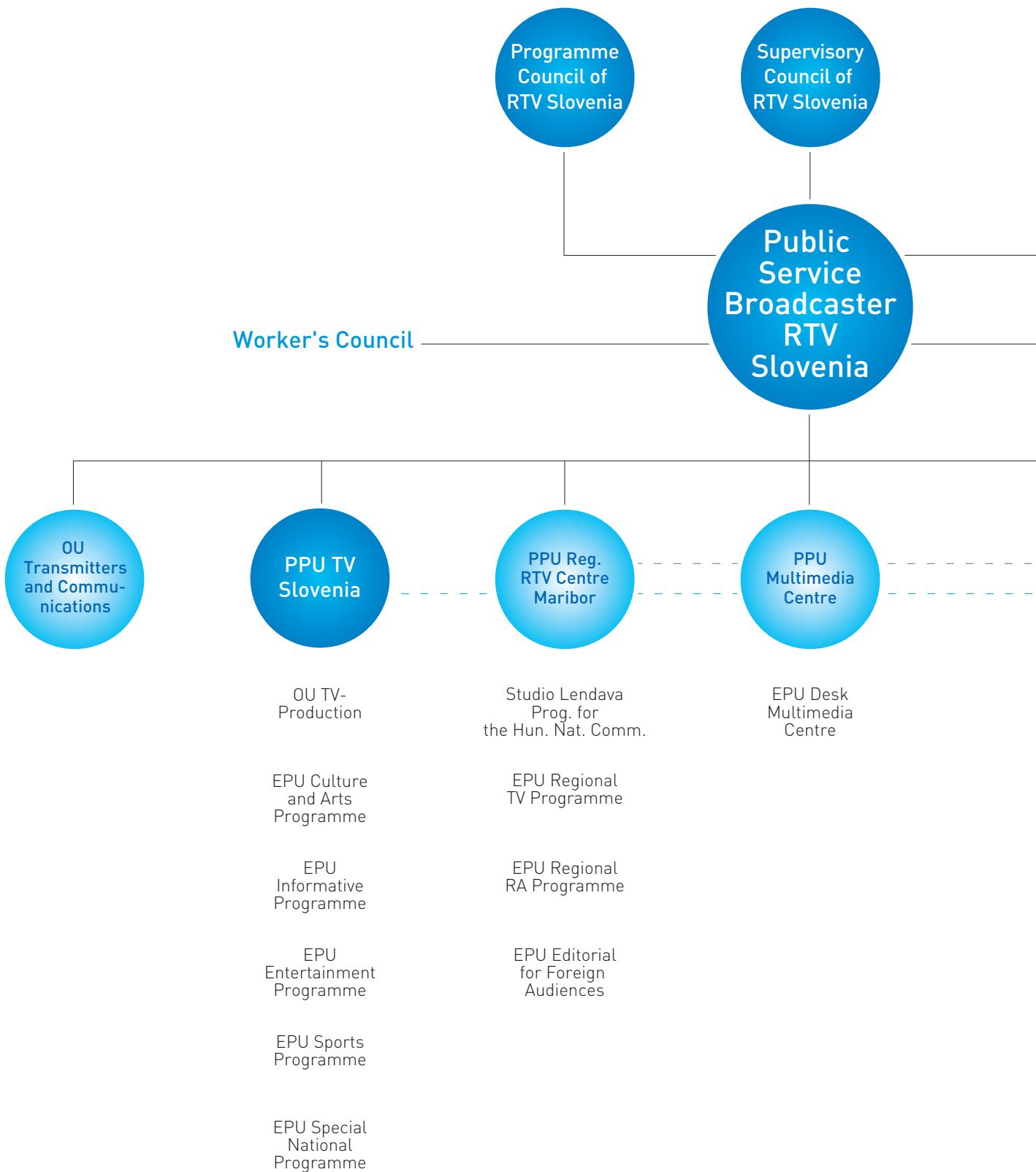
#### **OU TRANSMITTERS AND COMMUNICATIONS**

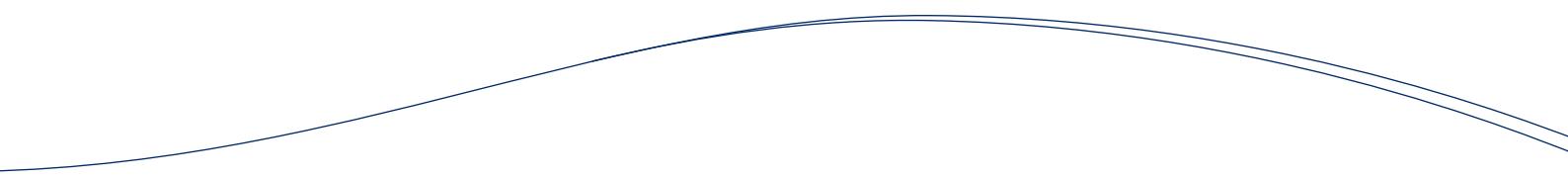
The Organisation Unit Transmitters and Communications as the operator of communications and multiplexes performs public service and market activities with analogous and digital technology.

The activity and business operations of the Organisation Unit Transmitters and Communications are managed by the head of the organisation unit Transmitters and Communications.

The public service comprises broadcasting, exchange and airing of television, radio and multimedia programmes of RTV Slovenia, providing area and sharing of aerial systems with their equipment at transmitter points of RTV Slovenia (if technically feasible, and for the airing of television and radio programmes of special importance), providing visibility and audibility of the programmes of RTV Slovenia on the territory on the other side of the border inhabited by the Slovene national community (in compliance with cross-national contracts) and providing area and sharing of aerial systems with their equipment at transmitter points of RTV Slovenia (if technically feasible) for the airing of special importance programmes on the territory on the other side of the boarder inhabited by the Slovene national community (in compliance with cross-national contracts).

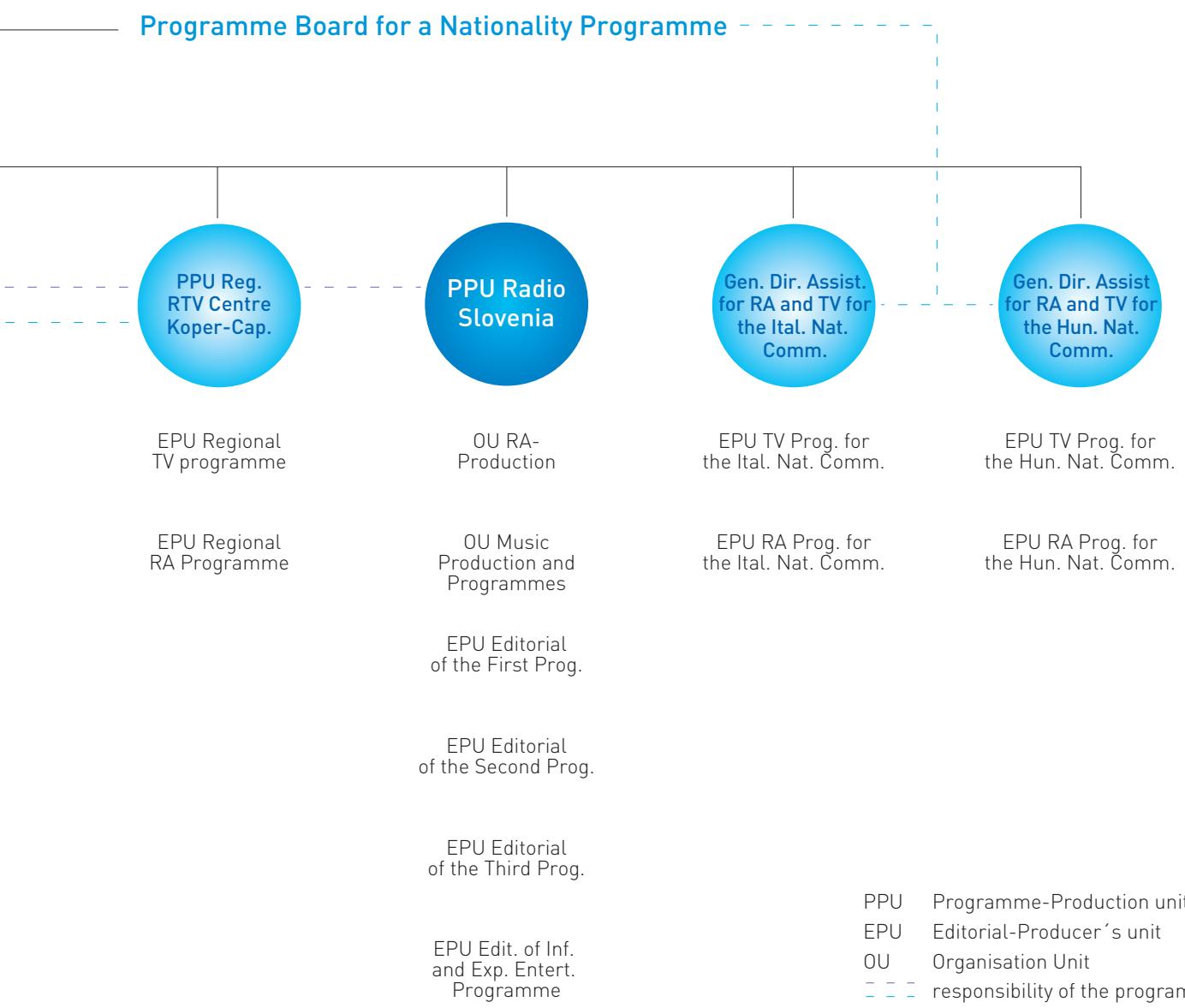
## Management-Programme Schedule of RTV Slovenia





## Programme Board for Programme Contents Intended for the Handicapped Persons

### Programme Board for a Nationality Programme





## Director General's Report

The programme and business year 2006 was successfully completed. We managed to maintain quality output of radio and television programmes and multimedia services and to keep average high rating.

In compliance with our mission and vision we created and aired radio and television programmes with multimedia support, which programmes stimulate and develop creativity, language, culture and identity of Slovenia and are available to all viewers and listeners in the Republic of Slovenia as common property.

Our basic objective was to create a positive business result at the end of 2006 by simultaneously preserving a variegation of quality programme output and by additionally lowering costs, by rationalisation and by increasing the revenues from commercial activities. We managed to achieve it by not mangling the scope of the legally stipulated fundamental programme activities, their quality and better rating. We have been successful in creating a surplus of revenues over the expenses in the amount of EUR 6,436,212 or SIT 1,542,374 thousand.

We were successful in realising all major demanding programme projects, like the Olympic Winter Games in Torino, where we aired live broadcasts of ski jumps within the scope of the international Olympic television, the World Football Championship in Germany, the winter local election and realised a number of various co-productions and own culture-arts programmes. In co-productions and purchasing of programmes we have faced a considerable increase in prices for licences and programme rights.

We are satisfied to be the only public service broadcaster in this environment full of competition to preserve a satisfactory level of rating of our variegated programme output for various target groups.

We created own broadcasts to pay a special attention to the 15<sup>th</sup> anniversary of independence of Slovenia and made it possible to offer live broadcasts of all important events on the level of state celebrations. They were realised in demanding circumstance by using the available radio and television technology and by the co-operation of our Symphony Orchestra and Big Band, thus rendering the extremely important event available to the widest audiences.

We started a test airing of the Third Parliamentary Programme with live broadcasts of sessions of the National Assembly and its working bodies. Due to the lack of frequencies, the signal was assured via satellite, cable operators and partly also through the Second Programme of TV Slovenia.

In 2006 we started intense configuration of a network of digital radiodiffusion and technologic modernisation of digital television equipment, being given that digitalisation of technologic radio equipment, with the exception of archives, has practically been completed. In 2006 we realised EUR 10.4 million investments (SIT 2.5 billion) or almost EUR 1 million more than the annual depreciation cost. We should not forget to mention that the scope of investments is much broader. Due to public procurements of high value there is always a delay in delivery realisation and payment of investment equipment. In the first stage, the digital TV DVB-T covers approximately one half of the households in central Slovenia, part of the Štajerska region and households at the western border. The project of digitalisation, which must be completed by 2012, cannot entirely be the burden of RTV Slovenia, otherwise there will be a lack of finance to maintain the current programmes and to offer more programmes on new digital channels.

We continued with a substantially expanded offer in the area of multimedia services - digital teletext and also more colourful, attractive web pages intended for various age groups. We also provided new contents for mobile portals. We subtitled almost all television programmes, thus rendering them available to the deaf and the hard of hearing. We managed to maintain the leading position in the area of new media in Slovenia on various multimedia platforms.

Business process renovation took place and a new business information system helped us to connect a great number of non-linked islands into a central integral information system on a unified platform and database.

We instituted internal controls to offer better transparency and congruence of the implementation of business processes and methods that are a guarantee for legality, transparency, effectiveness and economy of operations. After the audit report of the Audit Court for the business year 2004 was completed we immediately undertook the abolishment of all identified deficiencies and irregularities.

The year 2006 was quite demanding, because the public service broadcaster made business operations by twelfths in compliance with the Law on Public Finance due to the fact that the programme and business plan was adopted not earlier than May.

In the period of transition the newly elected business programme management has gradually taken over accountable tasks for the implementation of objectives of the adopted programme and business plan.

Based on the new Articles of Association a series of public tenders for the most accountable executive jobs have been implemented. Gradually, we organised managements in all programme production units, services and editorial departments in compliance with the new organisation.

The new Articles of Association adopted pursuant to the Law on RTV Slovenia were a basis for the implementation of a more flexible internal organisation, of a better connectedness of programme and production units of Radio and Television and reasonable and rational linking of programmes, new organisation integration of Music Production and Multimedia Centre.

In the area of management, the new organisation clearly defined relations and responsibilities between Director General, Director of Radio and Television and the remaining executives and managers as to the way and method of their appointment, the duration of mandates and resignation. At the same time also professional basis has been set and determined financing, planning and allocation of revenues, business operations, management of fixed assets and actual responsibility of the executives and managers in the preparation and implementation of the programme and business plan.

Pursuant to Article 14 of the Law on RTV Slovenia we continued with the preparation of criteria for the separation of public services and market activities. The criteria and new coding systems have been used to set up a system of cost distribution on the basis of cost incurrs and distribution of revenues and expenses to a cost object - individual broadcast.

Despite demanding business operations in unfavourable circumstances in which the RTV licence fee has not increased since the month of April 2004 despite each year's inflation rate, but has effectively decreased, we ended the year with a total of revenues EUR 124,205,512 (SIT 29,764,609 thousand) and with total expenses EUR 117,769,299 (SIT 28,222,235 thousand). Bearing in mind provisions for redundancy and severance and purchasing of working years upon retirement in 2007 in the amount of EUR 834,585 (SIT 200 million) we concluded our business operations with a surplus of EUR 6,436,212 or SIT 1,542,374 thousand.

This is partly due to the lowering of various types of costs and mostly to a considerable increase in commercial revenues, among which advertising revenues are highest, they totalled EUR 21,592,840 (SIT 5,174,509 thousand) last year and they are merely by EUR 287,931 (SIT 69 million) lower than planned subsequently; in comparison with those realised in 2005, they are higher by EUR 1,176,765 (SIT 282 million) or by 5.8 percent.

Undoubtedly, this is a consequence of better organisation, rationalisation and substantially more adequate market research and relations to clients, because we offered a more systematic and timely presentation of our programmes and marketing offer.

The final result of a higher surplus of revenues over expenses was influenced by the revenues from the reversal of provisions and too much calculated corporate income tax for 2005. The constitutional court has decided that legal default interests cannot exceed the corpus and should thus no longer be charged.

The public service broadcaster RTV Slovenia had provisions in the amount of EUR 12,101,485.56 (SIT 2.6 billion). The amount of provisions also included charged interests. After having checked the documentation and verified calculations, we reversed too highly set provisions and created other business revenues in the amount of EUR 3,960,106 (SIT 949 million), EUR 1,197,629 (SIT 287 million) fell for the too highly charged tax in the year 2005. Having the above in mind, this had influence on the increase in revenues by EUR 5,157,736 (SIT 1,236,000 thousand).

We have also decreased the number of full-time employees in compliance with the adopted business plan. The number of full-time employees amounted to 2134 at the end of the year. In 2006 we adjusted the labour costs of full-time employees that increase more slowly than the productivity and the annual inflation rates. In 2006 productivity increased by 8.2 percent compared to that in 2005.

However, we are somewhat dissatisfied with labour costs in a broader sense which are incurred also by part-time and contractual workers and considerably exceed the plan by EUR 2,309,243 (SIT 554 million) or by 3.5 percent.

A similar situation is observed with variable costs - despite the lowering of costs of material, small inventory, energy, business trips, it exceeded the plan by EUR 2,339,212 (SIT 560.5 million) or by 6.3 percent, which includes especially higher costs for fees, contractual works, etc. The expenses for fees, programme rights and non-production services account for more than 75 percent of the total variable expenses and they are influenced directly and exclusively by the most accountable employees in individual programme-production units.

Despite the satisfactory business result, we are concerned about the fact that the share of the main source of revenues - RTV licence fee has been decreasing for a couple of years from 73 percent in 2003 to only 66.44 percent at the end of 2006 in the total structure of revenues. Other commercial revenues account for as much as 31.75 percent, which is not normal for the structure and stability of financing a public RTV in comparison with public services within the European Broadcasting Union (EBU) member states. The commercial share of revenues amounts to 20 percent only in several cases.

We should not forget that financing via advertising will somewhat lose its importance in the future, because digital technology will give a viewer a possibility to avoid commercial services and the audience will be fragmented in the new competitive multimedia environment.

A decreasing scope of stable source of revenues, which can only be ascertained by the RTV licence fee, can seriously jeopardise the implementation of the mission of the Public Service Broadcaster RTV Slovenia, as defined by the Law on RTV Slovenia.

Director General  
Anton Guzej



RTV Slovenia Management (left to right):  
Marko Filli, M.A., Jože Možina, Anton Guzej, Vinko Vasle,  
Antonio Rocco, Cvetka Žirovnik, M.A., Irma Gubanec, M.A.,  
Helena Zver





## Report of the President of the Programme Council

The year 2006 was marked by great expectations from a part of Slovene public for rapid programme improvements and by fear of another part for the public Slovene broadcaster to sink to an unacceptably low level. The expectations about radio programmes, though not ideal, were not so high, either.

Experts on the situation in the recent past consider the last year's situation of RTV Slovenia comparable to that in the year when Slovenia gained independence. We had to prepare and adopt a series of new statutes, from the articles of association to programme standards, which took much time and energy. A further problem arose from the new management of RTV Slovenia being unable to immediately take over all obligations. Its primary tasks proved to lie in the field of finance and organisation. It was surprising there was a lack of programme contents for 2006 prepared in advance, so much improvisation was needed, which did not go past the viewers unnoticed. Fortunately, these consequences have only slowed down the changes, yet have not suppressed the will to introduce them. Every effort was made to do away with the fear and after a year's time we can see that the audiences are satisfied, which is also reflected in the rating results.

Based on the above it can be established that the Programme Council still has important obligations toward the Slovene public. It faces important tasks also with respect to Slovene minorities in the neighbouring countries. The Slovene minorities have great expectations. A programme for Romanies is prepared, the contents for the handicapped should also be improved, and so on. An ombudsman for the rights of viewers and listeners should be introduced, yet there remain many open status questions. The Programme Council faces important tasks in view of the coming digitalisation, which will result in vast opportunities of programme selection. It calls for further improvements on RTV Slovenia, especially for its recognisability and identity.

The Programme Council of RTV Slovenia is aware of the fact that its efforts are bound to fail if not based on co-operation of a majority of employees. Better satisfaction of our listeners and viewers will place our obligations to all programme creators on a higher level.

President of the Programme Council  
Stane Granda, Ph.D.

A handwritten signature in black ink, appearing to read "Stane Granda".



## Report of the President of the Supervisory Council

The year 2006 was a year of changes in organisation, human resources and contents for the public national RTV Slovenia. Dynamics of development of events and happenings represented an extremely demanding and responsible task for a quick and efficient action for the management of the institute. The Supervisory Council deems the task of management and control over business operations to have been accomplished with success, which is also confirmed by the business results.

The Supervisory Council operated in compliance with the Law and the newly adopted Articles of Association of RTV Slovenia. Apart from the latter, the Supervisory Council has also adopted the financial plan after the new management of the public service broadcaster had been appointed; Regulations on the Criteria for write-off, partial write-off, postponement and payment of the licence fee for the programmes of RTV Slovenia in instalments; Regulations on the payment of session fees and Regulations on the constitution of working bodies of the Supervisory Council.

It regularly performed monthly supervision over the business operations of the public service broadcaster and confirmed the final balance at the end of the business year as well as adopting the annual report and thus the fact that RTV Slovenia completed the year 2006 with a surplus of revenues over the expenses in the amount of SIT 1.5 billion, which corresponds to EUR 6,436 thousand. The surplus was allocated to the coverage of loss from the previous years. The business result is mostly due to the lowering of various costs and the rationalisation of business operations on all levels of RTV Slovenia. Although the positive business result provides realistic possibilities for a more adequate solution to the problems linked to contents, technology and other matters, the Supervisory Council pointed at the fact that merely positive tendencies in business operations do not contribute to better business results and to better material position of the public service broadcaster in the future. The Council has thus requested an immediate preparation of the strategy of the public service broadcaster that will comprise the operation and the actual needs of this national public institute in order to accomplish its role and mission, which are stipulated by the law as well. Moreover, the Supervisory Council has repeatedly determined that all recommendations relating to the abolishment of deficiencies deriving from the auditor's report and from the letter to the management for the previous year as well as the reports of the Audit Court for 2004 should be respected.

The Supervisory Council has regularly notified the Programme Council, the programme boards of RTV programmes for the Italian and the Hungarian national communities and the competent minister for the area of media of its findings and resolutions. Also broad public was informed thereof through the web site of RTV Slovenia.

In its work in 2006 the Supervisory Council completely respected the Resolution of the Government of the Republic of Slovenia on obligatory acquisition of a licence for the members of supervisory councils, for the members of the Supervisory Council of RTV Slovenia, appointed by the Government of the Republic of Slovenia, have obtained the required knowledge on supervision or rather obtained certificates, as valid for the members of supervisory councils of corporations, which are of public character and are owned by the state as the majority owner.

Activities and efforts of the Supervisory Council have been directed to pursuing, analysing, checking and acting in order to protect interests, to ascertain economic efficiency and the success of business operations of RTV Slovenia. The Supervisory Council has had a standpoint that financial problems that used to be solved by an increase in RTV licence fee in the past, are now solved by other sources and rationalisation of business operations. The latter will be reached with professionalism, innovative approach, loyalty and mutual respect of co-workers and of all business subjects included in the process of programme preparations. This meets the legal stipulation of the incorporator that the RTV licence fee will not increase.

President of the Supervisory Council  
Franc Orešnik

A handwritten signature in black ink, appearing to read "Franc Orešnik". The signature is fluid and cursive, with a large, stylized 'F' at the beginning.





Radio Slovenia

## Report of Director of Radio Slovenia

The question about the quality of the programmes of Radio Slovenia is best answered by the data showing that Val 202 was the top rated programme in the country in 2006; the First Radio Programme follows closely. National radio programmes are not endangered as far as competition is concerned, although they do not adapt to the challenges of commercial radio stations in the structure of their programme (content). Commercial radio stations have practically no legally binding standards and criteria. The national radio programmes have therefore dedicated attention to the culture of speech, to a music programme of quality and also to numerous programme contents that are specially dedicated to a small circle of listeners, because a national radio covers a very vast circle of audiences, offering them some special programme contents, thus implementing its integral media mission. All these are important comparative advantages of national radio programmes demanding a high level of professionalism, commitment and creativity from all programme creators - programme workers and technical equipment.

The business and programme year 2006 was very strenuous! First, in the middle of the year a business and programme plan for the current year had to be adopted in order to do away with twelfths (by the decision of the Supervisory Council). Then followed preparations of new Articles of Association in compliance with the Law on RTV, which was a fundamental organigramic reorganisation of Radio Slovenia. Systematic preparations for the business and programme plan 2007 were in course simultaneously. The then existing budgetary mentality and practice had to be turned to a more detailed programme-business planning, the public service broadcaster had to be made more financially transparent and do away with the matters detrimental to RTV Slovenia in its programmes and business. The business and programme plan 2007 is certainly a success of the new management and colleagues. It was most probably for the first time that the financial and programme parts were harmonised and thus easily adopted in the Programme and Supervisory Councils of RTV Slovenia.

In parallel all the remaining activities on RTV and also Radio Slovenia had to run normally. It is evident from the data that the plan was realised well and that the programme concepts and objectives in 2006 were attained. The First Radio Informative Programme dedicated as much as 44.6 percent of its programme time to informative contents, which is by 4.6 percent more than planned - especially at the expense of additional contents (events, celebrations and the like) that were not included in the plan. The Entertainment Programme had 3 percent of the programme time available, yet only 2 percent were realised due to financial problems. Culture-arts contents covered 6.6 percent of the time instead of 5; the First Programme failed to realise the 48-percent share of the programme time for music contents (realisation 43.5 percent). The plan of the programme time dedicated to the World Championship (WC) (2 percent) was planned very scantily and it was realised only in the amount of 0.8 percent. Since the Second Programme (Val 202) dedicated only 2 percent of the time to the WC (realisation 2.2 percent), this is a proof that Radio Slovenia (without the Programme ARS, which the law prohibits to broadcast advertising messages) has many reserves, with which the share of WC could be increased, thus increasing the revenues from this field. Co-operation with marketing should be established on totally new fundaments, which we will try to implement in 2007.

The Second Radio Programme, Val 202, planned 25 percent of informative contents, 33.8 percent of them were realised. The Entertainment Programme was planned in the amount of 2 percent, yet was not realised (therefore the independent Editorial Department of Entertainment Programmes of Radio Slovenia was founded). Val 202 planned to dedicate 71 percent of its programme time to music contents (pop music, entertaining music), the plan was realised in the amount of 63.4 percent of the programme time.

The Third Radio Programme, Programme ARS, dedicated 80 percent of its 2006 plan to classical music and exceeded the plan by 0.4 percent. Culture-arts, scientific and religious oral contents were given 6 percent, the plan was realised in the amount of 7.3 percent. The Programme ARS encountered several problems in 2006, namely the production of original radio plays decreased to an alarmingly low level (from 60 premieres to 20). The reason can be searched in the

lack of finance. Extremely low royalties for the writers of domestic plays (for adults and children) caused a dropout of the authors, who used to successfully co-operate with the Radio. These concerning circumstances were overcome at the end of the year. The Supervisory Council was very understanding and dedicated special finance to new incentives in the field of domestic radio play creativity.

All three radio programmes faced a legal provision requiring that as much as 40 percent of domestic music creativity (and performance) should be aired in each of the radio programmes separately. On the one hand poor domestic music production (both serious and popular music) caused impoverishment of the programmes due to repetitions, which was also noticed by the listeners, on the other the legislator has not foreseen a period of transition to give radio programmes the time needed to adequately prepare for the legal provision and to start implementing it. The Programme ARS is in a very unfavourable position in this respect.

I can ascertain that Radio Slovenia consistently met the plan in all important programme sections and that its programmes were entirely maintained also during summer months with adequate adaptations of the contents and with all informative and author's radio broadcasts that can never take a holiday.

In the second half of 2006 Radio Slovenia prepared for changes in organisation and programme (Articles of Association) and for new solutions in human resources on the most accountable jobs as well. All this was due to the maintenance of the national radio programmes as the leading programmes in the country as to the rating, but also to objectivity, professionalism and variegated contents. Bearing in mind that radio is the medium calling for immediate attention to all events, I can confirm that radio reacted in all its programmes, and especially in informative programmes, to the most important events in time and preserved the professional autonomy as well as the needed level of criticism.

Radio medium is a »never-ending story« in the programme sense, which requires much effort from the creators each single day. A radio plan can thus not be encircled into a pre-planned programme slots - except the fundamental ones - because the programmes would thus get impoverished and bureaucratised. Radio plans should therefore be open to new challenges, incentives, programme contents, if the radio wants to be the first, the radio »immediately and now« and the medium, for which the listeners know, they can rely on, is credible, honest and especially quick in its reactions. I am convinced we are on a good way.



## Informative Programmes

Informative contents remained an important part of programme contents of Radio Slovenia in 2006. For example: surveys of the Research of Programmes and Audiences (3,560 persons aged above 13) sent by post showed that the first two places in the rating of the broadcasts of Radio Slovenia are occupied by Druga jutranja kronika with a 31-percent share and Dogodki in odmevi with a 30-percent share.

The nature of the radio medium is to be constantly the first. We even tried to upgrade the immediate reaction in the past periods. Immediately after a piece of information is aired, we try to invite competent interlocutors and experts of a problem to our studio to provide expert evaluation. We wish to furnish the listeners with as many relevant data as possible.

A special project of the Informative Programme in the field of internal politics was local election - from conducting election campaigns with confrontations of mayor candidates to the analyses of election results and evaluations of changed political powers. On the very election day we included a vast network of correspondents to quickly and precisely report on the election results.

Our programmes pursued the two interpellations, hosted the most eminent interlocutors (the president of the national assembly, of the government, of the Slovene Academy of Arts and Sciences), numerous ministers and other governmental representatives and eminent experts.

The project Evrožvenket was very appealing. It was a fruit of many editorial departments and prepared the listeners for the introduction of a new European currency. The project continues in 2007 by pursuing the consequences of Euro introduction and by bringing forward various financial, economic, stock-exchange and consumer's questions. The foreign politics section started preparations for the presiding to the European Union. We also reported on topical questions of the Slovene foreign politics and foreign politics as such, let's say on relations with the neighbouring countries, co-operation of Slovenia in international peace forces, functioning of European institutions etc.

Despite all this, we could not avoid warning of negative sides, of scandals and criminal, yet these contents were presented in a way that does not suggest cheapness but is on the level of a central national radio station.

In 2006 the Informative Programme paid special attention to the fifteenth anniversary of the Programme A-1, which started with the war for Slovenia. It will expire in 2007 as an independent brand as we will try to strengthen the name of the First Programme. On the occasion of the 30<sup>th</sup> anniversary of the Studio ob sedemnajstih, we prepared a series of field broadcasts in order to bring radio closer to the listeners. The broadcasts hosted eminent interlocutors, representatives of local communities and audiences and were very well accepted.

In compliance with the new Articles of Association we changed the then Editorial Department of Informative Programmes into a Department of Informative and Experimental-Development Programmes until the end of 2006. The change is not merely that of the name, but also that of a new internal organisation as well. Until the new Articles of Association came into force, the Sports Programme was also part of the Informative Programme, in which all important competitions were pursued in compliance with the programme concept in the field of top-class sport. The most demanding and the most comprehensive project was the Olympic Winter Games Torino 2006, and apart from that also world championships in football, basketball, sports hall athletics, gymnastics and cycling, European championships in athletics, swimming, gymnastics and handball, European league competitions, in which Slovene clubs took part (Euroleague Basketball, Champion's League in handball) and matches in the world cup in alpine skiing. Special attention was paid to the competitions held in Slovenia (Zlata lisica, Vitranc cup, Planica, Pokljuka, cycling race across Slovenia).

Within the scope of sport for general public we prepared regular broadcasts on the First and Second Programmes, where our listeners were informed on a healthy way of life and of competitions and events with various methods. Current events in sport were discussed in broadcasts on the first (Studio ob sedemnajstih) and on the second programme (Vroči mikrofon, Tema dneva ...).



## First Programme of Radio Slovenia

The First Programme of Radio Slovenia performed its 2006 mission with a rich palette of contents and the most variegated access to the presentation of materials of different genres. It excels in its topical nature and agility in pursuing daily events (live broadcasts, live reports, immediate reporting and reactions). It also announces, analyses, explains and enlightens the events at home and abroad and offers a wide spectre of culture programming. With its regular broadcasts and rubrics the First Programme dedicates much attention, time and programme space to the most various close and broad target audiences. Many interest groups of listeners can hear certain contents only on the First Programme of the national radio, which is an advantage of this programme and at the same time a huge responsibility and obligation for the creators, because these are specific and very demanding audiences who expect a high level of professionalism, vast knowledge and permanent training.

A daily breakdown of the programme shows that the First Morning Programme (from five a.m. to nine a.m.) is the most listened to. This is a variegated, dynamic, servicing programme slot that revived its 2006 programme with many new rubrics. The Morning Programme acquainted the listeners with natural phenomena, visited Slovene museums, informed the listeners, each day at 8:00 half-hour advisory services were prepared, in which various experts answered the questions of listeners. The Daily Programme slot was variegated and the most topical; it covered informative, cultural, educational, musical and entertaining contents. Regular rubrics, bulletins, daily news, topical contributions, Tema dneva and Studio ob sedemnajstih were the broadcasts that certainly provided the widest spectre of information to a listener. Evenings on the First Programme were intended to small target groups of listeners (Slovene minorities abroad, Slovenes across the world, fanciers of people's, choir, classical, polka music). The evening time slot is traditionally devoted to drama and literary-arts programme. The Nighttime First Programme in the Slovene media space stands out with its night guests in the first hour of the programme (00:00 to 01:00). In 2006 we hosted famous and less famous, yet very interesting interlocutors. The Nighttime Programme airs repeats of the best radio broadcasts, whose topics are suitable for the nighttime. With radio nights on other stations being computer

controlled, the night moderator on the First Programme has a constant live contact with the listeners.

The Editorial Department of Educational Programme prepares various broadcasts and contributions of informative-educational as well as scientific character. The Tuesday's Intelekta on the First Programme hosted academicians, economic leaders, economists, lawyers and philosophers, it enlightened the notion of neoliberalism and its effects, there was a talk on conditions, advantages and traps of world commerce, on the reformation of the university system in Slovenia, on the role of Slovene language as a teaching and scientific language; on education, ethics, on world problems (famine, lack of energy), on the protection of cultural heritage; it brought forward the achievements of Gabrijel Grubar, Nikola Tesla, Sigmund Freud, the problem of a relationship between sexes was expounded and the consequences of the emancipation of women explained. In the Zapis iz ozadja, a series of educational broadcasts, we enlightened the backgrounds of important events and personalities, the rubric Zanima nas explained the topical notions, which stood out from the events of a week, and the broadcast Od Olimpije do Olimpa treated ancient Greece, its culture and the topical nature of its thoughts today. In health related broadcasts that are also prepared by the Editorial Department of Educational Programme, we talked about the importance of a healthy way of life, about the care for one's own health, a special attention was paid to new discoveries in medicine, discovery of new illnesses, new medications and the way of treatment. In a series of broadcasts entitled Mesto na prepihu we tried to present the current events of the metropoles and of interesting cities across the world, we were looking for characteristics, sometimes also overlooked places of interest that have an important cultural impact and are special in their uniqueness. Matura 2006 was a three-month project acquainting secondary-school graduates and also mass audience with the contents, procedures, complications and time schedule of the final secondary school examination. By airing the English and the German texts we directly aired the final secondary-school examination.

Izvorne celice Evrope was a year-round broadcast that was looking for the importance of political, economic,



scientific, cultural, historical and wide social association and explained the aspects of the European Union, which are quite close to its citizens. Our educational programme reacts quickly and is very modern in approaching the audiences and communicating with them.

The First Programme of Radio Slovenia dedicates much attention to the young audience with the most variegated daily and weekly broadcasts (Dobro jutro, otroci, Radijski ringaraja, Lahko noč, otroci, Sobotna raglja, Knjižnica za mlade, Gymnasium ...), the approaches of these broadcasts and rubrics are adapted to the changed virtues and behaviour patterns put in front of children and young adults by the modern society. The team of the Programme for Young Adults prepares also topical conversations in the broadcast Studio ob sedemnajstih, contributions for Informative Programmes and reviews of theatre premieres for the young. In 2006 this editorial department also published a new CD Polževa hišica (a series of fairy stories Lahko noč, otroci).

The First Programme of Radio Slovenia has one more important task, a programme and a historical one: this is programme contents belonging to radio documentaristic (reportages Naš kraj, broadcasts Naš gost, oddaja Sledi časa and sunday features, holiday broadcasts, the daily rubric Na današnji dan ...). They are used to create a heritage of nationally important documents - sound recordings of narrations of important events, personalities and contents of historical importance.

Towards the end of 2006 the Editorial Department of Entertainment Programmes of the First Programme of Radio Slovenia got new, fresh drive. In the past the editorial department had quite some problems relating organisation, human resources and finance that we started solving. In 2006 we prepared a series of public broadcasts (Veseli tobogan, Koncert iz naših krajev, Prizma optimizma, Veseli pušeljc ...). Within the formal scope of the Editorial Department of Entertainment Programmes the popular Radio Ga-ga with Sašo Hribar and his team is created as well. Since the Editorial Department of Entertainment Programmes also hosts the traditional broadcast V nedeljo zvečer, it is worth mentioning that in 2006 the moderators of the broadcast changed many times due to objective and some subjective

problems, however, we decided that the broadcast must be recognisable especially by the moderator, so we negotiated with Janko Ropert to reassume the author's creation of the broadcast.

At the end of the year the Entertainment Programme obtained additional SIT 10 million [EUR 41,729.26] (from bonds), which were used in a very useful way, among others we prepared an excellent Christmas concert and started preparing new projects (Saturday concerts, evenings with Jure Ivanušič in Studio 14, a new public broadcast Narodnozabavne zvezze, Sunday greetings and congratulations ...). In 2006 the Entertainment Programme started its rejuvenation. We set good foundations for the year 2007, in which new results have to be shown.

The First Programme celebrated two important anniversaries in 2006 - 30 years of the Studio ob sedemnajstih and the 15<sup>th</sup> anniversary of the Current-Affairs Programme created in 1991 in the days of the war for the independent Slovenia and radically changed the then very stiff programme plan of the First Programme. The programme announcement of the celebration was that the First Programme will be even more lively, more topical and even better. Always the First! The top of this celebration was a series of rubrics and talks on radio, and field Studio ob sedemnajstih were concluded with a successful concert in memory of Majda Sepe in the Križanke.

The music of the First Programme is variegated, this is a programme that does not face problems due to the legally stipulated 40 percent of Slovene music, however, it is in front of a new important task: pursuing, creating and stimulating musical creation in order to assure Slovene music of high quality and to enrich musical archives (concerts, musical contests, festivals, recordings, arrangements, revitalisation of recordings ...). In 2006 the broadcast Slovenska zemlja v pesmi in besedi celebrated its high anniversary. As far as folk music is concerned, the First Programme has a special mission, also in the archival sense.

In 2006 we also prepared broadcasts for our Slovenes abroad and emigrants. Creators of radio programmes all over the world have daily sent reports on events in Slovenia (texts), specially prepared Zvočna pisma (recorded



## Second Programme of Radio Slovenia – Val 202

broadcasts sent on CDs), which represents considerable costs and burden to the employees. Additional budgetary funds should be obtained for the work and coverage of material expenses, for we insist on this »external programme« information, because we are aware of its importance for our countrymen all over the world.

The First Programme was created still in the old organisational frames in 2006. It was »filled« by different editorial departments, sometimes too unconnected, which was reflected in some programme slots (illogical order of contents). The new Articles of Association of RTV Slovenia corrected this drawback, for the editorial-in-chief of the First Programme merged the Editorial Departments of the Current-Affairs, Evening and Nighttime Programme, Educational, Documentary-Feature, Entertainment, Musical Programme and the Programme for Young Adults. On this basis and in fruitful co-operation with the remaining editorial-in-chief (EPU of the Second Programme, EPU of the Third Programme and EPU of Informative-Experimental Development Programmes) the team can create the First Programme as an integral unit. The 2006 programme year has shown that several elements of the First Programme should be modernised and reorganised and that some problems will have to be more intensely solved in 2007 or with a 2008 plan. It concerns the human resource problems, for the Editorial Departments of the First Programme employ a small number of people and are very burdened. As to financial situation, the First Programme should be put to more concrete foundations. A too low radio budget means: you get what you pay for, poor music and empty talks. This is something that the First Programme of a public service broadcaster should not dare!

In 2006 Val 202 remained the best rated radio programme in the country. Its organisation was different than today and in its programme segments it continued its interactive, dynamic, modern, responsive programme plan with some novelties and highlights.

One of the most outstanding novelties was the introduction of a musical nighttime programme shared by the Radio Slovenia International, whereby the bulletins remained common for both national programmes. This was a first step towards a long-term goal, own Nighttime Programme, this is to say towards the round the clock airing of the Second Programme of the national radio.

The Current-Affairs Programme tried to be up to date and strived to enlighten the stories of people both in Slovenia and partly also abroad and simultaneously offered the listeners a possibility to express their opinion, thus remaining faithful to its original mission, namely a mission of an interactive radio programme with an intense involvement of listeners, although sometimes also to the expense of own criticism. The Morning Programme introduced the rubric Dobro jutro, in which it does not only respond to the current events, but more profiliates interaction with listeners on different topics, for example in the form of a competition (Monday morning), on the topic of foreign countries or everyday dilemmas of life, small moral dilemmas (Friday morning) that can be also commented by the listeners. Val 202 has thus prepared a stepping stone for a further upgrading of interaction with the listeners in the Morning Programme, thus for an additional formatting of morning contact rubrics.

Apart from domestic contents, to which a majority of the programme time is dedicated, Val 202 presented and aired the contents from abroad, mostly in the framework of the broadcast Sredi Evrope, which was part of the project Sredi Evrope-Inside Europe, co-financed by the European Commission. The project further consisted of the rubric Evropske novice and the broadcast Izvorne celice Evrope on the First Programme of Radio Slovenia. This was the first project of Radio Slovenia competing for a subsidy on the tenders of the European Union, and the first one with a 100 percent success, because



it obtained the highest possible financial support in the amount of EUR 60,000. We have to mention the fact that the exchange of programme contents with comparable ones aired by radio stations abroad are more and more often and we would like to upgrade this exchange and somewhat formalise it.

The pursuing of the Olympic Games in Torino was by all means among the special projects. It was a project covering extensive programming and a demanding project of the Editorial Department of Sports Programmes as to its implementation. The Editorial Department of Sports Programmes also covered the World Championship in Football in Germany and the traditional campaigns to select the sportsman of the winter and of the summer as well as several programme blocks linked to important sports competitions or to the performance of Slovene teams on international competitions.

Among the attractive programme contents in the summer 2006 was the well known adventurous radio quiz Lov na počitnice, which attracted listeners with a somewhat modified variant of competitor selection and the way of competing in the field across Slovenia.

The end of the year was marked by the much publicised campaign of the selection of the Ime leta (Name of the year), which ended the weekly voting for the name of the week with a public performance on the Ljubljana Castle and aired Ime leta 2006 on Val 202.

Striving to preserve the stressed servicing-informative role we merged with the First Programme to include the data on the city traffic into the traffic information. It was possible on the basis of a special co-operation with LPP. This is the first step towards establishing a more detailed monitoring of traffic in Slovene cities, not only in the capital.

The Musical Programme followed the guidelines to address a somewhat younger population and simultaneously tried to preserve the format within modern pop and rock, the prevailing music genres, whereby it does not leave out or neglect surpluses music genres, which are not heavily aired and does not forget about non-commercial music genres.

One of the most acclaimed musical and radio events of the year in general, not only of our Music Programme, was the concert of the singer Neisha and the Symphony Orchestra of RTV Slovenia in the Ljubljana Križanke, which was dedicated to the 34<sup>th</sup> anniversary of Val 202. The concert could be listened in a live radio broadcast, a recording was broadcasted later on TV Slovenia.

Apart from the very burning polemics on the share of Slovene music in the programme it is worth mentioning 11 broadcasts - concerts Izštekani (Unplugged), which are a concrete and quality radio incentive for Slovene popular music production.



## Third Programme of Radio Slovenia - Programme ARS

The Culture-Arts Programme regularly employs 37 persons (of those two part-time employees and two for a definite time of one year) and realised a majority of the items from the Programme Business Plan 2006, i.e. approximately 77,000 minutes of programme with several structural changes in individual segments. The basic postulate - to inform about culture and create autochthonous radio art based on fundamental criteria of quality and humanity of artistic message - was implemented. Additional financial means obtained from the sale of bonds were of great help in the implementation of the 2006 programme and consequently also in the preparation of the 2007 programme.

In 2006, the Third Radio Programme, the Programme ARS, mostly kept to its well established scheme routes. Apart from regular broadcasts it also aired more important cultural, political and religious events from Slovenia and abroad. The whole year through it aired music and literary broadcasts (also live broadcasts of the EBU concerts) to celebrate the 250th anniversary of birth of Wolfgang Amadeus Mozart and Anton Tomaž Linhart. Time for extraordinary broadcasts was dedicated to extraordinary events in the Roman-Catholic church in Slovenia: appointment and investiture of a new auxiliary bishop in the Ljubljana archdiocese, foundation of three new dioceses, investiture of new bishops and inauguration of a new Slovene cardinal.

Statistically, the drama programme realised 75 percent of the 2006 plan, because out of the foreseen 30 premieres of all genres only 22 broadcasts were realised. Reasons for it can be sought internally and externally. In the field of special projects both broadcasts have been realised. Unfortunately, we have to shift other broadcasts, which were named in the business and production plan for 2006 among the unrealised ones.

In 2006 Radio Slovenia had a tender for a radio play and a radio play for children - 12 texts of 7 authors were submitted until the deadline. To be able to purchase them, the fees have increased by 150 percent. Unfortunately there was no radio play for children of the submitted 12 texts; without substantial changes nine plays were suitable for the programme. Participation in international festivals was lower than planned.

To commemorate the 250<sup>th</sup> anniversary of birth of A. T. Linhart we aired recordings of his plays and actively (with a public performance) participated in the memorial celebrations in Radovljica. We should especially stress huge success of the radio documentary play A.T.L., which was a creation outside the drama programme, yet obtained many awards on the island of Hvar, in Venice and also received a prize at the festival IRIB in Iran.

The Editorial Department of Culture and Literary Programme prepared thirteen literary broadcasts weekly. If Lirični utrinki, Literarna matineja and hosting in the Odprti termin are counted to it, their total minutes amount to 360 minutes a week. The mentioned broadcasts presented a series of modern and old Slovene and foreign authors, we commemorated quite many anniversaries of classics, the most extensively the 250<sup>th</sup> anniversary of birth of Anton Tomaž Linhart with three Literarni večeri. Last year, we also enriched our programme with stories selected on a traditional tender. For the first time we had a tender for the best humor-esque - since humour in Slovenia is a serious thing. We renovated the quarter programme library as a reminder and promotion of culture and music broadcasts and we somewhat eased the access to rich in-house archives by having introduced an electronic file of literary broadcasts.

The plan was also realised in the culture informative part. Eight specialised weekly broadcasts treated all the most important culture events in Slovenia, and also abroad as far as we could.

Our core attention was paid to cultural holidays (Prešeren, Linhart), expert prizes, festivals, Slovene book fair, publications of books, premieres, exhibitions, anniversaries ... Talks, reviews, presentations have been prepared for specialised broadcasts and bulletins, extended for the Programme A-1.

In the broadcasts like Kulturni globus and Pogledi na sodobno umetnost we published translations from foreign press as well in order to cast some light on cultural events.

Several broadcasts, in which our eminent artists from various fields performed on various occasions, were archived, thus contributing to the preservation of the priceless materials.



The Editorial Department of Serious Music realised its programme plans in 2006 and they were set very ambitiously for the jubilee year of world famous musicians.

In 2006 the Department started preparations for new legislation, prescribing 40 percent of Slovene music with an introduction of a special day and special weekly portraits (e.g. Slovene composers of a week, Slovene interpreter of a week).

The Editorial Department for Serious Music actively participated in international associations with the European Broadcasting Union (EBU) in the preparation of special projects (Mozart, Šostakovič, modern music, organ), with the organisation of competitions and membership in a jury (New Talents) and with a presentation of European programmes within the scope of its broadcasts. The Editorial Department for Serious Music participated in international competitions with its recordings – Prix Italia, Rostrum and New Talents. The selected musicians of Radio Slovenia came to the finals of the European competition, one became the owner of a prestige medal - European prize Young Talents Awards 2006.

The Department for Serious Music organised a meeting of producers and editors of the common European programme Euroclassic Notturno.

Apart from preparing broadcasts on the Third and First Programmes music editors also prepared reports on all important musical events in the country and abroad for daily news broadcasts on the First, Second and Third Programmes.

The Editorial Department for Serious Music appointed a special editor of web sites for the promotion of its programmes and issued a monthly folder, yet much more space and financial means will have to be dedicated to promotion in 2007.

## Programme Benchmarks in 2006

In the Mozart year:

- we started airing piano concerts and counted days until the 250<sup>th</sup> anniversary of birth of the composer W. A. Mozart;
- we celebrated for the first time on January 27 with three live broadcasts from the Studio 14 of Radio Slovenia, the Big Hall of the Slovenian Philharmonic and from the theatre An der Wien in Vienna;
- we looked for the oldest recording of Mozart's music in Slovenia (Marcia alla turca, recording from 1904);
- we systematically presented the entire opus of W. A. Mozart;
- we participated in the projects of Euroradio on the topic of Mozart with the young pianist Anja German and the composer Milko Lazar;
- we found and aired an extraordinary recording of the pianist Dubravka Tomšič Srebotnjak with the Symphony Orchestra of RTV Slovenia and the conductor Mariss Jansons in our archives.

In the Shostakovich year:

- we celebrated the 100<sup>th</sup> anniversary of birth of the composer Dmitri Shostakovich with a dramatisation of composer's memories interpreted by the theatre actors Lenča Ferenčak and Boris Ostan;
- we participated in Euroradio projects on the topic of Shostakovich with a recording of the 10<sup>th</sup> Shostakovich string quartet interpreted by the members of the string quartet Tartini;
- we prepared a plan of archival recordings of all symphonies by Shostakovich under the lead of the new chief conductor of the Symphonics of RTV Slovenia En Shao.

In the year of composers:

- we dedicated 42 weeks to selected world famous composers.

In the Slovene year:

- on June 23 Slovene music on the ARS programme was aired from 6:00 to 24:00;
- we went on the streets of Ljubljana, to music schools and to the National Assembly of Republic of Slovenia to obtain information about the Slovene music culture;



- we dedicated 294 days to the selected Slovene composers of the week;
- we dedicated 52 weeks to the selected Slovene interpreters;
- we prepared two short overviews of the history of Slovene music in one week;
- we dedicated a week to the ambassadors of Slovene music culture;
- we had a live broadcast of the entire event Slovenski glasbeni dnevi;
- we ennobled the Linhart's day with the first public presentation of two Linhart's arias;
- for the third time we took part in the concert of the Slovene musical heritage with the Institute for Musicology of ZRC SAZU ;
- we contested at the International Composer's Tribune ROSTRUM in Paris with the Concert for the piano and orchestra of Igor Majcen;
- upon a wish of Finnish organisers we participated in the EBU Folk festival with the group Terrafolk;
- we prepared a special night of Slovene electric-acoustic music in Studio 14;
- we prepared two author's nights of the composers Marjan Šijanc and Janez Matičič in Studio 14;
- we broadcasted a huge Sunday portrait to celebrate the 60<sup>th</sup> anniversary of the alto Marjana Lipovšek;
- we prepared a cycle of 10 documentaries on the Chamber Choir of RTV Slovenia from the days before war up until today;
- we celebrated Slovene bands with the archival recording of music tradition of the 19<sup>th</sup> and the first half of the 20<sup>th</sup> century;
- we started broadcasting documentaries at the occasion of the 80<sup>th</sup> anniversary of the academic singing choir Tone Tomšič.

The year of special days and weeks of celebration:

- in association with the Slovenian Philharmonics we prepared a French Week between February 20 and February 26 and had a guest performance and a live talk on a French radio;
- we organised A Day of Organ for the third time - September 30;
- we dedicated a week's time to young musicians /October 2 to October 8/.

In musical summer 2006:

- we prepared a holiday programme with live broadcasts from the world famous festivals for the fifth time /June 26 to September 3/;
- we presented 10 Slovene summer festivals;
- we educated the listeners of the Programme ARS on musical instruments;
- we invited the aficionados of art to listen to the music on painter's canvases.

In year of broadcasts:

- we prepared 38 live broadcasts of classical music from Slovene stages;
- we prepared 3 broadcasts from Slovenia for the European Association of Radio Stations;
- we designed a Christmas day of Euroradio in association with 13 countries;
- we prepared 173 broadcasts from the European concert and opera stages;
- we invited the listeners 22-times to listen to live broadcasts transmission from the Metropolitan Opera in New York .

In the year of winners:

- we participated in three international competitions (Rostrum, Prix Italia, New Talents);
- we came to the finals twice with the recording of the violoncellist Luka Šulič and the flutist Martin Belič;
- for the first time we won on the European contest of young musicians in Bratislava New Talents 2006.

In year 2006:

- we proved as a host of creators of the European classical nocturno;
- we reported on all important musical events in Slovenia and prepared articles for Glasbena kukala (5-times a week), daily news broadcasts (approx. 4 articles a week) for the Glasbeni utrip and Kulturna panorama.



## Radio Koper

Its position at the margin of the Slovene ethnic area has entrusted Radio Koper with special historical responsibility. Its mission has been enforced through this fundamental function, defined by the informative, cultural and educational role of a medium in the territory of western and south-western Slovenia. It managed to overcome the usual regional frames and created and strengthened the leading position both in the domestic media space and across the border as the best rated and recognisable radio. Among its priority tasks was and still remains the care to inform the Slovenes living in Italy, treatment and discussion of topics concerning the neighbouring relations, it is especially accurate and thorough in its dedication to the littoral character of the territory and to the less recognisable Mediterranean part of Slovenia. Thanks to the modest space by the sea belonging to Slovenia, our state is a maritime state, a seaside state and belongs also to the Mediterranean cultural circle, with which it is linked historically and in real time. These are our basic programme foundations, on which a recognisable radio paysage is built. We are striving to remain a source of reliable information and culture for the inhabitants of this very sensible area near the border also after having joined Europe. Last but not least we would like to contribute to an open exchange of creative achievements strengthening the recognisability and identity of Slovenia.

In January we prepared an extremely appealing event Osebnost Primorske, which was live broadcasted on our radio programme, a recording was broadcasted on TV Koper.

We prepared a series of programming upon the Italian day of memory to the exodus of its countrymen from Dalmatia, Kvarner and Istria and to the Karst caves and tried to cast some light on the events at the end of World War II, which had a detrimental effect on the relationship with our western neighbour.

With its programme and organisation Radio Koper also participated in the preparation and performance of the second celebration of the state holiday upon the anniversary of return of the Primorska to the mother country on Cerje, which was also aired for Radio Slovenia and Radio Maribor.

In February, we had the ninth awarding of the prizes Gospodarstvenik Primorske, which was, as usually, well accepted by the audience.

In co-operation with Radio Maribor we organised the 20<sup>th</sup> evaluation of international road border crossings, which is one of the most important activities of the Tourist Association of Slovenia. The campaign should be conducted this year or rather after the enforcement of the Schengen border, if the Tourist Association of Slovenia will be prepared to finance it.

In December we prepared a series of broadcasts of various genres, with which the listeners were offered an integral presentation of preparations for the introduction of a new currency - Euro. Apart from the articles in informative programmes, we prepared four acclaimed radio tribunes of counselling character.

In 2006 we increased the share of broadcasts dedicated to the life and work of the Slovenes in Italy. We had exquisite co-operation with Radio Trst A, with which we successfully implemented our traditional common campaigns Naš športnik and Radijsko Martinovanje.

Traditionally, we participated in the implementation of the oldest and biggest transfrontier project Primorska poje, which is a mass song caravan joining singers and amateur singers from the whole of Primorska and at the same time also brings Slovene songs to each village on the territory of the neighbouring Friuli-Venezia Giulia, inhabited by the Slovenes.

We continued with an upgrade of the programme intended to the youngest audiences and the young adults, who toughen themselves in the weekly broadcast Radio Bla bla. We started preparations for a special student's broadcast dedicated to the growing number of students of the University of Primorska. Under a mentor the students started training for the preparation, recording and moderating of an independent student's broadcast that will be aired in 2007.

Last spring Radio Koper organised and moderated a »radio workshop« within the scope of the Isola part of the festival of the young entitled Združene igre narodov. As media sponsors of the event, we erected a temporary radio studio in the centre of the town, had a special programme and took care of mentorship. The young participants prepared their programme and had live reports



## Radio Maribor

to our regular programme. Together we prepared the closing public event, which was aired live, for more than a hundred participants and numerous locals.

In 2006 Radio Koper again strengthened its role as a collective correspondent of the programmes of Radio Slovenia. For the three national radio programmes we have contributed over 500 programme hours. Apart from some short informative contributions this framework also includes the broadcasts Studio ob sedemnajstih (fishery, the Port of Koper, white paper on Croatia, green boundary, Lipica, wine reform, gas terminals, tourism, University of Primorska ...) and numerous articles and broadcasts, our journalists prepared for Programme ARS, Val 202 and A-1. We should not forget to mention the regular weekly broadcast O morju in pomorščakih, the broadcast Sotočje about the Slovenes in the neighbouring countries, alternatively the broadcast for farmers and the programme project of the Radio Maribor and Radio Koper Radi imejmo Slovenijo.

It is important that a radio leaves the studios and goes among people. We respected this plan also in the past year. The reactions of people have confirmed our expectations and assumptions about the need of such »excursions«, although they are very demanding.

Together with the studio in Nova Gorica Radio Koper preserved the same scope of programmes despite problems emerging from the limitations due to human resources and due to the needs for savings. Radio Koper managed to maintain good results, to which we not only count good rating but also a high level of quality of the programmes in all the segments, by high performance of individuals and diligence of all programme workers. We believe to be competitive, needed and popular on the territory we cover. We are of the opinion that a profilated informative programme including an in-depth discussion of topical issues from all areas and the care for target audiences, to whom individual segments are intended (from servicing broadcasts and entertaining programme to evening close-up of cultural and different social events), special care for the young are a good and verified starting point and orientation that Radio Koper must preserve and supplement also in the future in order to contribute to the variegated nature of the Slovene radio.

The year 2006 was a year of challenge for Radio Maribor on the cram-full media radio space in the north-eastern Slovenia. We consistently carried out our fundamental mission of a national role of a radio in the region and also acted as a collective correspondent for the central national radio programmes.

This role and function have been actualised in all editorial departments - from the Current-Affairs Programme to the Music Department and also in the Editorial Departments of Documentary-Feature Programme, of Youth Educational, Culture-Arts and in the new Editorial Department for Transfrontier International Co-Operation.

The programmes of the Daily Radio Programme were divided in three basic slots - the morning programme between 5:00 and 9:00, the daytime programme between 9:00 and 19:00 and the evening programme until 22:00. Once a week we prepare the Nighttime Programme from our studio for the First Programme of Radio Slovenia.

The Morning Programme is the most listened to. The Daily Programme was a blend of broadcasts for all target groups of listeners - from the youngest with the Saturday children's radio studio, up until the last summer also with a radio fairy tale, and all the way to the broadcasts for the young adults on Wednesdays, and for the remaining groups of listeners, among which elderly people prevailed in the last year. The evening time slots are intended for topical, especially music broadcasts of classical, serious music, sports broadcasts on Wednesdays and Saturdays and documentary-feature contents on Fridays. In co-operation with Radio Koper and the First Programme of Radio Slovenia we prepare the weekly broadcast Sotočja for our countrymen in Austria, Italy and Hungary.

We have an intense co-operation of the culture-arts and music programme with the Third Programme of Radio Slovenia. In 2006 we prepared many additional hours of musical production - recording of concerts and choirs.

Radio Maribor was also the organiser and co-organiser of several acclaimed projects, like Festival narečne popevke, the festivals in Vurberk and Ptuj, Slovenski radijski festival. In 2006 we aired 12 Sunday masses and



prepared a special broadcast for the religious people each Sunday - Iz roda v rod.

Before the enforcement of the new Articles of Association of RTV Slovenia, the programme of Radio Slovenia International /RSi/ was part of Radio Maribor and was intended especially for foreign-language audiences.

Our programme output has undergone some renovation of informative broadcasts and tried to offer the listeners more information about important events in Slovenia and its close neighbourhood. We continued our participation in the project Insight Central Europe. This is a regular weekly informative broadcast prepared by Radio Prague, Radio Slovakia International, Radio Hungaria, the English section of the Polish Radio and Radio Austria international.

We provided sporadic contributions for the broadcasts Network Europe.

The year 2006 brought considerable changes also in the music output of the programme of Radio Slovenia International due to new legal provisions stipulating that as much as 40 percent of music should be of Slovene origin. This was quite a problem for us, because the music setup of the programme is very specific and the production of Slovene music too minor to be able to shape a musical programme of high quality.

The EPU Editorial Department of Radio Programme for Foreign Audiences established that it was very difficult to ascertain the quality of all the presented information due to the small number of collaborators. This is especially evident in the period when Slovenia is preparing for the presidency in the European Union. There is a growing number of activities and events that will have to be pursued and reported on and also a growing number of listeners who seek such information on the frequencies of Radio Si.

## Radio Slovenia International

The radio programme intended to provide information to foreign audiences, Radio Slovenia International, was subject to many changes in 2006. In compliance with the new Law on RTV Slovenia and the Articles of Association of the public service broadcaster the programme became an independent editorial-production unit.

We prepared 24-hour programme in the Slovene, German and English languages. Fair 80 percent of programme output are represented by Slovene and world music. Our informative programmes dedicated much attention to the events in Slovenia, in Europe and in the world and to the exchange of information with related European programmes.

Listeners listen to the programme of Radio Slovenia International the whole day, so it has no special climaxes as experienced by several other programmes. The structure of listeners is also interesting: research has shown that the programme is listened to mostly by highly educated people receiving high income, aged between 20 and 50 years.

Another important turning point was the introduction of the Nighttime Programme on January 9, 2006. Radio Slovenia International prepares a Nighttime Programme aired each day also on the Second Programme of Radio Slovenia - Val 202. However, this is not the only contribution of the editorial department to the national programmes of Radio Slovenia. Besides, we daily prepare an informative broadcast in the German and English languages, and in summer months also traffic and weather information; the latter are also prepared for the web pages.



## Music Production

In 2006 the celebrations of anniversaries of the Symphony Orchestra and Big Band came to the end. Music production was subject to radical changes as to its position in the public service broadcaster. With the adoption of the new Articles of Association the unit changed its name to the OU Music Programmes and Music Production and is part of Radio Slovenia.

We expect the new structure to contribute to work organisation and to the quality of final products.

The Symphony Orchestra of RTV Slovenia changed the chief conductor and set off towards exquisiteness. The starting and relatively short period of work of the conductor En Shao has shown that he will know how to draw hidden potential from the orchestra and bring it to a substantially higher level of music performance. The first recordings and concerts have surpassed all expectations. Deviations to positive direction are evident among musicians and also among listeners and even reviewers. In the past year the orchestra achieved all the set goals in the field of concerts and archival recordings. Both concert cycles have met the expectations. Mozartinas are still full, the concert season in the Cankarjev dom got the first general sponsor in the history of the orchestra, the insurance company Slovenica Življenje. In the framework of other concerts we co-operated with all famous institutions and performed the programmes for the Academy of Music, Glasbena mladina ljubljanska, Slovenski glasbeni dnevi, Festival Ljubljana, World congress of saxophonists, Festival Unicum and the company STJ (the former Manager's concert). On the latter we had an opportunity to co-operate with one of the most famous singers in the world, the mezzo-soprano Agnes Baltso. In the past year also other famous musicians and conductors co-operated with the orchestra, namely Stefan Milenković, Radu Lupu, Cristina Ortiz, Rossen Milanov, Helmut Imig and famous Slovene artists like Anton Nanut, Marko Munih, Dubravka Tomšič Srebotnjak, Mate Bekavac and others. The orchestra had a debut performance of a composition of Milko Lazar that was written especially for the Symphony Orchestra and performed four more Slovene and one foreign novelty. In memory of Dmitri Shostakovich we heard for the first time the original film music for the New Babilon, which was performed with the performance of the named silent movie. Guest performances

abroad, which are very important for our identity and the reputation of the orchestra, were carefully selected. We consider it our extraordinary success to perform in the famous hall Concertgebouw in Amsterdam, where the Symphony Orchestra excited the public with two different and difficult programmes in two consecutive nights. We also had a very successful performance in Belgrade on the Bemus festival. The plan of archival recordings has been met and even surpassed. We should not neglect the fact that as much as 41 percent of the production falls for Slovene works. The Orchestra produced a majority of recordings in the hall of Slovenian Philharmonics. We are impatiently waiting for the renovation of Studio 26, which will do away with several basic problems in the organisation of work and quality of recordings. Our co-operation with television was considerably better than in the past. The most demanding task was the taping of the film Lepo je biti Mozart. The orchestra got some young musicians and we consider it great acquisition to have the concert master Benjamin Zervogel among the full-time employees. However, the processes of retirement and hiring of young musicians were not parallel, so there are gaps in the future that will have to be filled in soonest possible. In the area of entertaining music the orchestra participated in several extraordinary concert events, we should especially mention the concert of the singer Neisha, who replaced the scheduled cross-over project with Magnifico and the Christmas concert with Oto Pestner and the top vocal group The New York Voices.

In 2005 Big Band RTV Slovenia was very labour intensive in celebrating its sixtieth anniversary, however, the year 2006 was not less intense, either. One of the concert climaxes came as early as January, when the orchestra performed in the Cankarjev dom and was conducted by Izidor Leitinger. The soloist was the Macedonian guitar virtuoso Vlatko Stefanovski, who carried away the sold-out concert hall. Another »big« jazz concert took place in July in the Ljubljana Križanke, when Big Band RTV Slovenia performed with the famous American group Yellowjackets; this was in the framework of the 14<sup>th</sup> World Saxophone Congress. The culminating point was the autumn jazz concert in the Cankarjev dom with two extraordinary musicians: the conductor Michael Abene and the drummer Dennis Mackrel. This was an event for the connoisseurs of jazz. Our »national jazz



Figure 1: Archival music in 2000 – 2006 in minutes of recorded archives

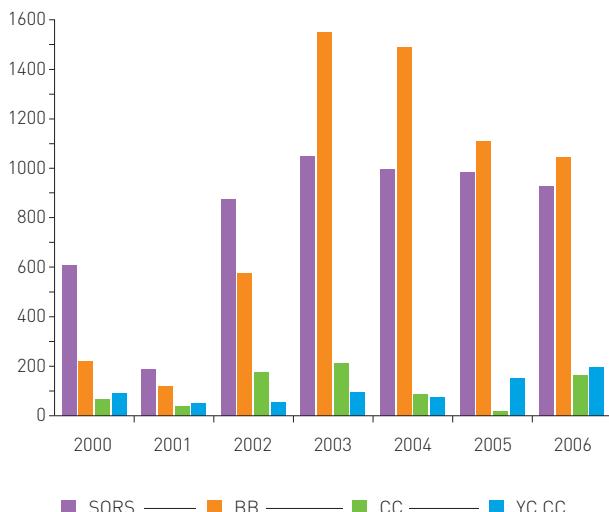
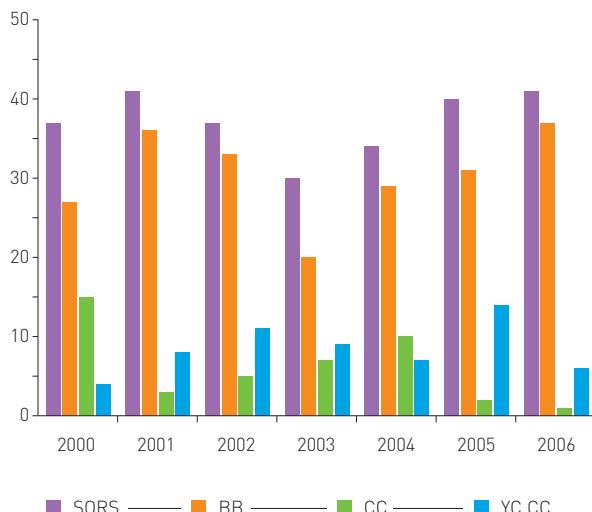


Figure 2: Performed concerts 2000 – 2006



orchestra», as our Big Band is often addressed to, had two more occasions in 2006 to fill in the halls: in the Križanke, at the concert in memory of Ati Soss, the legendary Slovene clarinet player and composer, and in memory of Majda Sepe, a star of Slovene entertaining music who deceased this year. It is a tradition that Big Band RTV Slovenia performs at the Slovenska popevka and Mariborska narečna popevka. It also has regular monthly jazz concerts in Studio 14 on Radio Slovenia, which is, unfortunately, too small. Let us also mention the performance in the Gallus Hall in the Cankarjev dom at the Christmas concert of Oto Pestner and the celebration of the day of Slovene independence, when the orchestra was led by the saxophonist Tadej Tomšič, the vocalists were Mia Žnidarič and Eva Hren. The year has successfully completed by the publication of the CD »Hippy Christmas«, with Christmas evergreen songs in jazz costumes. The ensemble recorded a total of 57 arrangements. We unexpectedly cancelled participation in the awards ceremony Frane Milčinski Ježek on TV Slovenia, where we regularly took part.

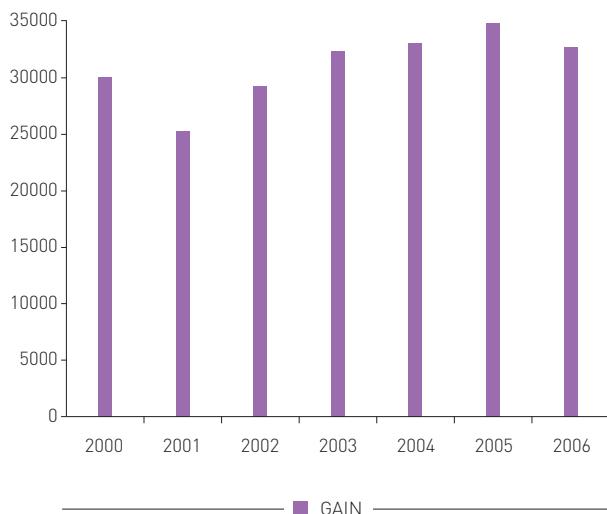
The Chamber Choir of RTV Slovenia surprised us after a short period of absence. In June the above-mentioned film Lepo je biti Mozart was taped. Apart from live singing they contributed a few recordings. The singers

led by the famous conductor Stefan Parkman reassembled in October and November and had a concert in the Slovenian Philharmonics showing a new cast and a new way of work. We can be satisfied with the performance. The choir was slightly behind the expected 180 minutes of archival recordings, however, this is also a corollary of unfavourable effects on the activities of the choir in the first half of the year due to the financing in twelfths. The November concert is certainly a great fundamental stone for further work that will be fully deployed in 2007.

The Youth and Children's Choir of RTV Slovenia have accomplished their missions by recordings of new Slovene compositions. The children also co-operated in the first performance of the cantata of Ambrož Čop. They have well prepared for the annual concert in the Slovenian Philharmonics. In spring, they started studying literature, thus preparing for the fiftieth anniversary of establishment of both choirs. The choirs have not participated in any competition or review performances, yet participated on state celebrations, on Miklavžev večer and in the taping of the film Lepo je biti Mozart. Considering the mentioned film, they surpassed the expected quantity of archival recordings. As far as archives for radio programmes are concerned, they have kept to the average obligation.



Figure 3: Group of producers 2000 – 2006; total gain in minutes



The Group of Producers for Serious Music has met all the requests of the Music Programme in the sense of the ratio orders - capacities. There is a scarcity of highly professional personnel needed to perform this type of work. The work is very demanding due to the introduction of new technologies. The total gain of production is somewhat smaller than in the past, which is also a consequence of a different statistical processing of minute count from concert recordings, where since 2006 only the effective net time of music on an individual concert is counted and not a lump sum quantity as was the case in the past. We can say the impossible was implemented - four full-time employees and two part-time workers processed more than 32,000 minutes of recordings for the programme in one year. Hiring of new colleagues is a must, otherwise we will have to limit or decrease the number of orders.

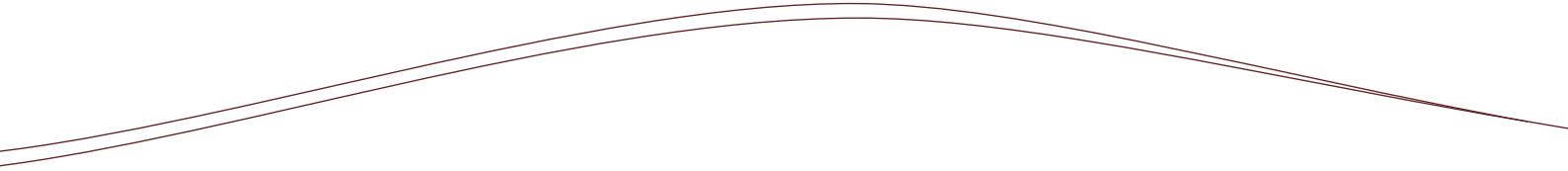
Based on the scope in the Programme and Business Plan for the year 2006, we can consider business operations exemplary. Again, we produced high overplan revenues (by completely meeting plan obligations!), which caused a considerable deviation on the variable part. Overplan revenues »serve« the implementation and creation of planned commercial revenues, because a programme and business plan has never planned

expenses in the sense of coverage of expenses for performing in Slovenia and abroad. Individual concerts had better sales results, some of them were fully sold out (Neisha, the Christmas concert, Oto Pestner and the rest). The purchase of investment capital was almost completely subject to the purchasing of a new concert piano for the Big Band and Studio 14. We purchased the piano Steinway&Sons, which is the highest reference of each music institution. Other investments were intended for the purchase of percussion instruments, trombone, tuba and a new bass amplifier for Big Band. In the frame of investment capital an overhaul of the concert piano from Studio 26 should have been done, which was not realised. Repair was postponed due to the shift of terms of renovation of the studio.



The logo for Television Slovenia features a vertical orange bar on the left side. This bar has a series of curved, overlapping bands in shades of orange and red at its base. To the right of this bar is a white vertical space containing the text "Television Slovenia". Below this white area, there are two large red circles. The larger circle on the left has a white outline. To its right is a smaller solid red circle. From the bottom right corner of the white area, three thin black lines extend upwards and outwards towards the right edge of the frame.

Television Slovenia



## Report of Director of Television Slovenia

Last year, Television Slovenia made an important step forward in the modernisation of programme concepts. We stopped or at least alleviated the tendency of rating decrease and brought more variegated contents into the programme that are attractive for a wide circle of viewers. We have simultaneously also strengthened the role of our institute as a public medium offering the contents of quality and credibility, which is the fundament of our mission. In short, we have increased the total scope of the programme, which is especially reflected in the period since the end of the so-called summer plan.

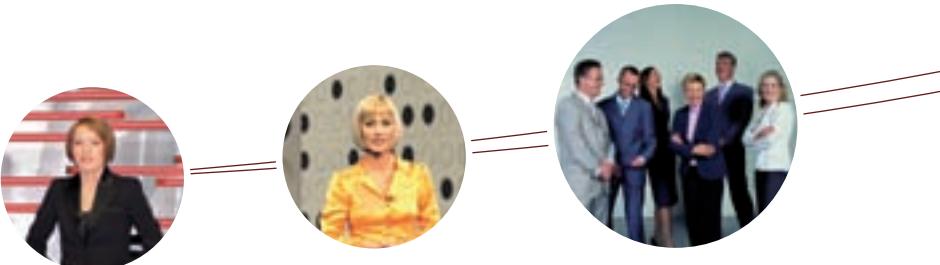
The fact is that Television Slovenia serves all people and is therefore under strict inspection of the audiences who immediately react to each our move. Despite several attempts to cast bad light on the good name and recognisability of Television Slovenia, we can proudly say that the reputation of television has been on the increase especially in the last part of the last year. The role of a public television has somewhat been modernised and started following the guidelines that have been characteristic of the biggest public televisions for years. A good national programme must be based on a variety of contents that educate, train, inform and also entertain. The contents that are not viewable distract our clients and deprive us of their trust.

We have stopped the tendency of viewers to switch to other competitive media, we have obtained acclamation and criticism, which has confirmed our belief about the necessity of the changes. The audiences expected movements, and we are well aware that movements often have deferred effects and that changes cannot be effected overnight. Time is needed to re-conquer the viewers. The first indicators are promising, more considerable results are expected this year. The year 2006 should be considered as a year, in which conditions and fundaments for future work have been set.

Upon his visit to Ljubljana, Director of the television section of EBU Bjorn Erichsen explained that public televisions all over Europe are in crisis, especially due to the attacks of commercial televisions of American type having powerful economic and media lobbies. The position of Television Slovenia is presently very good. In order to keep it, Erichsen, who has an overview over the situation in the entire Europe, recommended we should bravely fight for a viewer, we should be provocative and we should go to the limits.

I can see that despite individual slips the Entertaining Programme is the one that gets modernised most quickly. The Culture and Informative Programme had some excess in 2006 (documentary, educational, children's programme), however, a more extensive development in the field of feature programme is expected in 2007. The Sports Programme had good results especially during the World Football Championship and transformed into an independent editorial department at the end of the year. With the new Articles of Association coming into effect, a new editorial department was introduced and is in charge of Parliamentary and Experimental Programming. This department has good development and offers more long-term programme solutions for Saturday afternoons in 2007.

The Regional Centres in Maribor and Koper performed the task of a collective correspondent properly in 2006. I have a positive estimate of the broadcasts like *Ljudje in zemlja*, *Med valovi*, *Študentska ...*, however, the recognisability of the regional programmes in Koper and even more of that in Maribor has remained on an unsatisfactory level.



## Informative Programmes

The Informative Programme of TV Slovenia in 2006 was subject to radical renovation of informative broadcasts in both aspects: the appearance and contents.

At the end of the year an integral graphical and scenery renovation of all daily news broadcasts on TV Slovenia has been performed. We exchanged the old and non-television scenery, which had proved as one of the largest drawbacks of the Informative Programme as early as its introduction.

Apart from the renovation of the scenery and the selection of Studio 3 only for the needs of the informative programme, we also went through some changes in the contents.

The central informative broadcast Dnevnik has shortened from the 1-hour block to 35 minutes, in which the team of the Informative Programme and journalists try to offer an integral, exhaustive and professional report on the most important events of the day.

The evening broadcast Odmevi not only got a new external image but also renewed its contents. Apart from the daily news, with which we acquaint the viewers with the most important events of the day, Odmevi provide a more in-depth presentation of one topic, which was typical of a day or week. The Informative Programme of TV Slovenia thus offers to the viewers a more integral and broad discussion on a problem, supported by various opinions of professionals, politicians and the lay public.

The changed programme scheme of the Informative Programme »lost« the Tuesday talk show Pod žarometom and it has proved that such gap in the programming can much more efficiently and with more exhaustive information be filled in Odmevi.

As early as in spring the Informative Programme will start two new broadcasts, namely a broadcast of internal politics »Vroči stol«, where attention will be paid to the person, who will be in the centre of weekly events in Slovenia. This broadcast will give our viewers a possibility to directly participate with questions for the guest. Another broadcast is Globus, where the editorial department for foreign politics will prepare a broadcast

with our correspondents abroad. The most important world events will be analysed together with guests.

The Informative Programme of TV Slovenia placed both broadcasts to the Second Programme of the national television, which is very important from the point of view of strengthening the programme scheme. Together with the management of the television we follow the resolutions that a national television must air two high quality programmes and we should therefore not succumb to the temptations from the past and let the Second Programme become a »dumpsite« of poor broadcasts.

These were the reasons why the elite broadcast of the Informative Programme Tarča settled on the Second Programme as a test item. It has proved that the broadcast has preserved exquisite rating despite having been moved to the Second Programme, which is an indicator that our viewers appreciate good broadcasts and look for them on our programmes.

The Informative Programme also has the 18 o'clock bulletin on the Second Programme, thus setting onsets for a whole day informative programme (news on the hour), which can be expected and realised in the future by following adequate programme discipline together with the introduction of digitalisation.

## Culture and Arts Programmes

In 2006 we realised a majority of the intended broadcasts and created several extraordinary programme surpluses. Among the very few unrealised projects let us mention Lucijine oči based on the short story of Drago Jančar (complications with the executive producer and the way of production, taping moved to 2007) and a smaller number of taped broadcasts from the expected number in the realisation of the quiz National Geographic (the co-producer subsequently abstained from the taping of qualifications).

In the Children's and Youth Programme the broadcasts for a healthy way of life, active attitude to sports and ecology have shown to advantage (Z glavo na zabavo, S soncem v očeh, Šport špas, Vodni krog). With a series of broadcasts Muzikajeto and Sejalci svetlobe we acquainted the young viewers with the giants of Slovene painting and modern music genres. The premiere performance of the feature film Trpljenje mladega Igorja was viewed by almost 200,000 viewers.

The Education Programme has even more oriented to the topical issues in the cyclic broadcasts Modro and Resnična resničnost (self-esteem of the young adults, their creativity, second-chance education, etc). In a series of documentaries a number of great personalities who marked our past were presented (Peter Pavel Glavar, Klement Jug, Oton Župančič, dr. Milan Vidmar and others).

The Feature Programme taped three television films and plays (Kakor v nebesih, tako na zemlji, En dan resnice, Kosilnica) and the series Začnimo znova, which was broadcasted since January and was a success in the new Friday evening time slot. We also taped three new theatrical plays, Severni sij by Drago Jančar (SNG Drama-Maribor), Nora Nora by Evald Flisar (Prešernovo gledališče Kranj) and Tales from the Vienna Woods by Odon von Horvath (SNG Drama-Ljubljana).

In the Documentary Programme we have taped and broadcasted several extraordinarily attractive and quality documentaries and feature films, which can without prejudice be compared to those of the best European television production from this field. Among the documentaries the following are worth mentioning (The Ship) Rex, Domovina in država, Druga generacija,



Cerkniško jezero, among the portraits that of Arne Hodalič, František Čap and among the features Pesem zvonov, Tovariš iz Idrije, Breginja ni več.

The Editorial Department of Broadcasts on Culture carried out its mission in the broadcast Kultura (after Odmevi). The monothematic broadcasts from various areas of art creation have preserved a high level of quality and its audience. The concept of the broadcast Osmi dan has been exhausted and will be renewed in 2007.

The Editorial Department for Serious Music and Ballet has created several extraordinary programme surpluses, we should especially mention the documentary Koroška pesem, ti družica moja and the feature film Lepo je biti Mozart with Jure Ivanušič as the leading part.

The Religious Programme has created a fair number of acclaimed broadcasts beside from their regular activities. We should among others mention the portrait of Dr. Drago Klemenčič, the documentaries Čudež ob jezeru Kiwi and 25 let Medjugorja and the broadcast on the history of Christianity on the Slovene territory Drevo življenja.

The Editorial Department of Foreign Feature Broadcasts has had many films of quality and additionally created surpluses in the time slot Dediščina Evrope with a historic cycle on the English monarchy and with the excellent mini series, awarded with nine Emmy awards, Elisabeth I. We also have to mention the German trilogy Heimat (Domovina) and the excellent Russian series Idiot based on the novel of Dostoevski bearing the same title.



## Entertainment and Sports Programmes

The management of Entertainment and Sports Programmes saw a switch of editors-in-chief in October. Moreover, by adopting the new Articles of Association of RTV Slovenia in October 2006 two independent editorial-production units were created.

### Entertainment Programme

The Entertainment Programme can be very satisfied with the implementation of the business and production plan 2006. In-house production of broadcasts exceeded the plan by as much as 33 percent. From the planned 25,500 minutes of premiere in-house production, the final sum of premiere broadcasts of in-house production amounted to as much as 33,872 minutes in 2006.

However, qualitative data are more important than the quantitative ones. We are bound by two criteria: rating and implementation of the mission of a national television. Rating results of all the broadcasts aired in primetime were above the expectations by one to three percent. The broadcast Spet doma had as much as 17.5 percent average rating and a 42-percent share and absolute preponderance in its time slot. Among the one-time projects the rating of EMA 2006 stands out - it had 27.4 percent average rating and a 61-percent share and was thus one of the best rated broadcasts of the past year.

The broadcasts Spet doma and Tistega lepega popoldneva are among the best rated broadcasts in their time slots among the broadcasts of the EBU member states. The data were obtained by a research carried out before the first creative forum for the entertaining programmes by EBU (European Broadcasting Union).

On the programme side we have to expose the satirical show Hri-bar, which is pursued also by more demanding viewers due to its topical content. The broadcast Tistega lepega popoldneva has become a trend setter on the Slovene media space and preserved its status of the best urban entertaining broadcast with attractive guests and music live shows in the »weekend package«. The rubrics Bitka talentov and Zvezde plešejo of the Spet doma broadcast were much acclaimed. The later has considerably contributed to the popularisation of dancing in

Slovenia. The polka music found its place in the broadcast Pri Jožovcu z Natalijo, where a competition of young polka music bands was carried out. The rubric Domači upi gave opportunity to many young bands that were immediately after present on festivals of polka music. The broadcast Turistika has also undergone renovation. It was moved from the unattractive virtual studio among people on the scene of various tourist events, which was made even more attractive by famous Slovenes.

The broadcasts Nikoli ob desetih, Aritmija, Izza odra and Sobotna noč had a much poorer rating, yet were important to perform the mission of the national television. In 2007 these broadcast will be subject to radical renovation.

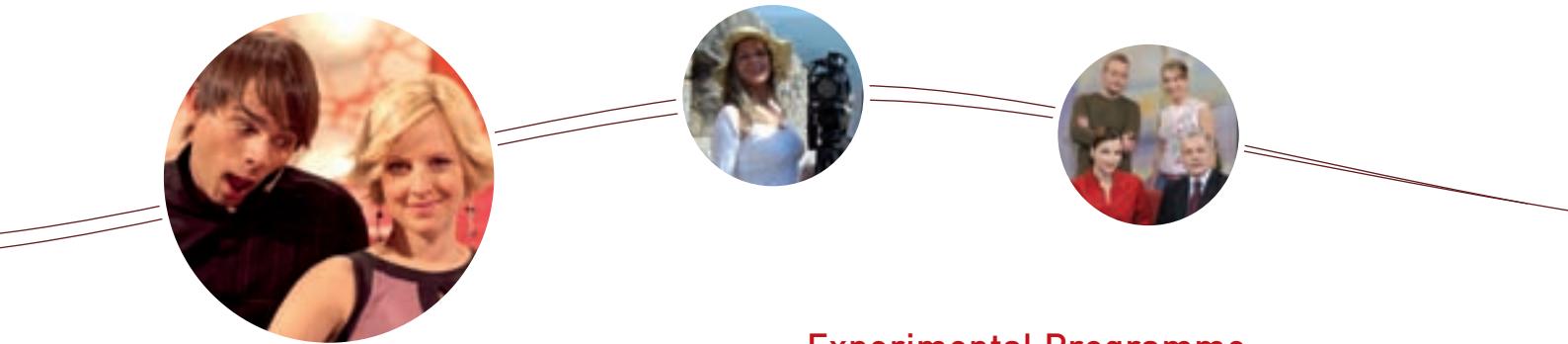
The summer offer of the Entertainment Programme aired the broadcasts Čez planke, Slovenski venček and Velika imena malega ekранa. In the last quarter of 2006, the Tuesday prime-time slot was defined by the entertaining broadcast with the current-affairs elements entitled Piramida.

Apart from EMA we also prepared the festivals Slovenska polka in valček 2006, Slovenska popevka and in co-operation with Teater d.o.o. The International Chanson Festival. In September we prepared A Concert in Memory of Majda Sepe in co-operation with the Festival Ljubljana, Radio Slovenia and Music Production. The concert was published at the end of the year on a DVD by the Record Label of RTV Slovenia.

The year has rounded with the New year's eve programme, in which the married couple Tič Raljan performed.

### Sports Programme

2006 was a year of big events and projects for the Sports Programme. This is especially due to the February Olympic Winter Games in Torino that were a success on TV Slovenia both in programme and business senses. A blend of programme moderation from Ljubljana (including the central broadcast) and live broadcasts commented on the field, was reasonable as to the programme and costs, and pointed at an approach in the projects of this type in the future. TV Slovenia could



## Experimental Programme

offer a live and lively topical programme on the Second Programme of TV Slovenia and has essentially increased the market share on the Second Programme. Cumulative rating (measured in the range) has exceeded expectations and also the results from the last Olympic Winter Games in Salt Lake City in 2002.

The implementation of the world championship in football in Germany (June/July) was even more demanding in the sense of the contents. With the accompanying broadcasts on the Second Programme TV Slovenia managed to set new standards of pursuing big sports (and social) events - especially by introducing a critical and simultaneously professional approach to the treatment of sports (especially football) topics and introduction of entertaining contents. A considerable contribution especially in the implementation was given by the colleagues from the Entertainment Programme.

A general estimate is this was the best realised television sports project in Slovenia, in which we have successfully integrated the use of modern transmission of television image via the Internet, which allowed us to make more appealing reports from the backstage.

Among the climaxes of the sports year we should also mention the huge reporting from the WC in basketball in Japan (August/September 2006), which was very successful and also offered to the viewers, who are hungry of sports, a quality and quantity surplus in the dead summertime.

Until June 2006 we daily prepared an average of 37 minutes of the broadcast Dobro jutro. After September 2006 the average increased to 50 minutes daily, which is also one of the reasons that we have financially overspent the planned finances, yet part of them were covered by unplanned revenues. A part of the overspent finances also goes to the expense of the stage for the broadcast Dobro jutro, we have still not received.

The broadcast Dobro jutro had a substantially better coverage of the entire Slovenia, Television Maribor had weekly 142 minutes, Television Koper 108 minutes, ES TV Slovenia 266 minutes, the Gorenjska region was dedicated 30 minutes, the Dolenjska region 70 minutes, the Štajerska region additional 24 minutes, the Koroška region 16 minutes and the Notranjska region 20 minutes.

The average rating of the broadcast Dobro jutro was 1.7 percent, the share was 42-percent.

Since the business and production plan 2006 has not been adopted prior to the end of the year, or rather only in May 2006, and numerous broadcasts have been cancelled, we assumed several new obligations in September 2006. We started broadcasting the advisory entertainment broadcast Labirint on the Second Programme of Television Slovenia that reached an average rating of 1.3 percent.

Unplanned, we included the broadcast Kuhajmo z zvezdami to our programme and reached a rating of 8.5 percent.

We took over co-production of a broadcast financed by the Ministry of Economy Najboljša podjetniška ideja. We did not have good experience with external producers, we received the broadcast each week with great delay and also the quality was not always the same. Rating: 1.2 percent.

A consumer's broadcast produced as a common project of RTV Slovenia, the Slovene Consumers' Association (SCA) and EU has not yet been realised, because a contract between the SCA and EU has not yet been signed.

In Študentska we co-operated with TV Koper and TV Maribor.



## Regional TV Programme Koper–Capodistria

Besides, we have produced three documentary broadcasts Vzporedna ekonomija, we used the opportunity to reveal part of the unsearched Slovene history. Rating: 3.3 percent.

In November we got a status of an editorial department in chief, i.e. a Parliamentary Programme and took over the tasks in this field, which has, of course, increased the costs we could not have foreseen. We care for the live broadcasting of sessions from the National Assembly on the satellite and on the Second Programme of Television Slovenia, for the broadcasts of working bodies of the National Assembly on the satellite and prepare the concept and the programme scheme of the Third Programme.

In 2006 we trained numerous young people, who perform successful television work in different programmes of TV Slovenia. We have introduced new trends, we have numerous courses for camera, cut and actively participated with system engineers in the introduction of a new technology.

We have successfully brought the programme plan for the year 2006 to completion. We consistently followed the basic functions of regional programme creation, we accomplished our role of a correspondent and prepared a programme linking the Slovene minority in Italy with the mother country. The rating tables have proved we have support among the viewers, which gives us new incentive to follow the set plan. Almost the entire work of the Regional TV programme Koper–Capodistria, the regional broadcasts Ljudje in zemlja, Pomagajmo si, Med valovi, Študentska, Sledi, Primorski mozaik, Lynx magazin, Slovenci v Italiji, Pravljice Mike Make, Minute za ..., was scheduled and broadcasted on the national programme of Television Slovenia and reached satisfactory rating. As always, the regional informative broadcast Primorska kronika has always reached top rating. It informed on the events across the entire Primorska region and across the border on a daily basis. We also had a strong correspondence role. We pursued all topical issues and topics and daily prepared 3 to 4 contributions for the daily-news programme of Television Slovenia (Porocila, Slovenska kronika, Dnevnik, Odmevi, Kultural) and had live reports in various informative broadcasts. The broadcast Pomagajmo si was added new value of the sign language for the deaf and the hard of hearing. We successfully helped the Association of Kidney Patients of the Posočje region with a charity concert in Kobarid Odpri srce, odpri roke. Together with Radio Koper we were media sponsor, together with famous musicians we gathered the money for the opening of a dialysis centre in Kobarid.

We prepared a series of broadcasts [Brez meje, Športel, Slovenci v Italiji] presenting personalities and the life on the other side of the border, and the broadcasts linking the Slovene minority in Italy with the mother country. We accomplished the exchange with RAI in Trieste and co-created the programme of transfrontier television with a series of topical magazine broadcasts and talks in the studio.

On the occasion of the 15<sup>th</sup> anniversary of the independence of Slovenia we prepared several contributions and special broadcasts: together with Radio Koper a round table entitled Mediji v času vojne za Slovenijo and the documentary Zamolčani dan, because in the Primorska



region military operations of the Yugoslavian People's Armade started earlier than in other parts of Slovenia.

We have also successfully prepared a number of other projects: Naš športnik – selection of the best sportsmen from the Primorska region and across the border for 2006. The broadcast Športna mreža showed the award giving Naj igralec, naj strelec. We prepared the documentary chronicle 30 let slovenskega programa TV Koper–Capodistria. The half-hour feature and reportage chronicle on the occasion of the 340<sup>th</sup> anniversary of the Idrija band was also good. We taped and were the media sponsor of the festival of young music hopes FENS in Koper. We were also media sponsors of the event upon the opening of the festival of lace in Idrija Fortuna, vladarica sveta, which was dedicated to the 130<sup>th</sup> anniversary of the establishment of the Idrija Lace School. Both music events were aired on the Second Programme of Television Slovenia.

Unfortunately, we faced financial problems as early as the first half of the year, which was a consequence of each year's balancing and shortening of financial means. The programme output for Television Slovenia has increased, yet the changes of the Law on Income Tax and the related transition of external collaborators, especially in TV Production and the Service for the Shaping of the Programme to the status of independent entrepreneurs, has even more increased the costs of their work that go entirely to the burden of the programme. The requirements of the trade union of journalists and the changes of contracts of free journalists (the Regional TV Programme has 10 of them having such status) have additionally increased the costs. Due to all that we started the summer scheme as early as June, thus decreasing the number of part-time workers, the autumn-winter scheme was also limited and marketing possibilities smaller.

Despite the financial deficit, the Regional TV Programme can boast of three international awards.

The documentary Gorska lepotica, dedicated to the 100<sup>th</sup> anniversary of the Bohinj railway and the bridge of Solkan, received appraisal of the international jury Circom Regional and also the award for author's work and directing at the Ohrid VII. International Festival EKO 2006.

The project of transfrontier television Dober dan Evropa – Buon giorno Europa, co-created by four editorial departments (the Slovene and Italian on TV Koper and on RAI in Trieste) obtained the award Erasmus EuroMedia for the series of broadcasts and round tables. We obtained the award in Vienna and were selected among 11 countries and 190 projects.

The rubric Dobrote istrske kuhinje from the broadcast Ljudje in zemlja convinced the severe international jury with image, music and recipes on the 14<sup>th</sup> international festival of tourist and culinary film MEFEST in Brus under the Kopaonik, where we outperformed 22 countries and got the 1<sup>st</sup> award in the category of culinary film, and an award on the 9<sup>th</sup> international festival of tourist film in Split.



## Regional TV Programme Maribor

It is evident from the appendix that we created 1039 in-house programme in 2006. Special mention should be made of:

- music entertaining broadcast Fonoteka;
- special projects

In co-operation with Radio Slovenia we prepared a series of projects that were also published in the programmes of TV Slovenia. Among the most successful projects are Festival narečne popevke, Ptuijski festival, Vurberk 2006, Unicef's charity event, polka music events Kovaški pozdrav jeseni and Polje, kdo bo tebe ljubil;

On the occasion of the 15<sup>th</sup> anniversary of Toti big band we prepared a one-hour documentary with the statements of the most deserving people for the existence and work of this Maribor orchestra. We also co-operated in the preparation of the setting and prepared the live broadcast of the celebration on the occasion of the 15<sup>th</sup> anniversary of the events at Pekre and aired the Maistrova proslava from Lenart. Among the events that have marked our region, let us mention the completion of the Borštnikovo srečanje, the live broadcast of the announcement of metropolia, the live broadcast of the event Športnik Maribora 2006 and pre-election confrontations, which were of quality and universally informative. They were characterised by bimediality - they were prepared in co-operation with Radio Maribor;

- the broadcasts, which have given us recognisability in the national programme Na vrtu and Živali in ljudje, have been shortened and joined under the common title Sožitja. The well established broadcast Sledi is dedicated to the contents from the field of culture, people's tradition and cultural heritage;
- documentary films  
The documentaries of Maja Kirar Krajinski park: sečoveljske soline and the broadcast on the European day of parks Parki za življenje were appealing. The latter obtained appraisal and award of the Ministry of the Environment of Republic of Slovenia. We also mention the film of Marjan Šrimf Stara trta za vse večne čase, the story of the oldest vine in the world;

- since September 2006 we have been preparing the broadcast Evropski magazin again. The 30-minute broadcast has 5- to 10-minute reportages. The production house Mostra Communications provides us free topical contributions on the life in EU, which are translated and the topics linked to the events in Slovenia.





**Programmes for both  
National Communities**

## Programmes for the Italian National Community

### Radio Programme

Since many years the radio programme for the Italian national community has been facing real deficient funds for the realisation of their programme scheme in the informative, entertainment and music programmes. Only high level of professionalism and commitment of all our employees and part-time workers to our medium make it possible to perform a quality and quite rich programme. Our broadcasting would not be so variegated if we did not have a sufficient number of external collaborators, which is due to numerous leaves (especially retirement) in the past few years and not hiring new workers (except in one instance last year). We should not forget the very unfavourable age structure of our team (an average age of the employees is 52 years), and practically seven additional workers are just about to get retired. Four of them are programme workers, also executives.

Regular decrease of the costs for variable expenses in the past few years has endangered the preservation of quality and the scope of the current programme scheme. The fact is that the necessary measures for the decrease of costs on the level of RTV Slovenia have a strong impact also on the Italian programmes on the Radio. As a counter-measure to the constant diminishing of the number of employees in the Italian programme, we have managed to preserve the scope of the programme by acquiring external collaborators for sporadic or regular co-operation in the programmes and studios.

Since we lacked about SIT 10 million for the implementation of the programme on the current level, several activities have been launched in spring, also supported by the Italian national community and the delegate of the Italian nationality to obtain additional financial means from the state budget. We reached a positive solution and the results were evident in the programme scheme. In that period, the programme scheme was carried out as set forth in the Business and Programme Plan 2006. We preserved a majority of broadcasts produced daily and weekly by our two Editorial Departments: the Informative and Music-Entertaining, the central informative broadcast focused on an in-depth analysis of events in broader region, with a guest in

the studio and by participation of public via phone calls Spazio aperto – Aktualno v prostoru. In the programme slot after 14:00 we broadcasted 20-minute specialised broadcasts narrating about the literature for the young, book novelties, education, economy, culture and events. These are the topics treated in the broadcasts Doroty & Alice, Un anno di scuola, La telefonata, Speciale economia, Sogni di vacanza, Dove, come, quando. The live show Ferry sport (and in the summer Sirene) and a series of specialised rubrics that are an enrichment of the radio bulletin on Saturday, Sunday and Monday, we professionally reported on the World Football Championship. In the Morning Programme slot we continued the broadcast Calle degli orti grandi - Ulica velikih vrtov, prepared by the contact editorial department. This is a live broadcast with a good ratio between music and talk. We have to mention that in the field of music the broadcast Pomeriggio ore 4 - Ob štirih popoldne was very successful and well accepted. It is aired from Monday to Saturday between 16:00 and 18:00 and is directly prepared by six moderators.

In one half of the year the programme scheme was subjected to quite several changes headed toward a more easy and time-tailored programme. Moderated broadcasts in the informative programme have been replaced by entertaining and music broadcasts. In September, the programme workers and journalists had to be oriented towards new obligations. Much work and commitment was needed to be able to prepare for the coverage of the Local Election in Slovenia on time. We accepted the challenge and professionally carried out this demanding project.

And to end with: decrease of finances for variable expenses (especially fees) and not hiring workers jeopardises the current level of programme scheme, the scope and the quality of broadcasts, the role and the importance of our Radio. This will have a negative impact on the Italian national community.

### TV Programme

TV programme for the Italian national community started the year 2006 with an additionally shrunk plan for the



programme variable assets compared to 2005 and the years before, with shrunk human resources in editorial departments due to non-replaced retirements and deaths of journalists, non-replaced maternity leaves, leave of director secretary and with the fact that 30 percent of the programme means will be yearly spent for the payment of external collaborators in the team TV production and the team for programme creation.

Thus, we have utterly rationalised consumption and additionally burdened the workers in order to preserve the basic programme scheme and broadcasts. Despite efforts and some good programme results, we have not been able to meet the plan in its entirety, because we had to give up several important broadcasts and projects due to stiff financial frames in the spring and summer time - the new airing of the weekly broadcast for the young adults Giotto, a series of broadcasts on topical issues, series of music and attractive broadcasts Folkest, taping of the theatrical performance of a minority theatrical group, necessary scenery renovation of informative programmes. We have also limited the number of recordings with a reportage van. Besides, we had to restructure and partly impoverish other broadcasts, because we had to cut down co-operation with external author collaborators and to start the summer programme plan before time. We also had to limit the number and processing of adopted documentaries. In the period January-September 2006, compared to the same period in 2005, our in-house production decreased by 22 hours, adopted broadcasts by 58 hours, premiere emissions by 79 hours.

In order to avoid a programme and production collapse and to reach a consolidation of the programme and that of human resources, we have launched activities to obtain additional financial means from the state budget in spring. The campaign was assisted by the Italian national community and the delegate of the Italian nationality. We found a positive solution, so we could start a programme scheme in September without additional cuts in broadcasts and programme workers. We could simultaneously start preparations for the much needed renovation of the scenery and visual concept of the daily-news programmes, which will be concluded with the setting of a new scenery at the end of March 2007.

We started preparing a new scenery for the new weekly broadcast for the young audiences Fanzine, which will start being emitted at the end of February 2007. Two new broadcasts have been defined as to their programme and production, namely the monthly Incontri in Comunità, which started in January 2007, and a series of ten broadcasts L'appuntamento, of infotainment type, which will start in spring 2007.

Despite all this, we have reached some visible results in the programme field mostly due to the commitment of editorial departments, journalists and redactors. We also managed to create programme changes for the autumn scheme. In September we also started satellite emitting, which was well accepted (despite the limits of time and technique and other problems) and started shaping the above-mentioned plan of broadcasts for the year 2007, which is intended to bring freshness into our programme.

The informative programme managed to keep the quality and topical nature of daily news and other informative broadcasts. In spring we introduced a short trailer on the content of the central 19 o'clock daily news broadcasts at 17:55 before the start of the Slovene programme. During the election campaign for the local election and the election to the councils of the Italian national community, the editorial department prepared a number of confrontations between candidates and lists. Apart from regular broadcasts, the editorial department of cultural, educational and entertainment broadcasts prepared several interesting and acclaimed, extensive reportages, e.g. on the occasion of the 60<sup>th</sup> anniversary of the Italian drama from Reka, on the occasion of yearly awards for cultural achievements of the Italian national community Istria Nobilissima, on the transfrontier European project Umetniki dveh manjšin etc. When the autumn programme scheme was introduced with a slight delay due to ambiguous financial limits, our regular programme was enriched with a series of reportages Voci di Dalmazia, with the weekly broadcast Alter Eco and with a weekly broadcast from our archives upon the selection of our viewers Rispolverando palinsesti. The viewers have also been offered a new cycle of broadcasts Nautilus, prepared in co-operation with the Videm festival of underwater film. At the end of the year, we taped and aired the festival

## Programmes for the Hungarian National Community

of children's songs of the Italian national community Voci nostre in co-operation with and supported by financial means of the Italian Union. In co-operation with the local community of the Italian nationality from Koper we prepared, taped and emitted the new year's performance and broadcast Ma che festa è?. Moreover, we almost came to the end of the post-production series of demanding documentary broadcasts on the history of the Istrian peninsula Istra skozi čas, which will be aired in March and April 2007, and we successfully continued production co-operation in the regular monthly broadcast of the transfrontier television Lynx Magazine. We made a step forward also in the programme exchange with the Italian and Slovene programme of the RAI for the Friulia-Venezia Julia and with TV Slovenia.

In the field of Sports Programmes and broadcasts we, unfortunately, faced an unfavourable position, we could namely not broadcast the competitions of the world football championship, which caused a financial deficiency in the marketing area. The autumn scheme was rich in sports broadcasts of large international competitions, with the exception of the Champion's League in Football, since RTV Slovenia has not managed to renew the right for the emission of the new competition season. Apart from the regular broadcasts (TG Sport, TG Sportivo della Domenica and Zona Sport), we broadcasted for the first time in autumn the competitions of the Jadranska liga in basketball and Magazin NLB, for which we have independently obtained the rights practically for free also thanks to satellite emitting.

Programme statistics have shown that compared to 2005, in 2006 the in-house production has decreased by 21 hours, taken-over production and broadcasts by 32 hours, premiere emitting shrunk by 53 hours. The reasons are to be searched especially in financial problems that the programme encountered in the first nine months of 2006.

In the field of human resources, we have to draw attention to the hiring of one journalist at the end of the year. This person, unfortunately, only partially fills the gap of programme workers who left in the past years. The situation remains critical in the groups TV Production and in the group for the shaping of the programme.

### Radio Programme

The Pomurski madžarski radio/Muravidéki magyar rádió aired its programme in 2006 between 5:45 and 19:00 hours. Last year, we prepared a total of 4,781 hours of programme. The main structure of that was presented by daily news broadcasts and topical broadcasts, which were aired daily between 11:00 and 12:00, and the broadcasts in the afternoon time between 15:00 and 17:00. The ratio between talk and music was 33.6 percent to 66.4 percent. The ratio between programme genres of the talk programme was as follows: topic issue broadcasts 16 percent, daily news broadcasts 12 percent, general informative broadcasts 11 percent, other daily-informative broadcasts 16 percent, entertainment and contact broadcasts 14 percent, etc.

Among the topical issue broadcasts let us mention the broadcasts Aktualno/Aktuális, Od vasi do vasi/Faluról falura, Horizont/Horizont, Kmetijstvo in gospodarstvo/ Agrár és ipar ter Ekopolicaj/Ökozsaru. These broadcasts treated a vast variety of topics from the fields of economics, agriculture, national politics, health care, education, culture, ecology, we prepared interesting reportages on the bilingual territory.

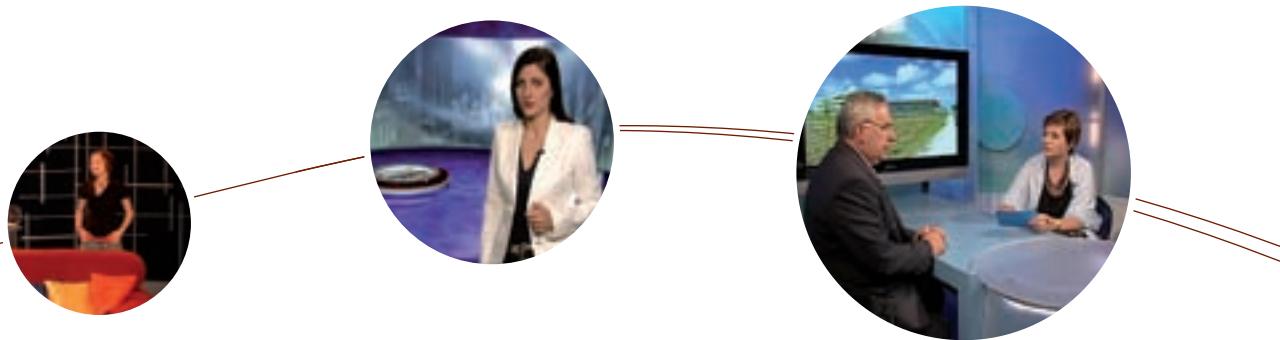
The daily news broadcasts entitled Novice iz domačega kraja/Terepjáró we published interviews and reported on the happenings in the region. The broadcast was aired each day from Monday to Saturday at 14:30 and on Sundays at 11:30.

Much attention has been paid to the Hungarian national holidays and to broadcasts of religious ceremonies.

The broadcasts Tini Expresz and Zmenek ob koncu tedna/Hétvégi randevú are intended for the young people and are also prepared by them assisted by the editor.

The broadcast Znani neznanec/Ismeretlen ismer presents a known or a less known person from the nationally mixed area to our listeners.

We also aired the adopted broadcast Univerza vseznanja/ Mindentudás egyeteme. We had a producers' permit and we got the broadcast from the Hungarian Radio from Budapest.



The one-hour weekly broadcast entitled Polje moči/Térer has been successfully prepared in co-operation with nine Hungarian editorial departments across the border.

In September the programme of the radio was richer for a new broadcast with the title Od duše do duše/Lélekt l-lélekig, for which we have obtained financial means from the foundation Illyés from Budapest. The broadcast will be aired three times a week until the end of June 2007.

The radio is carrying out digitalisation of the analogous sound carriers, for which we have also obtained financial means from the foundation Illyés from Budapest.

### TV Programme

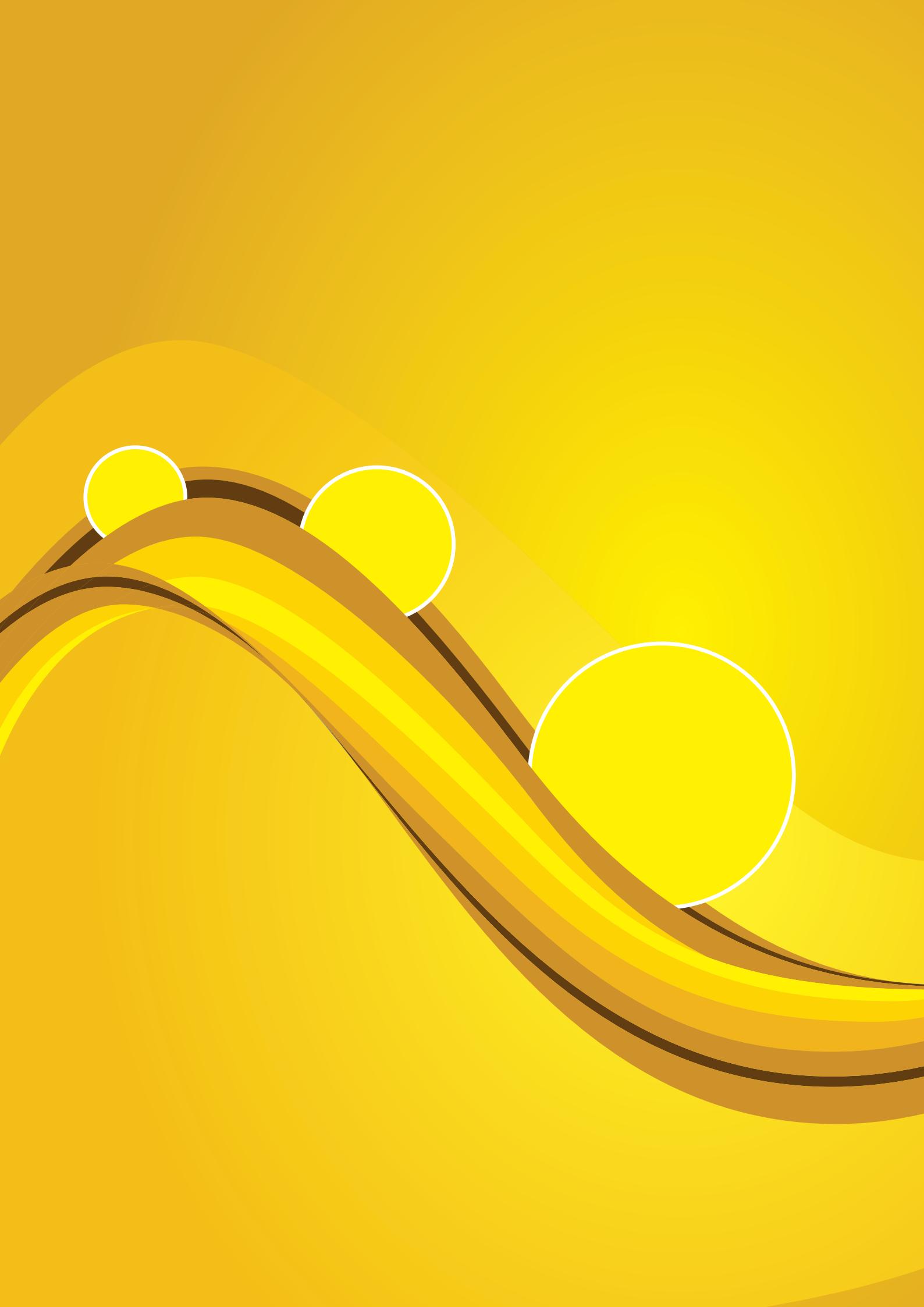
We strove to shape the 2006 content of the electronic media programme of the Hungarian national community in Slovenia with an extremely sensible attitude towards language, culture and multi-sided development of national community, which is our contribution to the strengthening of loyalty to the nation and to possible identification with the Hungarian national community. Hopefully, it could be sensed in each segment of our radio and television broadcasts. We managed to implement the set programme and production plan despite a limited budget.

The television programme for the Hungarian national community aired 30-minute broadcasts of current-affairs, events and documentary contents from Slovenia and Hungary 4-times a week. We successfully implemented pre-election broadcasts for the local election 2006 and the broadcasts and contributions dedicated to the introduction of Euro. We also reported on numerous topical events to the Television Donava, which was our contribution to the popularisation of Slovenia in Hungary at the same time striving at adding our mosaic stone to a better flow of information to this neighbouring country.

TV Studio Lendava implemented the adopted Programme and Production Plan and moreover dedicated much attention to the creation of new broadcasts in the Hungarian language. Well established broadcasts Mostovi/Hidak, Moj gost/Moja gostja/Vendégem, Kanaper/Kanpé, Pod

drobnogledom/Nagyító alatt, Brez meja/Határtalan and Potepanja/Barangolások, which meet the expectation of contents and of technical nature, should be extended by new broadcasts both in the area of informative and culture-arts programmes. The point is the increase in in-house production to the expense of adopted production. Realisation of the existing and creation of new broadcasts had to be adapted to personnel, financial and technical possibilities of our TV Studio.

Apart from important milestones in the activities of TV studio Lendava, we have to mention the taping of the feature-documentary film Gostija bo v ulici naši, which was financed from the Phare CBC programme, the funds for own participation was assured by the Office for Nationalities of the Government of the Republic of Slovenia. The film was presented to broad public in four performances (two of them organised under the title Leto se izteka, which was the 8<sup>th</sup> in the series of traditional events of the TV Studio Lendava). It was also aired on TV Slovenia in the Christmas New Year's time. The 74-minute film was a revival and eternisation of the customs linked to marriage of the Prekmurje Hungarians from the beginning of the 20<sup>th</sup> century. We tried to place the events in as authentic environment as possible, the world of our grandfathers and grandmothers from 1911 was conjured by means of requisites, costumes and language. It is certainly a project, with which we re-confirmed and that has invaluable value from the point of view of future generations and preservation of identity of the Prekmurje Hungarians.



# Multimedia Centre





## Multimedia Centre

In 2006 the Multimedia Centre of RTV Slovenia carried out several important projects from the financial, programme and technical point of view. The core activity was the arrangement of the status, because based on the Law on RTV Slovenia new Articles of Association of RTV Slovenia appeared, according to which the activities in the field of new media are organised in the Programme-Production Unit MMC, which gives all the associates of MMC and users of our contents not only a formal and legal framework for the work, but also an incentive for the work in the future.

Business results in the previous year were good. We surpassed the planned revenues and also managed to follow unplanned requirements and expectations imposed upon us by the quick changes in programmes (new broadcasts, new services). Among others, we signed new contracts and/or annexes for the use of various interactive services (televoting etc.) with defined ratios of distribution of revenues, which are substantially more favourable for RTV Slovenia.

Among more important projects covered with success both in programme and technical view in 2006 were the Olympic Winter Games, the World Championship in Football, Local Election, where each time new records in the number of visits were attained. Apart from the journalistic pursuing of the above-mentioned and other events we constantly upgraded the infrastructure (servers, disk field, connections) and were thus prepared for the most important events, more visits and bigger quantities of data, which need to be stored (e.g. disk fields for a video have been extended from 1 TB to 3 TB).

### Teletext

Teletext remains the most widely read medium. A fair half a million of users each day at least once check the latest information, weather forecast, RTV forecasts or any other content or service. Despite a relatively unattractive image and technical »obsoleteness« compared to new media, teletext has an above average high number of young users in comparison with the data on viewers of TV Slovenia. The reasons are to be searched in various interactive SMS applications and services, which are being constantly updated and upgraded.

The most outstanding novelty was the application Govorec (a result of co-operation with the Josef Stefan Institute, Amebis and MMC), which enables the blind and the poor of sight to listen to the teletext.

### Internet

In 2006 we reached a 70-percent higher visit, which is substantially more than the usual increase in the use of web media. Depending on different ways and methods of measurement we rank second to fifth among the most visited web portals, which is substantially higher than experienced by public service broadcasters in other EU states. The daily number of various users is regularly above 60,000 and is constantly increasing.

The reasons therefor are the new image and structure of the portal [www.rtvslo.si](http://www.rtvslo.si) published in May and includes many new contents and services. The portal is created in compliance with world trends and is among the most advanced ones in its appearance, structure and technology.

At the end of the year we completed the largest investment, the upgrade of the application for audio/video contents on new media. The users are offered the contents in two different qualities (bit speeds) and formats (windows media and real media).

We were among the first in Europe to have started the peer to peer (P2P) technology in autumn, with which we could offer a better image in viewing the First Programme of TV Slovenia live and also spared in bandwidth (and consequently the hiring of connections).

In the second half of the year we presented the subportal Blogs thus offering our users of the existing forums a new application for the creation of own contents, which is the latest trend in the world web.

Among additional contents we should mention a site intended for children ([www.rtvslo.si/zaotroke](http://www.rtvslo.si/zaotroke)), where children are offered a variety of entertaining and educational contents and information and are also invited to participate by sending their works (sketches, fairy tales). The site is adapted to various age groups.



The sports contents are the most visited. Many users have been attracted by the application for the sport stakes »Nostradamus«.

#### **Mobile telephony**

At the beginning of the year the mobile phone users were offered a possibility to watch the Olympic Winter Games Torino 2006. The mobile portal with a complete set of news, information and services was offered in two variants (wap.rtvslo.si and www.rtvslo.si) for the users of mobile phones and for the users of palms (PDA).

#### **Info channel**

The content of the entertaining info channel has been made more attractive with the animated moderator Lili, who communicates with the viewers also via SMS-s and e-mail. Panorama drives have been enriched by recordings from the neighbouring countries, road tapings were given recordings from the air, balloon and parachute. The assortment of music spots on computers has been increased to more than 2000. We also started to publish various interactive games (4 in a row, Golman, Trojke, Vodna bitka), with which we enriched the contents and increased revenues. As a consequence we could simultaneously broadcast various contents on both programmes of Television Slovenia.

#### **Subtitling**

Apart from subtitling of the broadcasts prepared in advance, we have been looking for solutions to the subtitling of live broadcasts, where no adequate tools are developed for the Slovene language. The broadcasts before the local election were subtitled by dictating/typing live.

#### **Abstract**

MMC can evaluate the year 2006 as a success. Among the challenges we did not manage in the past year and remain for the year to come are the problems with the

premises (too small and inadequately secured premises for technical equipment and too small and inadequate premises for the associates) and the problem of human resources (a requirement for the increase in all fields has not adequately been followed by employment, so we mostly co-operate with part-time workers). We are convinced that we will continue the acquisition of new users in 2007, with the development of new services and with the enrichment of contents.



## Record Label

The publishing activity of RTV Slovenia in 2006 was mostly linked to radio and television programmes of various genres in the sense of additional promotional value, renewal of archival, especially music recordings and new projects. The Record Label edited and released 94 projects on the sound and image carriers. 61 of that were released on CDs, 1 on an audio cassette, 7 on video cassettes and 25 on DVD carriers. By genres, as many as 33 out of 94 projects were intended for children, 18 were from the field of polka music, dialect, popularised and folk's music, 18 from the field of classic and jazz music, 22 from the field of entertaining music and chanson and three television documentaries.

In co-operation with the Children's and Youth Programme of TV Slovenia the top domestic synchronisations of favourite animated films were published: Pippi Longstocking, the Franklin, Rolie Polie Olie, Medvedek, Tabaluga and Leo, the puppet show Zvezdica Zaspanka and the young adult's film Življenje kot v filmu. With the children's programme of Radio Slovenia we continued a series of original children's fairy tales under the common title Lahko noč, otroci. In co-operation with the newspaper publishing company Delo we carried out the autumn sales drive of 7 CDs with radio plays and fairy tales for children (Žogica Nogica, Zvezdica Zaspanka, Martin Krpan, Kdo je napravil Vidku srajčico, Miši v operni hiši, Čudežna srajca and Čarobni pisalni strojček). Apart from the common promotion of RTV Slovenia and the company Delo, d. d., the drive successfully promoted the top radio contents for children.

In co-operation with the Music Programme of Radio Slovenia and mostly with the financial support of the Ministry of Culture and also of the Glasbena matica, MOL and individual sponsors, we continued the recognisable and quality series of CDs of the so-called serious music RTV Slovenia Klasika. Under this title were released the CDs of instrumental and vocal music, for instance soloist portraits of the pianist Peter Zoltan and the pianist and composer Žiga Stanič, the chamber CD of the harp player Mojca Zlobko Vajgl and the violinist Miran Kolbl. Renewed were the recordings of Trio Lorenz and the Slovenski oktet, the opera portraits of Vilma Bukovec, Ladko Korošec and Miro Brajnik, the duo of the violoncello Tomaž Sever and the pianist

Hinko Haas, of the composers Pavle Mihelčič and Vinko Globokar, the integral performance of the opera Faust in the performance of Opera SNG Maribor, the piano duo of the Prešeren Award winners Bojan Gorišek and Milko Lazar and with the ensemble RTV Slovenia Pastirček pripoveduje with CYC, compositions for the piano and orchestra of Lucijan Marija Škerjanc and Pavel Šivic with Tomaž Petrač and the Symphony Orchestra of RTV Slovenia and the excellent Hippy Christmas with Big Band.

In the field of entertaining and polka music the renewal of archival recordings of some top Slovene authors and performers were in the foreground (Marjana Deržaj, Ditka Haberl, Ati Soss, Oto Pestner, Kameleoni, Irena Kohont, Franci Lipičnik and Ivan Sivec), of course also new projects have been recorded (e.g. the bands Hiša, Avtomobili, Mladi Dolenjci). The publications were also a support to some performers, winners of radio and television projects; the first CDs were issued by the winner of the radio Festival slovenskega šansona Matjaž Romih, the winners of the Slovenska polka in valček Zlati muzikanti and the very young winner of the television Bitka talentov Eva Černe.

The new Articles of Association transferred the Record Label from an Organisation Unit to the Multimedia Centre of RTV Slovenia. It preserved all its brands and also participated in all important music projects like EMA 2006, Concert in memory of Ati Soss, Slovenska popevka, Slovenska polka in valček, Concert in memory of Majda Sepe, Festival Narečne popevke, etc. We also have to mention the daily work in internal orders especially television editorial departments and the radio Editorial Department for the Slovenes in the world. In 2006 as many as 349 various titles of television and radio broadcasts in various number of issues were multiplied for promotional purposes.

Audio and video cassettes as sound and image carriers have reached its technological final point in this year. Digital sound and image carriers /CDs and DVDs/ recorded with arts, education and less commercial programmes, which is the core of our editorial mission, are still fighting for survival due to strongly expanded piracy. The extremely complicated issues about copyright,



which are dealt with by legal experts all over the world very slowly (in Slovenia we even lack experts from this field) are a drawback to the revitalisation and release of perfect recordings from radio and television archives.

# International Co-Operation

The greatest breakthrough in the International Co-Operation in 2006 was a successful candidature in six tenders for the co-financing of programme projects with the European Commission and the European Parliament, with which we obtained more than EUR 600,000 and enriched the programme output of the Radio, Television and Multimedia Centre as well as creating programme reference and business trust.

Our business and creative success in international space has been confirmed with our record gain from production and technical services: the revenues therefrom reached EUR 907,000 in 2006. The most important item from this relation is realisation of broadcasts from the Olympic Winter Games in Torino 2006, where the production associates of RTV Slovenia have proved in the implementation of the most demanding tasks, which are good provisions for the next demanding task on the Summer Olympic Games in Beijing 2008.

Among the most appealing events from Slovenia was the coverage of the NATO summit in Portorož.

From Slovenia we sent to the EBU exchange 194 TV news, 30 TV multilaterals (programmes) and 117 unilaterals.

The most important field of International Co-Operation was of course our membership in the EBU (European Broadcasting Union uniting 74 full members from 54 countries and 46 associated members from 29 non-European countries, which is the biggest union of this type in the world). The RTV Slovenia representatives not only occupy eminent executive functions (vice president of the organisation, members in executive boards for radio, children's and youth, entertaining and sports TV programmes and in the bodies of multimedia and techniques) but are also active in co-productions.

The reform in the EBU, in which the representatives of RTV Slovenia decisively participated in the past years, brought fruitful results in 2006: the costs for programme contents (including licences) exceeded the costs for technical services (the lowering of tariffs) for the first time and the price of programmes, we obtain via EBU are by one third lower than the lowest price on the free world market.

TV Slovenia participates in as many as 18 co-production projects, which makes it the tenth most active among all member states. It is not only active in the development of new programme formats, but also in the creation of new programmes. Especially it realises and confirms the creativity of Slovenia across its borders.

In the music exchange of radio we forwarded 22 concerts and 25 hours of original Slovene music from Slovenia.

The commitment also comprises the issuing of an anthology of Slovene radio play in the English language, which includes the works of 20 Slovene writers as well.

In 2006 we joined the consortium Civis in Forum Europe, with which we will organise important media events in Slovenia in the year of presidency of Slovenia in the EU (when we will have the function of the »host broadcaster«). We have also been active in the associations Circom Regional (the annual shareholder's meeting will be organised in Maribor in 2008), the Mediterranean CoPeAm, in expert associations CIFEJ, IMZ, FIAT IFTA, PBI, IPI, Prix Italia, BA Ka Forum, in the framework of the transfrontier project Alpe-Donava-Jadran and in a group of Italophonic programmes in expert assistance in Kosovo, Montenegro and Macedonia, where we co-operate with OVSE, UNESCO and the Council of Europe as in several other states (Moldova, Azerbaijan, Ukraine, Malta, Cyprus).

The programmes of RTV Slovenia can be pursued by subscribers to individual cable systems in Austria, the Czech Republic, Slovakia, Poland, Switzerland, Hungary, Germany, Sweden, Bosnia and Herzegovina, Montenegro, Croatia, Serbia and Macedonia. The interest for inter-network services has increased, with which we keep contact with our countrymen in more remote continents.

We keep preparing programmes in foreign languages (RSi and TV Slovenski Magazin, which is forwarded to foreign satellite and cable channels in Europe, Northern America, Australia and Argentina).



# Awards and Prizes

## Receivers of Slovene and international prizes in 2006

### Awards of the Journalists' Society of Slovene Consortium veritatis/Bratstvo resnice

- Dejan Ladika, journalist of the Editorial Department for Foreign Politics Broadcasts with Television Slovenia for the achievements of young journalists, who are journalists less than five years

### Stop's expert Viktors of the selection of the Viktor academy members

- Creators of the broadcast Knjiga mene briga, Viktor in the category of children's and youth TV broadcasts.
- Maja Weiss, Viktor in the category of a documentary TV broadcast for direction and screen play of the documentary portrait of the photographer Joco Žnidaršič Neznašna lahkost fotografiranja.
- Creators of the broadcast Tistega lepega popoldneva, Viktor in the category of Entertaining TV broadcasts.
- Sašo Hribar, Viktor in the category of Moderator of an entertaining TV show for the broadcast Hri-bar.
- Marcel Štefančič Jr., Viktor in the category Moderator of an informative TV broadcast for the broadcast Studio City.

### The Vikend Magazine Gong Awards for Creativity and Popularity and Special Awards

- Andrej Karoli, Gong of popularity in the category radio programme.
- Lado Bizovičar, Gong of popularity in the category entertaining programme.
- The animated series Bizgeci produced by Casablanca (co-scenarist Peter Povh), Gong of creativity awarded by the expert jury of the Vikend supplement in the Delo newspaper.
- The broadcast Tarča, a special award given by the expert jury of the Vikend supplement in the Delo newspaper.
- Slavko Hren, a special award for the revival of the history of Slovene television.

### The Prize Milenko Šober

- Lucia Fonda Bonetti received the prize Milenko Šober for an extraordinary contribution to the development of tourism given by the Tourist Association of Slovenia.

### 14<sup>th</sup> international festival of tourist, ecologic and culinary film in Brus under the Kopaonik

- Vlado Ostrouška, first prize winner for the broadcast Dobrote istrske kuhinje.

### Tourist Film Festival in Split

- Vlado Ostrouška, award for the broadcast Dobrote istrske kuhinje.

### The Ohrid 7<sup>th</sup> international EKO festival 2006

- Danijel Božič, first prize for authorship and direction of the documentary film Gorska leptotica.

### 7<sup>th</sup> International Radio Festival in Iran

- Aleš Jan, second prize for the documentary radio play »A. T. L.«.

### International Festival Erasmus EuroMedia

- Education Programme of Television Slovenia, main prize for the series of eight documentaries entitled Dnevnik nekega naroda.
- Regional RTV Centre Koper–Capodistria, prize for the project Dober dan Evropa – Buon giorno Europa.

### IX. Etno festival of photography, dias, films and video

#### »Paunovo pero« in Novi Sad

- Jani Golob, main prize Grand prix for the authorship of music in the series of broadcasts entitled Okus po cvetju.
- Bojan Kastelic, main prize Grand prix for the best camera in the series of broadcasts entitled Okus po cvetju.

### International Festival of Documentary Films on sport in Krasnogorsk near Moscow

- Award for the documentary film entitled Človek, ki zmore več, directed by Tomaž Kovšca.

### International Festival Cinema&Montagna (Film and Mountains) in Trieste

- Documentary film Oltarji Špika, main prize »Scabiosa Trenta« as the best documentary film of the festival.
- Documentary film Makalu – 30 let pozneje, prize for scenario and idea.



### **Award Štefan Gruškovnjak**

- The Pomurski madžarski radio received the award given by the Pomurje Association for the Fight against Cancer for promotion of a healthy way of life, among others for the preparation of a series of broadcasts entitled Umetnost zdravega prehranjevanja.

### **Internal awards of RTV Slovenia**

#### **Award of RTV Slovenia for life-time work**

- Vlado Senica, long-lived editor-in-chief of the Culture-Arts Programme of Radio Slovenia.

#### **Award of RTV Slovenia for long-term contribution**

- Marko Petretič, head of the Organisation Unit Television Production.
- Zoran Debenjak, journalist in the Editorial Department of Regional Radio Programme in the Regional RTV Centre Koper-Capodistria.

#### **Award of RTV Slovenia for past-year achievements**

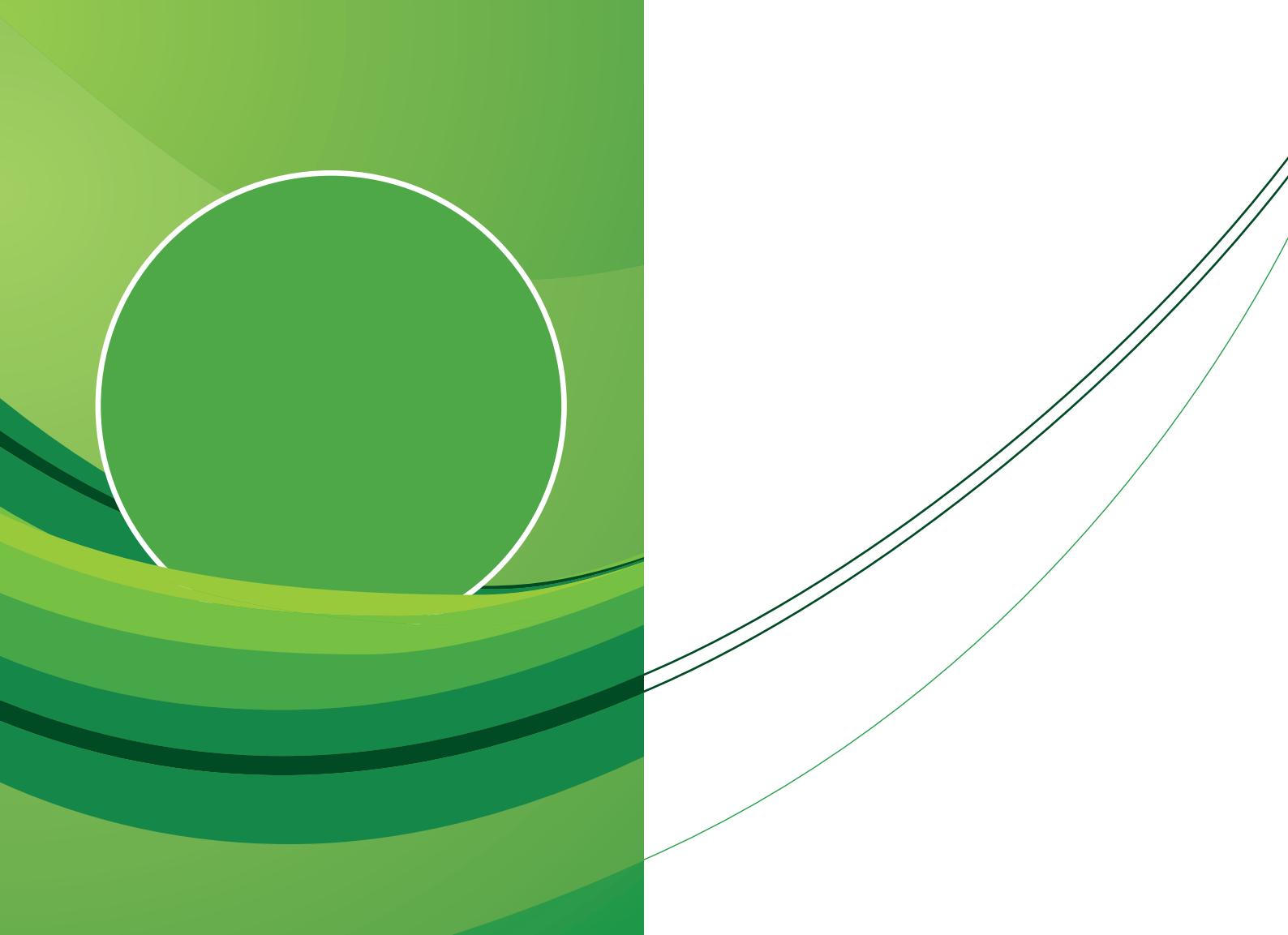
- Damjan Zorc, journalist and editor on Val 202.
- Smiljan Greif, producer in the Regional RTV Centre Maribor.
- Janez Strojan, head of the field for education of radio and TV production and broadcasting in the Education Centre of RTV Slovenia.

#### **Award of RTV Slovenia for the receivers of international and domestic prizes**

- Lucia Fonda Bonetti, journalist of Tourist Editorship of the Radio Programme for the Italian National Community in the Regional RTV Centre Koper-Capodistria.
- Dejan Ladika, journalist of the Editorial Department of Foreign Politics Broadcasts with Television Slovenia.
- Vlado Ostrouška, journalist and editor in the Editorial Department of the Regional Television Programme in the Regional RTV Centre Koper-Capodistria.
- Danijel Božič, journalist and editor in the Editorial Department of the Regional Television Programme in the Regional RTV Centre Koper-Capodistria.
- Sašo Hribar, imitator, humorist, comedian, radio and television creator working for the Editorial Department of Entertainment Programme of Radio Slovenia.
- Aleš Jan, art counsel of Radio Slovenia.



# Report on the Goals and Results Obtained



# Strategic Goals

## Strategic Goals of the Country

Strategic development of Slovenia adopted on the 30<sup>th</sup> regular session of the Government of RS of 23 June 2005 defines the vision and goals of the development of Slovenia and five development priorities with action plans. The foreground of the strategy is integral welfare of each individual. The strategy thus not only concentrates on economic issues but includes also social, environmental, political, legal and cultural relations. Such setting of goals is not only the strategy of development of Slovenia but in its contents also the strategy of sustainable development of Slovenia. It simultaneously means the transfer of goals of the Lisbon strategy into the national environment, i.e. by considering specific development opportunities and lags of Slovenia.

The five development priorities are as follows:

- Competitive economy and a more rapid economic growth.
- Effective creation, two-way flow and use of knowledge for economic development and quality jobs.
- Efficient and cheaper state.
- Modern social state and a higher rate of employment.
- Linking of measures to achieve sustainable development.

## Strategic Goals of RTV Slovenia

Vision of RTV Slovenia is creation and presentation of various high quality radio and television programmes, which will be available to all viewers and listeners as public goods and will meet the wishes of broadest audiences. The contents from the fields of information, education, culture and entertainment will also be offered by multimedia support.

The basic mission of RTV Slovenia is creation and airing of radio and television programmes providing incentive and development of creativity, language, culture and identity of Slovenia. This mission can be accomplished with top quality and motivated personnel, with high culture of organisation and programme-business exquisiteness. We will do our best to reach a flexible organisation

that will allow the public radio and television to quickly adapt to the changes in the environment. The financing system and the environment must ascertain political neutrality, creativity of co-workers and accomplishment of the negotiated mission. The strategic goals of RTV Slovenia until 2010 are as follows:

- We wish to maintain the leading role on the Slovene market in the field of providing information, original arts production, education, children's and youth contents and sports as well as entertainment.
- Radio and television programmes will be a reflection of the life and happening in Slovene regions.
- We will increase the scope of co-productions.
- Our radio and television programmes will increase reputation and credibility in public, increase the quality, more investments will be made in both the existing and new programmes, we will consciously adopt reasonable competition with commercial media, set standards in the field of media production and invest in people.
- We will develop the Multimedia Centre.
- Business process renovation will allow to monitor the entire business costs on the level of individual programmes and broadcasts and to separate pursuing of activates to market and public parts. Moreover, it will allow the decrease of business costs, the decrease of the total labour costs from 55 percent to 47 percent, the setting of modern organisation on the macro and micro levels and the introduction of optimum planning of all key business processes.
- We will increase the expenses for training per an employee, with which we wish to improve the situation between the actual and required education and to educate on the basis of career plans. We wish to rejuvenate the collective, to shape the culture of organisation (the principle of exquisiteness) and to introduce the multi-rule way of work.
- In the technical field we will orient towards the digitalisation of radio and television archives, technical-technologic systems and the system of transmitters of RTV. We will solve the problematic of space, maintain the obtained technological level and invest in extended reproduction.

## Annual Goals of the Public Service Broadcaster

The 2006 business plan is founded on the goals adopted in the Strategy of RTV Slovenia by 2010. It should actualise the restructuring of the contents and increase the quality of radio and television programmes. Besides, investment into the digitalisation of transmission network and into the modernisation of technological equipment should increase and the business process renovation continue. The business plan makes a special accent on the decrease of costs, especially of labour costs, which would improve productivity as well.

When preparing the 2006 plan we took into consideration the material Autumn Prognosis of Economic Movements (2006), prepared by the Office for Macroeconomic Analyses and Development.

The 2006 financial plan adopted by the Supervisory Council on its 4<sup>th</sup> session on May 25, 2006 exposed the following objectives:

- In the statement of revenues and expenses we assumed a surplus of revenues over the expenses in the amount of SIT 1,228 million (EUR 5,123 thousand).
- Total revenues were planned in the amount of SIT 28,665 million (EUR 119,616 thousand). Operating revenues amounted to SIT 27,884 million (EUR 116,359 thousand).
- Of the total operating revenues SIT 18,507 million (EUR 77,227 thousand) or 66.4 percent refer to the revenues obtained from the RTV licence fee. Despite the above-mentioned inflation rate being taken into account, our 2006 plan did not foresee any increase in the RTV licence fee due to conservative way of planning and risks deriving from the amount and time of increase. The expected revenues from RTV licence fee were thus by SIT 277 million (EUR 1,156 thousand) or 1.5 percent smaller than those realised in 2005. The reason can partly be searched in the new legislation stipulating that socially endangered population categories should be exempt from the payment of RTV licence fee. A further decrease of planned revenues from the RTV licence fee is due to checking and clarifying databases for the group of people, from whom the RTV licence fee is uncollectible and separation of those, who have deceased or live at unknown addresses.
- Advertising revenues were expected in the amount of

SIT 5,244 million (EUR 21,881 thousand), which is by SIT 351 million EUR (1,465 thousand) or 7.2 percent more than those realised in 2005. In the structure of revenues they represent 18.8 percent. On the one hand, we considered the expected increase in revenues due to the Olympic Winter Games in Torino and the football WC, and on the other, we considered the lack of some revenues realised in 2005 (lack of TV sales).

- The revenues from co-financing were planned in the total of SIT 331 million (EUR 1,381 thousand), which exceeds the 2005 realisation by as much as SIT 51 million (EUR 214 thousand).
- The framework of operating revenues had to include also the revenues pertaining to the reversal of provisions. On March 2, 2006, the Constitutional Court adopted the decision U-I-300/04-25, with which it judged that legal default interests cannot exceed the corpus, i.e. should no longer be charged in such case. The public service broadcaster RTV Slovenia had provisions in the amount of SIT 2.6 billion (EUR 10,932 thousand). The amount of provisions included also calculated interests. Based on the review of documentation and made calculations the plan considered the reversal of too highly created provisions in the amount of SIT 949 million (EUR 3,960 thousand).
- SIT 287 million (EUR 1,198 thousand) of created revenues were included in the plan due to too much calculated corporate tax in 2005. A written notice of DURS of May 10, 2006 defines that default interests of tax debt represent revenues of public service. This means a decrease of the market share and consequently also a lower obligation for tax from revenues.
- Among other planned operating revenues we should also mention SIT 1,616 million (EUR 6,745 thousand) commercial revenues (especially rents) in the scope of OU Transmitters and Communications, SIT 145 million (EUR 605 thousand) revenues from the sale of services, televoting and sale of animated films in the PU TV Slovenia, SIT 254 million (EUR 1,060 thousand) other commercial revenues in the scope of OU TV Production, where the major part refers to the Olympic Winter Games in Torino and SIT 294 million (EUR 1,227 thousand) of other commercial revenues in the scope of OU Common Services (rental of transponder, revenues of MMC, EBU, revenues deriving from vacation facilities).

- Total expenses were planned in the amount of SIT 27,437 million [EUR 114,493 thousand], which is by SIT 2,594 million [EUR 10,825 thousand] less than those realised in 2005.
- The costs of material and services were allocated SIT 10,202 million [EUR 42,572 thousand] or 37.2 percent of the total expenses. This is by SIT 303 million [EUR 1,266 thousand] or 3.1 percent more than the 2005 realisation. Increased expenses were expected mostly due to two important sports projects - the Olympic Winter Games in Torino and the WC in Football (especially the increase in costs of rights and travelling expenses).
- The labour costs of full-time employees were planned in the amount of SIT 12,879 million [EUR 53,742 thousand] or 46.9 percent of total expenses. This is by SIT 59 million [EUR 246 thousand] or 0.5 percent more than the 2005 realisation. The annual plan planned an increase in wages by 2.3 percent in August. We considered the legal decrease of tax on reversed wages pursuant to the Law on Tax on Reversed Wages (Off. Gaz. RS, No. 21/2006) and the decrease of the number of employees in compliance with the prognoses on possible retirements. This topic is described in more detail in the section on human resources.
- Depreciation costs were planned in the amount of SIT 2,601 million [EUR 10,854 thousand]. We respected the recommendation of the Audit Court on lower depreciation rates for individual types of fixed assets (aerial towers, the building on the Kolodvorskaya street).
- Since the public service broadcaster had paid SIT 282 million [EUR 1,178 thousand] of advance payment for 2006 (basis for the calculation was 2005) prior to receiving the decision on the decrease of advance payment of corporate income tax in April, this fact was included in the annual plan under revenue tax.
- The assets and liabilities in the balance sheet should amount to SIT 22,851 million [EUR 95,357 thousand] each at the end of 2006. This is by SIT 313 million [EUR 1,306 thousand] or 1.4 percent more than at the end of 2005. Long-term assets and management assets on the assets side amount to SIT 18,763 million [EUR 78,297 thousand] or 82.1 percent. Short-term assets and short-term deferred cost and

accrued revenue amounted to SIT 3,405 million [EUR 14,210 thousand] or 14.9 percent, and inventories amounted to SIT 683 million [EUR 2,850 thousand] or 3.0 percent. On the liabilities side we planned SIT 6,993 million [EUR 29,180 thousand] or 30.6 percent short-term liabilities and short-term deferred revenues and accrued cost and SIT 15,858 million [EUR 66,176 thousand] or 69.4 percent own sources and long-term liabilities.

- In the scope of the statement of revenue and expenditure by the cash-flow principle the 2006 planned SIT 26,116 million [EUR 108,978 thousand] revenue. Of that SIT 17,891 million [EUR 74,659 thousand] fall for revenue for public service operations, SIT 8,224 million [EUR 34,319 thousand] for sales revenues from goods/services sold. In the scope of revenue for public service operations we planned SIT 321 million [EUR 1,341 thousand] revenue from public finances and SIT 17,570 million [EUR 73,318 thousand] of other revenues for public service operations. The latter is mostly covered by the revenue from RTV licence fee.
- Expenses in the statement of revenue and expenditure by the cash-flow principle were planned in the amount of SIT 27,884 million [EUR 116,356 thousand]. Of that SIT 21,478 million [EUR 89,626 thousand] refer to expenses for public service operations, and SIT 6,405 million [EUR 26,730 thousand] to sales expenses from goods/services sold.
- Among expenses a special mention should be made of investment expenses, which were planned in the amount of SIT 4,355 million [EUR 18,174 thousand], i.e. SIT 1,754 million [EUR 7,320 thousand] more than the planned amortisation and depreciation and SIT 1,500 million [EUR 6,260 thousand] or 52.5 percent more than the investment expenses from 2005. We planned extensive investment projects for 2006, which are described in more detail in the section on investments.
- In the scope of statement of receivables and investments we planned SIT 992 million [EUR 4,140 thousand] of received paybacks of rents and in the statement of financing net debt in the amount of SIT 2,382 million [EUR 9,940 thousand]. Of that SIT 3,615 million [EUR 15,084 thousand] refer to indebtedness and SIT 1,233 million [EUR 5,145 thousand] to the payment of debt.

## Performance Analysis

### Statement of Revenue and Expenditure

In 2006 the public service broadcaster RTV Slovenia realised a surplus of revenue over the expenditure in the amount of SIT 1,542 million (EUR 6,436 thousand). This was by SIT 315 million (EUR 1,313 thousand) or 25.6 percent more favourable than planned in the financial plan and by SIT 7,984 million (EUR 33,318 thousand) poorer than the realisation in 2005. The greatest positive impact on the result from 2005 came from the revenue from the sale of shares of the Eutelsat company, which amounted to SIT 8,450 million (EUR 35,261 thousand). In March 2005 RTV Slovenia also received the excess pay of default interest from turnover tax in the amount of SIT 3,883 million (EUR 16,203 thousand). The final result of 2006 is heavily influenced by revenue from the reversal of provisions, which were considered both in the plan and also in the realisation in the amount of SIT 949 million (EUR 3,960 thousand). The planned and realised result for 2006 is also increased by revenues from overcalculated tax in 2005 in the amount of SIT 287 million (EUR 1,198 thousand).

When the above-mentioned influences, the corporate tax and created provisions are excluded, the below comparisons are obtained. The surplus of revenue over expenditures in 2006 amounts to SIT 465 million (EUR 1,940 thousand), i.e. by SIT 473 million (EUR 1,975 thousand) more favourable than planned and by SIT 192 million (EUR 802 thousand) or 70.4 percent more favourable than achieved in 2005.

### Revenue

In 2006 a total of SIT 29,765 million (EUR 124,206 thousand) revenue was created. This was by 1,100 million SIT (EUR 4,589 thousand) or 3.8 percent more than planned. Compared to the results in 2005, the revenue was lower by SIT 9,793 million (EUR 40,867 thousand) or 24.8 percent. When the influence of revenues obtained from 2006 and 2005 mentioned in the introduction was excluded, the revenue in 2006 was by SIT 1,304 million (EUR 5,440 thousand) higher, i.e. 4.8 percent.

Table 1: Statement of Revenue and Expenses

in SIT thousand	Realisation 2006	Plan 2006	Nominal difference	Reach of plan	Realisation 2005	Nominal difference	Index
1	2	3	4 [2-3]	5 [2:3]	6	7 [2-6]	8 [2:6]
Operating revenue	28,008,517	27,884,228	124,289	100.4%	26,309,256	1,699,261	106.5
Financial revenue	635,056	413,303	221,753	153.7%	12,870,778	-12,235,722	4.9
Extraordinary revenue	171,776	63,462	108,314	270.7%	180,305	-8,529	95.3
Revaluation revenue	949,260	303,889	645,371	312.4%	197,738	751,522	480.1
<b>TOTAL REVENUE</b>	<b>29,764,609</b>	<b>28,664,882</b>	<b>1,099,727</b>	<b>103.8%</b>	<b>39,558,077</b>	<b>-9,793,468</b>	<b>75.2</b>
Costs of goods, material and services	10,556,694	10,201,986	354,708	103.5%	9,898,690	658,004	106.6
Labour costs	13,171,938	12,878,796	293,142	102.3%	12,819,770	352,168	102.7
Amortisation	2,347,457	2,601,159	-253,702	90.2%	2,557,795	-210,338	91.8
Long-term provisions	158,642	0	158,642	/	1,662,908	-1,504,266	9.5
Other costs	273,396	196,646	76,750	139.0%	179,272	94,124	152.5
Financial expenses	52,828	53,326	-498	99.1%	164,113	-111,285	32.2
Extraordinary expenses	132,750	225,594	-92,844	58.8%	293,000	-160,250	45.3
Revaluation expenses	1,528,531	997,323	531,208	153.3%	1,039,610	488,921	147.0
Income tax	0	282,370	-282,370	0.0%	1,416,157	-1,416,157	0.0
<b>TOTAL EXPENSES</b>	<b>28,222,236</b>	<b>27,437,200</b>	<b>785,036</b>	<b>102.9%</b>	<b>30,031,315</b>	<b>-1,809,079</b>	<b>94.0</b>
<b>SURPLUS OF REVENUES OVER EXPENSES</b>	<b>1,542,373</b>	<b>1,227,682</b>	<b>314,691</b>	<b>125.6%</b>	<b>9,526,762</b>	<b>-7,984,389</b>	<b>16.2</b>

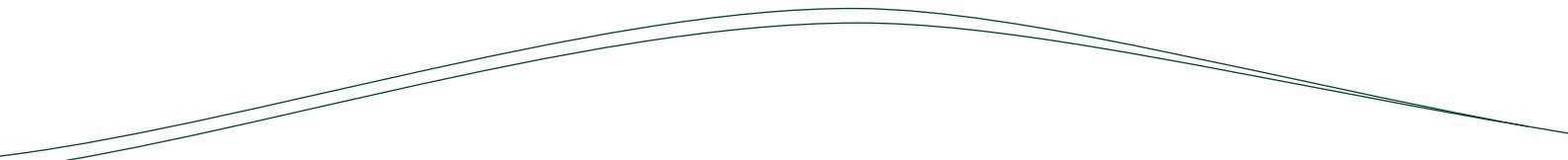


Figure 4: Structure of Total Revenue for 2006

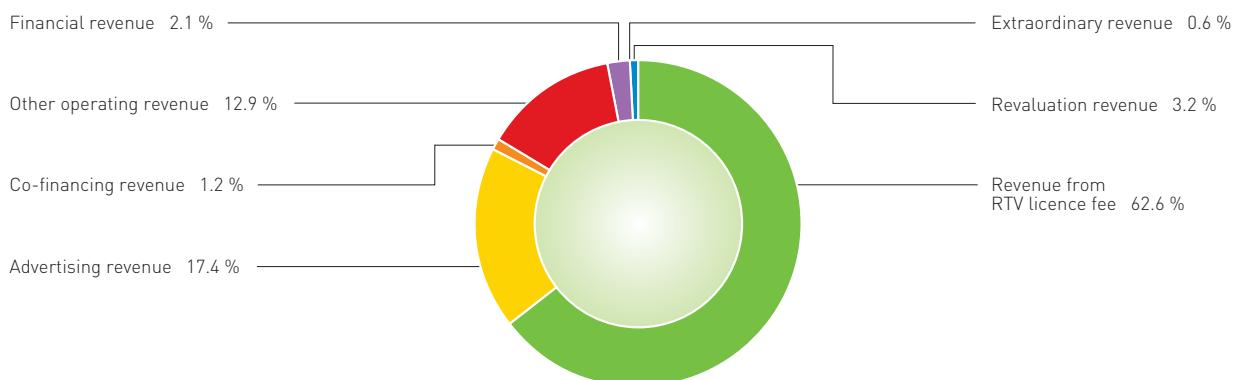


Figure 5: Structure of Planned Total Revenue for 2006

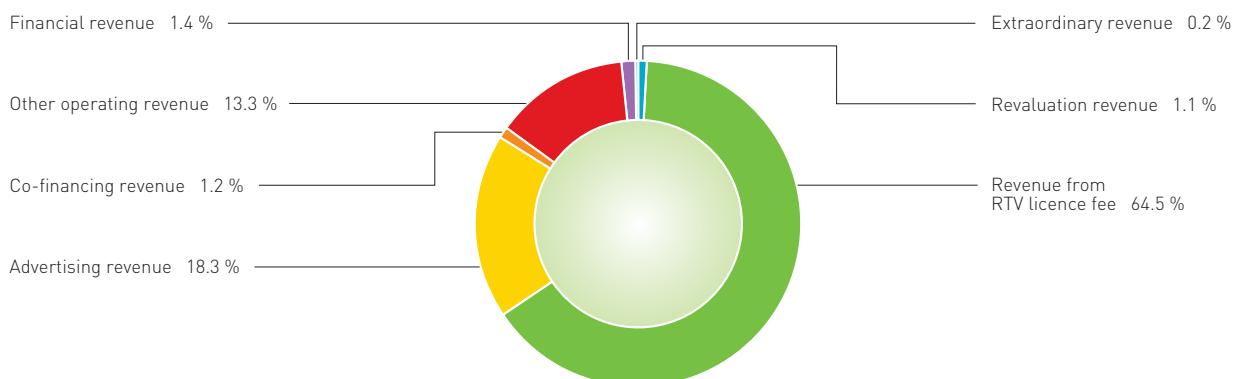
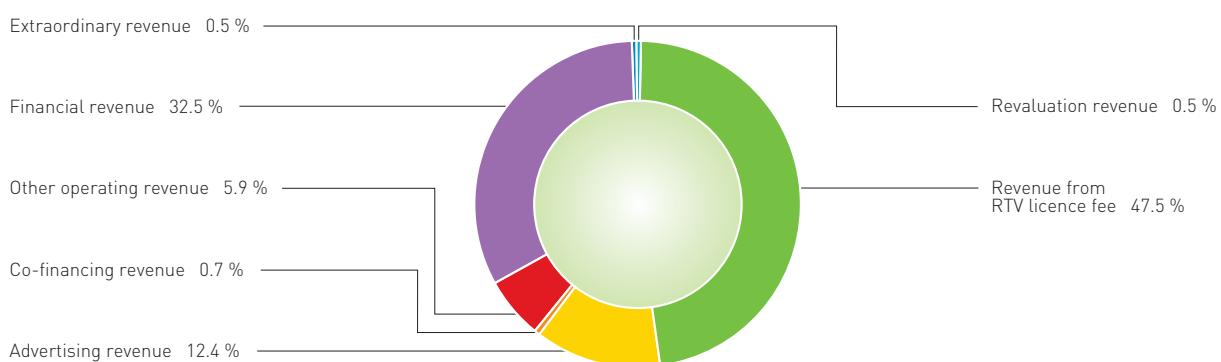


Figure 6: Structure of Total Revenue for 2005



**Operating revenue** amounted to SIT 28,009 million (EUR 116,877 thousand). It exceeded the plan by SIT 124 million (EUR 519 thousand) or 0.4 percent and represented 94.1 percent in the structure of all revenue.

In the scope of operating revenue, SIT 18,628 million (EUR 77,732 thousand) of revenue was realised from RTV licence fee. This is by SIT 121 million (EUR 505 thousand) or 0.7 percent more than planned. The main reason lies in less exemptions of socially endangered individuals bound to pay licence fee as planned. In comparison with 2005 the revenue was lower by SIT 156 million (EUR 651 thousand) or 0.8 percent. In the structure of operating revenue the revenue generated by RTV licence fee amounted to 66.5 percent. Their share in the structure is on the decrease. The price of the RTV licence fee increased for the last time in April 2004. Lagging of revenue generated by RTV licence fee behind the inflation rate from November 1999 up until December 2006 - calculated into constant prices at the end of December 2006 - amounts to SIT 15,786 million (EUR 65,872 thousand).

Advertising revenue represented 18.5 percent of all operating revenue and reached SIT 5,175 million (EUR 21,593 thousand) in 2006, i.e. they were lower than planned by SIT 69 million (EUR 288 thousand) or 1.3 percent. However, it exceeded the 2005 realisation by SIT 282 million (EUR 1,177 thousand) or 5.8 percent. An overview by units is evident from the table below.

It is evident from Table 2 that advertising revenue by units has not reached the plan. Yet more revenue was generated than in 2005, except in the RC Maribor.

In the scope of operating revenue commercial revenue exceeded the financial plan. It is by SIT 72 million (EUR 301 thousand) or 2.0 percent higher. PU TV Slovenia has by SIT 80 million (EUR 334 thousand) or 55.3 percent higher realisation than planned, the OU Music Production by SIT 29 million (EUR 122 thousand) or 80.7 percent and Common Services by SIT 104 million (SIT 432 thousand) or 6.8 percent. The PU TV Slovenia, OU TV Production and Common Services have higher revenue compared to that of 2005.

The revenue from the sale of cassettes and CDs has not reached the plan. It is by SIT 6 million (EUR 27 thousand) or 5.4 percent lower than planned. If compared with 2005, it is by SIT 2 million (EUR 6 thousand) or 1.4 percent higher.

Co-financing revenue exceeds the plan by SIT 23 million (EUR 96 thousand) or 7.0 percent. In comparison with 2005 it is higher by SIT 74 million (EUR 310 thousand) or 26.6 percent.

**Financial revenue** of 2006 totalled SIT 635 million (EUR 2,650 thousand) and exceeded the plan by SIT 222 million (EUR 925 thousand) or 53.7 percent. SIT 217 million (EUR 907 thousand) refer to obtained interests from the bonds of the Republic of Slovenia. In comparison with 2005 it is by SIT 12,236 million (EUR 51,059 thousand) lower due to the above-mentioned revenue (revenue generated by the sale of shares of Eutelsat and return of default interests from turnover tax).

**Extraordinary revenues** in 2006 exceeded the plan by SIT 108 million (EUR 452 thousand). In comparison with 2005 they are by 9 million SIT (EUR 36 thousand) lower.

Table 2: Advertising Revenue of a PU/OU according to the Plan and Last Year's Realisation

in SIT thousand	Realisation 2006	Plan 2006	Nominal difference	% reach	Realisation 2005	Nominal difference	Index
PU TV Slovenia	4,006,222	4,016,228	-10,006	99.8	3,755,836	250,386	106.7
PU Radio Slovenia	812,222	826,270	-14,048	98.3	782,572	29,650	103.8
RC Koper	186,498	201,879	-15,381	92.4	177,379	9,119	105.1
RC Maribor	162,567	199,155	-36,588	81.6	176,774	-14,207	92.0
OU Music Production	7,000	0	7,000	/	0	7,000	/
<b>RTV SLOVENIA</b>	<b>5,174,509</b>	<b>5,243,532</b>	<b>-69,023</b>	<b>98.7</b>	<b>4,892,562</b>	<b>281,947</b>	<b>105.8</b>

**Operating revenues from revaluation** represented 3.2 percent of total revenues. In 2006 they were generated in the amount of SIT 949 million (EUR 3,961 thousand), i.e. by SIT 645 million (EUR 2,693 thousand) more than planned and by SIT 752 million (EUR 3,136 thousand) more than in 2005.

### Expenses

Total expenses in 2006 amounted to SIT 28,222 million (EUR 117,769 thousand). They were higher than planned by SIT 785 million (EUR 3,276 thousand) or 2.9 percent. In comparison with those realised in 2005 they were lower by SIT 1,809 million (EUR 7,549 thousand) or 6.0 percent. The main reason lies in the fact that in 2005 long-term provisions for claims in the amount of SIT 1,663 million (EUR 6,939 thousand) were created both for legal entities and physical persons and that corporate tax in the amount of SIT 1,416 million (EUR 5,910 thousand) was charged. When the two influences are neglected, the total expenses in 2006 exceeded those realised in 2005 by SIT 1,111 million (EUR 4,638 thousand).

**Costs of goods, material and services** were generated in 2006 in the amount of SIT 10,557 million (EUR 44,052 thousand) and exceeded the plan by SIT 355 million (EUR 1,480 thousand) or 3.5 percent. The unfavourable deviation related to the costs of services. In the scope of the costs of goods, material and services the so-called variable costs are planned and controlled by units and within them and are shown in Table 3.

It is evident from Table 3 that all organisation units, except the OU Radio Production and the OU Transmitters and Communications have exceeded the planned values.

On the 6<sup>th</sup> regular session on July 27, 2006 the Supervisory Council adopted under item 2 a resolution on exploitation of bonds of RS for development projects - priority tasks. In order to enrich in-house programme SIT 127 million (EUR 531 thousand) of variable costs were financed by the revenue from the interests of bonds. SIT 103 million (EUR 429 thousand) were allocated to the programme of the PU TV Slovenia and SIT 24 million (EUR 102 thousand) to the PU Radio Slovenia. In the PU TV Slovenia a part of exceeded variable costs refers to the costs of sports live broadcasts that had not been planned.

**Labour costs** in 2006 exceeded the plan by SIT 293 million (EUR 1,223 thousand) or 2.3 percent. In December the public service broadcaster paid SIT 368 million (EUR 1,537 thousand) for performance analysis, which had not been foreseen in the plan. If we exclude the influence of costs relating to the financing of assets from the bonds of RS and supplemental annual remuneration (SIT 370 million or EUR 1,544 thousand) as well as calculated termination benefits (SIT 200 million or EUR 835 thousand) the labour costs of full-time employees were by SIT 277 million (EUR 1,156 thousand) or 2.2 percent lower than planned. The wages were harmonised in August 2006 by 2.0 percent in relation to economy on the basis of the Collective Agreement on the way of harmonisation of wages, reimbursement of labour-related costs and vacation bonuses (Off. Gaz. RS, No. 76/2006). Presentation of labour costs by units is evident from Table 5. We have to add that termination benefits for surplus workers are not planned in the scope of one unit but on the level of the public service broadcaster.

**Amortisation and depreciation** in 2006 was below the plan by SIT 254 million (EUR 1,059 thousand) or 9.8 percent and lower than that calculated in 2005 by SIT 210 million (EUR 878 thousand) or 8.2 percent. We respected the findings of the Audit Court upon the audit of financial statements for 2004 on a lower depreciation level for individual types of tangible assets.

**Financial expenses** were lower than planned by SIT 0.5 million (EUR 2 thousand) or by 0.9 percent. They were lower from those attained in 2005 by SIT 111 million (EUR 464 thousand) or 67.8 percent.

**Extraordinary expenses** were realised in the amount of SIT 133 million (EUR 554 thousand) and are lower than planned by SIT 93 million (EUR 387 thousand) or 41.2 percent. They are lower than those attained in 2005 by SIT 160 million (EUR 669 thousand) or 54.7 percent.

**Revaluation operating expenses** encompass especially provisions against receivables for the RTV licence fee and commercial activity exceeded the plan by SIT 531 million (EUR 2,217 thousand) or 53.3 percent. Compared to 2005 they are higher by SIT 489 million (EUR 2,040 thousand) or 47.0 percent.



Table 3: Variable Costs of a PU/OU according to the Plan and Realisation from the Year Before

in SIT thousand	Realisation 2006	Plan 2006	Nominal difference	% reach	Realisation 2005	Nominal difference	Index
PU TV Slovenia	4,739,165	4,397,000	342,165	107.8	3,944,912	794,253	120.1
OU TV Production	125,359	116,171	9,188	107.9	122,189	3,170	102.6
PU Radio Slovenia	739,186	644,009	95,177	114.8	686,276	52,910	107.7
OU RA Production	60,619	67,724	-7,105	89.5	59,061	1,558	102.6
RC Koper	617,027	549,445	67,582	112.3	623,818	-6,791	98.9
RC Maribor	554,471	511,958	42,513	108.3	591,175	-36,704	93.8
OU Music Production	171,950	138,510	33,440	124.1	171,019	931	100.5
OU Transmitters and Communications	1,103,472	1,150,311	-46,839	95.9	1,093,564	9,908	100.9
OU Record Label	122,052	121,855	197	100.2	124,928	-2,876	97.7
Common Services	1,178,539	1,154,287	24,252	102.1	1,400,330	-221,791	84.2
<b>RTV SLOVENIA</b>	<b>9,411,841</b>	<b>8,851,270</b>	<b>560,571</b>	<b>106.3</b>	<b>8,817,272</b>	<b>594,569</b>	<b>106.7</b>

Table 4: Variable Costs of a PU/OU when the Influence of Bonds is Excluded according to the Plan and Realisation of the Previous Year

in SIT thousand	Realisation 2006	Plan 2006	Nominal difference	% reach	Realisation 2005	Nominal difference	Index
PU TV Slovenia	4,636,426	4,397,000	239,426	105.4	3,944,912	691,514	117.5
PU Radio Slovenia	714,718	644,009	70,709	111.0	686,276	28,442	104.1
<b>RTV SLOVENIA</b>	<b>9,284,631</b>	<b>8,851,270</b>	<b>433,361</b>	<b>104.9</b>	<b>8,817,272</b>	<b>467,359</b>	<b>105.3</b>

Table 5: Labour Costs of Full-Time Employees by PU/OU in Accordance with the Plan and Realisation of the Previous Year

in SIT thousand	Realisation 2006	Plan 2006	Nominal difference	% reach	Realisation 2005	Nominal difference	Index
PU TV Slovenia	2,451,817	2,395,569	56,248	102.3	2,362,168	89,649	103.8
OU TV Production	1,858,778	1,825,214	33,564	101.8	1,837,327	21,451	101.2
PU Radio Slovenia	1,692,867	1,641,432	51,435	103.1	1,617,742	75,125	104.6
OU RA Production	488,073	484,066	4,007	100.8	494,409	-6,336	98.7
RC Koper	1,538,981	1,473,373	65,608	104.5	1,531,403	7,578	100.5
RC Maribor	803,288	802,115	1,173	100.1	787,636	15,652	102.0
OU Music Production	690,295	687,441	2,854	100.4	685,401	4,894	100.7
OU Transmitters and Communications	777,496	745,544	31,952	104.3	764,636	12,860	101.7
OU Record Label	73,406	53,533	19,873	137.1	60,901	12,505	120.5
Common Services	2,529,793	2,570,509	-40,716	98.4	2,558,211	-28,418	98.9
Redund. payment due to business reasons	267,144	200,000	67,144	133.6	119,936	147,208	222.7
<b>RTV SLOVENIA</b>	<b>13,171,938</b>	<b>12,878,796</b>	<b>293,142</b>	<b>102.3</b>	<b>12,819,770</b>	<b>352,168</b>	<b>102.7</b>

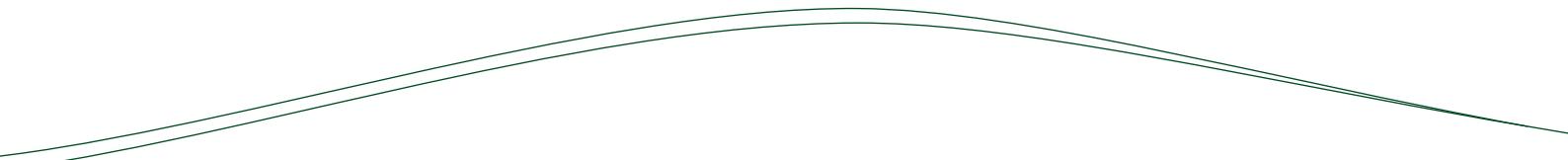


Figure 7: Structure of Realised Total Expenses in 2006

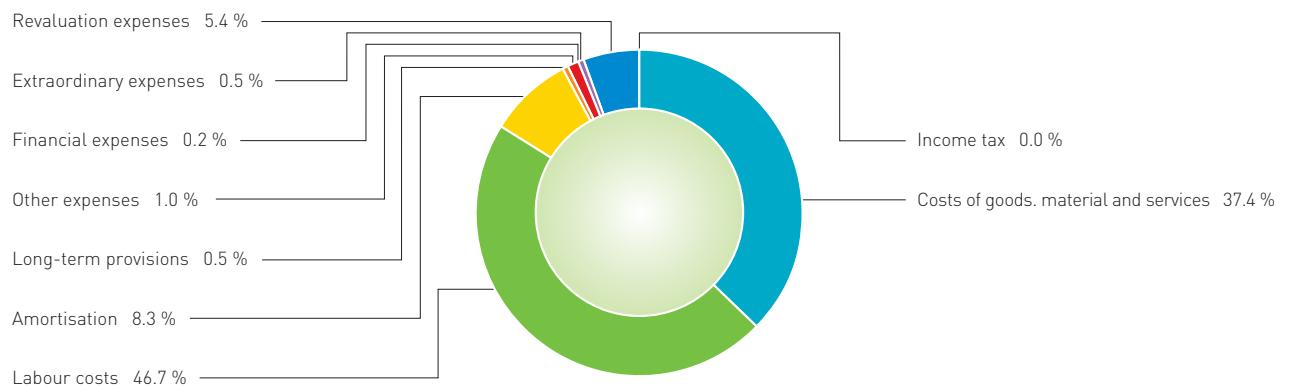


Figure 8: Structure of Planned Total Expenses for 2006

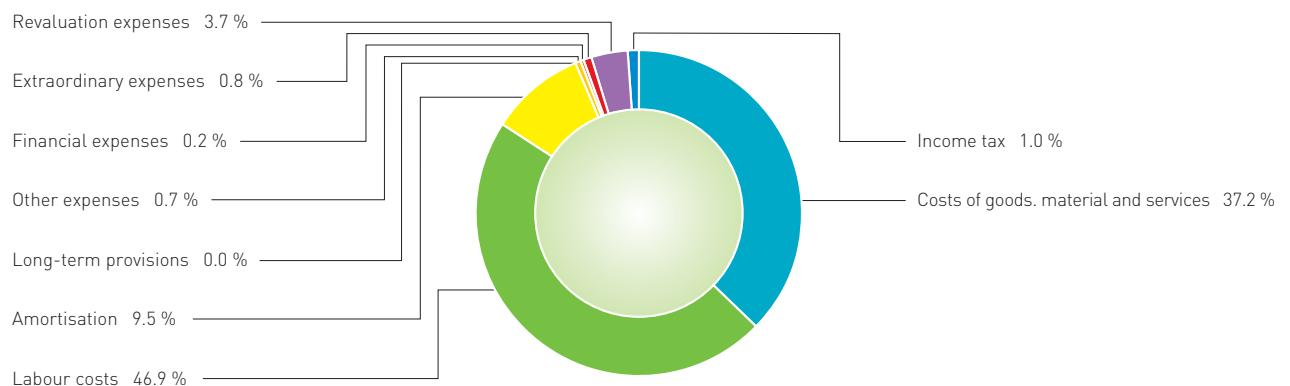
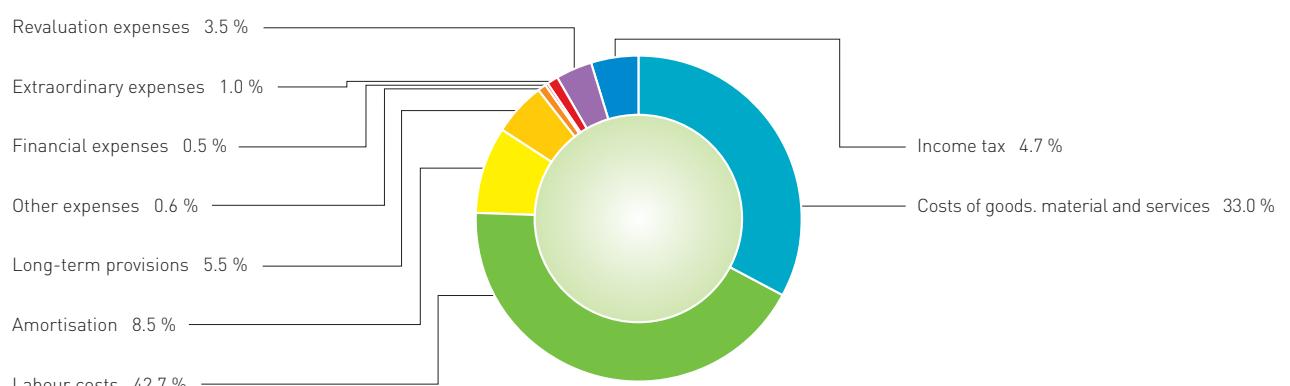


Figure 9: Structure of Realised Total Expenses for 2005



**Table 6: Labour Costs of Full-Time Employees by PU/OU exclusive the Influence of Financing from the Bonds of RS, Supplemental Annual Remuneration and Calculated Termination Bonuses in Accordance with the Plan and Realisation of the Previous Year**

in SIT thousand	Realisation 2006	Plan 2006	Nominal difference	% reach	Realisation 2005	Nominal difference	Index
PU TV Slovenia	2,374,555	2,395,569	-21,015	99.1	2,362,168	12,387	100.5
OU TV Production	1,794,826	1,825,214	-30,387	98.3	1,837,327	-42,501	97.7
PU Radio Slovenia	1,642,402	1,641,432	969	100.1	1,617,742	24,660	101.5
OU RA Production	471,106	484,066	-12,960	97.3	494,409	-23,303	95.3
RC Koper	1,493,076	1,473,373	19,703	101.3	1,531,403	-38,327	97.5
RC Maribor	779,435	802,115	-22,679	97.2	787,636	-8,201	99.0
OU Music Production	668,918	687,441	-18,524	97.3	685,401	-16,483	97.6
OU Transmitters and Communications	750,175	745,544	4,631	100.6	764,636	-14,461	98.1
OU Record Label	68,728	53,533	15,195	128.4	60,901	7,827	112.9
Common Services	2,456,081	2,570,509	-114,428	95.5	2,558,211	-102,130	96.0
Redund. payment due to business reasons	102,424	200,000	-97,576	51.2	119,936	-17,512	85.4
<b>RTV SLOVENIA</b>	<b>12,601,725</b>	<b>12,878,796</b>	<b>-277,071</b>	<b>97.8</b>	<b>12,819,770</b>	<b>-218,045</b>	<b>98.3</b>

## Balance Sheet

At the end of 2006 RTV Slovenia had assets and equity in the amount of SIT 22,387 million (EUR 93,421 thousand). This is by SIT 464 million (EUR 1,936 thousand) or 2.0 percent less than planned. The assets and equity were by SIT 151 million (EUR 630 thousand) or 0.7 percent lower than in the balance of 2005.

16.8 percent of assets were represented by short-term tied assets. It is by 1.9 percent point more than planned. 2.8 percent fell for inventories, which were by 0.2 percent point smaller than planned. The share of long-term tied assets amounted to 80.4 percent, this is by 1.7 percent points less than planned.

The most significant discrepancy from the plan on the asset side was noticeable with tangible fixed assets, which were lower than planned by SIT 1,211 million (EUR 5,053 thousand) or 9.9 percent, yet by SIT 350 million (EUR 1,462 thousand) or 3.3 percent higher than at the end of 2005. The reason for the realisation below the plan is in poorer investment as foreseen by the plan.

Short-term liabilities accounted for 23.0 percent of all sources. In comparison with the plan, this is by 7.6 percent points less. Own sources and long-term liabilities accounted for 77.0 percent, which is by 7.6 percent points more than planned.

On the liability and equity side it should be mentioned that we had short-term liabilities to capital providers only in the amount of SIT 31 million (EUR 128 thousand). The plan foresaw SIT 2,382 million (EUR 9,940 thousand). At the end of 2005 we had no liabilities in this relation.

Table 7: Balance Sheet

in SIT thousand	Balance as per Dec. 31, 2006	Plan Dec 31, 2006	Nominal difference	Reach of plan	Balance as per Dec. 31, 2005	Nominal difference	Index
1	2	3	4 {2-3}	5 {2:3}	6	7 {2-6}	8 {2:6}
Intangible fixed assets	647,361	746,827	-99,466	86.7%	581,504	65,857	111.3
Tangible fixed assets	10,998,922	12,209,910	-1,210,988	90.1%	10,648,502	350,420	103.3
Long-term investments	863,863	5,629,152	-4,765,289	15.3%	1,183,012	-319,149	73.0
Long-term accounts receivable from operating activity	14,273	14,293	-20	99.9%	15,504	-1,231	92.1
Long-term accounts receivable from financing activity	5,465,125	162,888	5,302,237	3355.1%	5,585,254	-120,129	97.8
Cash	72,065	4,525	67,540	1592.6%	53,109	18,956	135.7
Inventory	626,145	682,885	-56,740	91.7%	491,815	134,330	127.3
Short-term investments	0	0	0	/	181,000	-181,000	/
Short-term accounts receivable from operating activity	3,211,839	2,793,760	418,079	115.0%	3,108,011	103,828	103.3
Short-term accounts receivable from financing activity	179,068	1,500	177,568	/	185,501	-6,433	96.5
Deferred expenses and accrued revenues	308,685	605,497	-296,812	51.0%	505,117	-196,432	61.1
<b>ASSETS TOTAL</b>	<b>22,387,346</b>	<b>22,851,237</b>	<b>-463,891</b>	<b>98.0%</b>	<b>22,538,329</b>	<b>-150,983</b>	<b>99.3</b>
Short-term liabilities to employees	1,245,488	1,029,707	215,781	121.0%	1,031,243	214,245	120.8
Short-term accounts payable	2,784,770	2,481,086	303,684	112.2%	3,805,677	-1,020,907	73.2
Short-term loans	30,560	2,382,000	-2,351,440	1.3%	0	30,560	/
Deferred revenues and accrued expenses	1,098,353	1,100,000	-1,647	99.9%	1,137,316	-38,963	96.6
Long-term provisions	1,818,521	1,670,975	147,546	108.8%	2,619,802	-801,281	69.4
Long-term accounts payable	0	0	0	/	0	0	/
Long-term loans	0	0	0	/	0	0	/
Liabilities for long-term investments	6,328,989	5,783,768	545,221	109.4%	6,768,265	-439,276	93.5
Revenues minus expenses	-2,510,253	-3,207,571	697,318	78.3%	-4,435,247	1,924,994	56.6
Equity	11,590,918	11,611,272	-20,354	99.8%	11,611,273	-20,355	99.8
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>22,387,346</b>	<b>22,851,237</b>	<b>-463,891</b>	<b>98.0%</b>	<b>22,538,329</b>	<b>-150,983</b>	<b>99.3</b>



Figure 10: Realised Structure of Assets at the End of December 2006

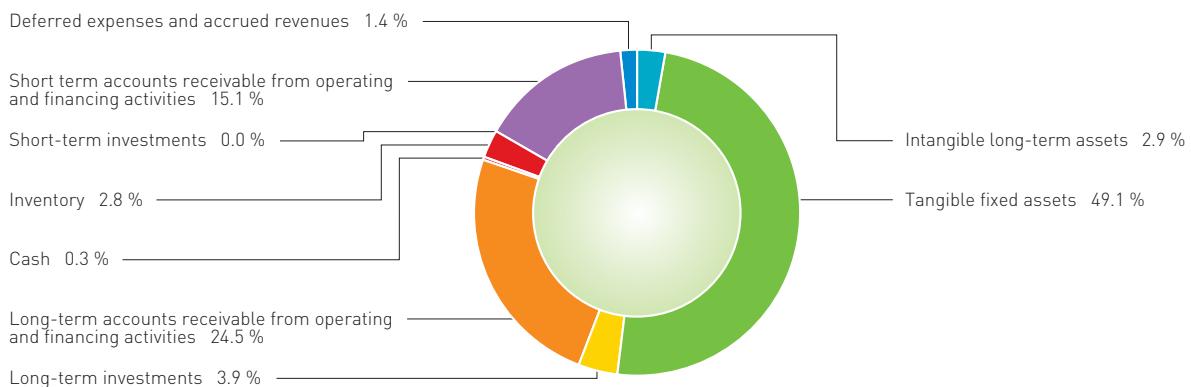


Figure 11: Planned Structure of Assets at the End of December 2006

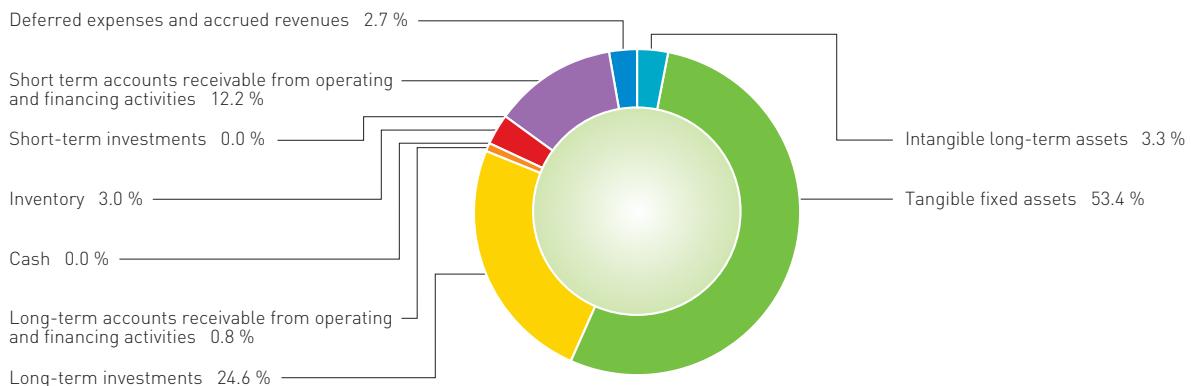
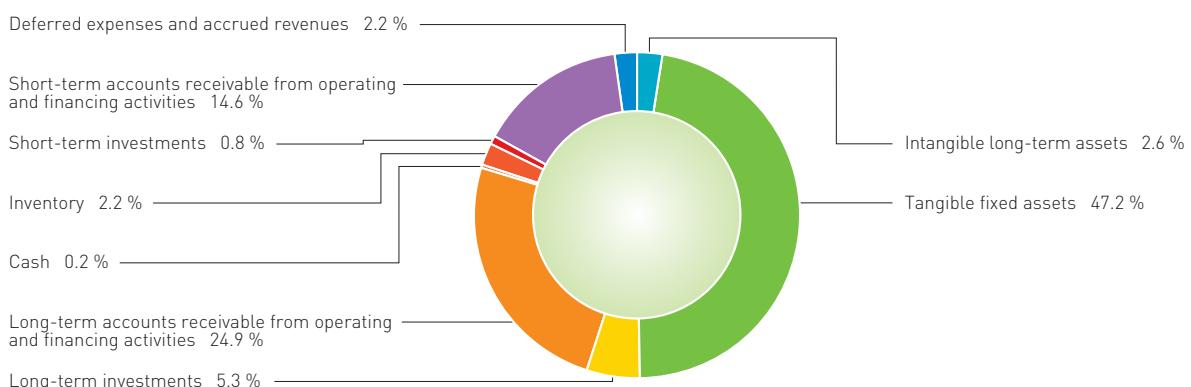


Figure 12: Realised Structure of Assets at the End of December 2005



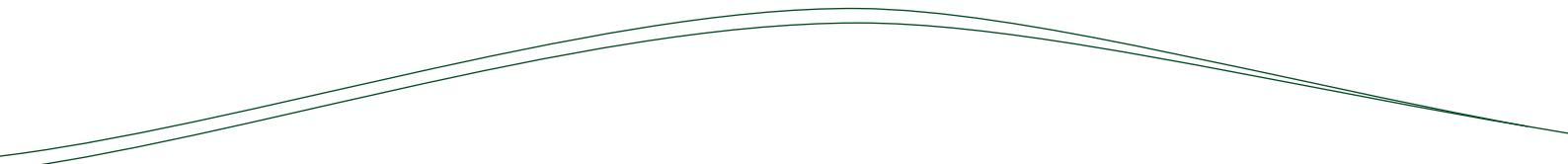


Figure 13: Realised Structure of Liabilities and Equity at the End of December 2006

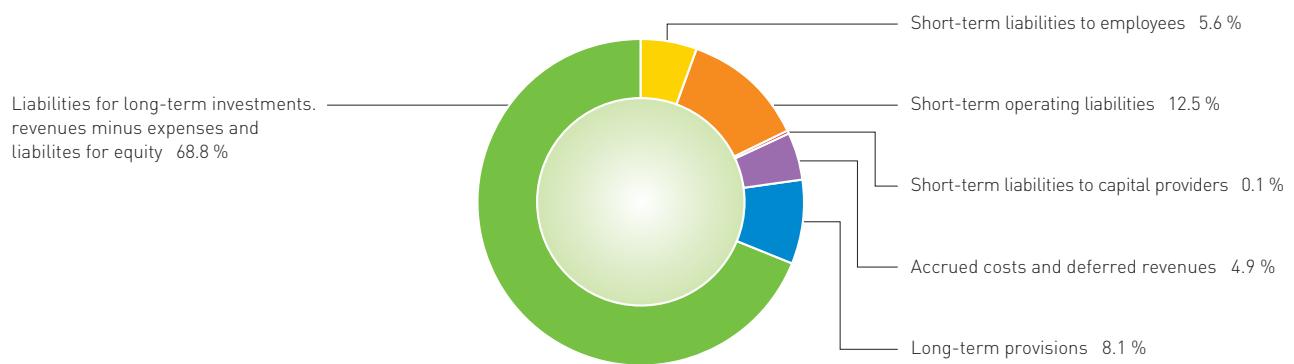


Figure 14: Planned Structure of Liabilities and Equity at the End of December 2006

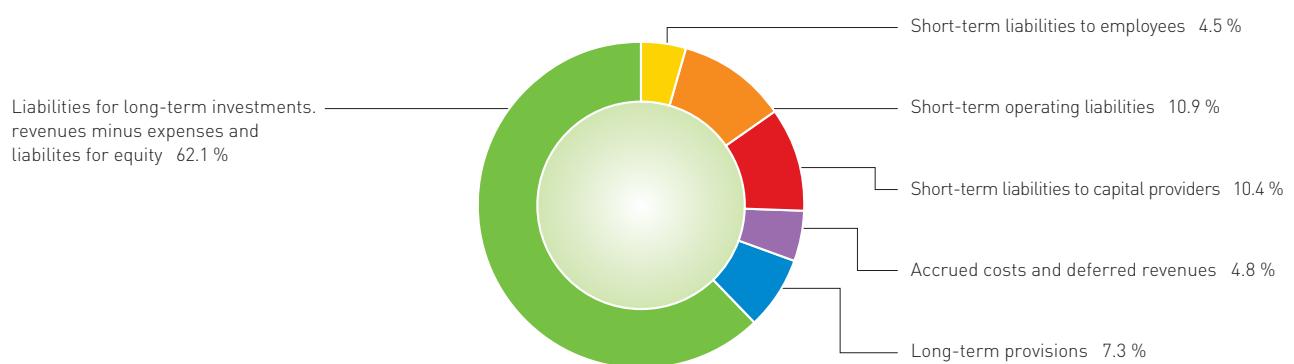
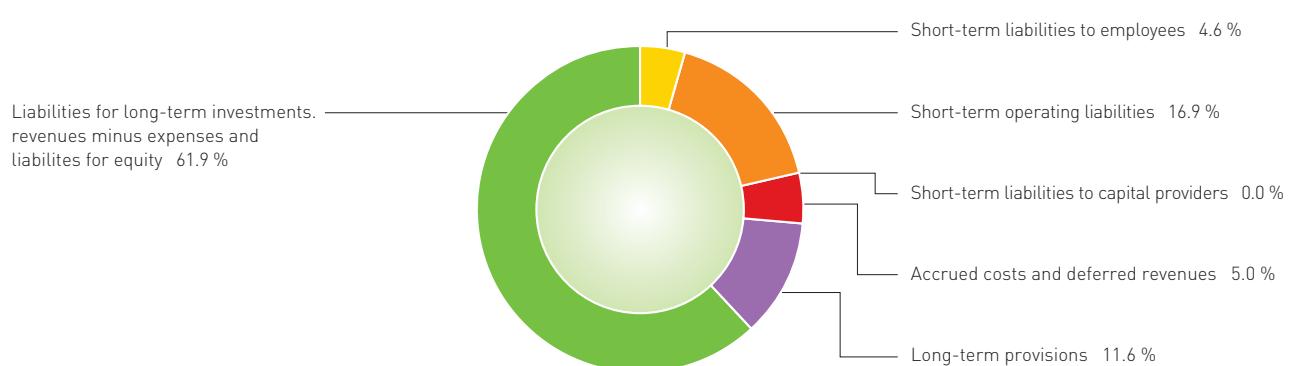


Figure 15: Realised Structure of Liabilities and Equity at the End of December 2005



## Cash-Flow Statement

### Statement of Revenue and Expenditure by the Principle of Cash-Flow

**Revenues by cash-flow principle** amounted to SIT 27,007 million [EUR 112,700 thousand] in 2006. They were by SIT 892 million [EUR 3,722 thousand] or 3.4 percent higher than planned. Compared to those achieved in 2005 they were lower by SIT 3,103 million [EUR 12,950 thousand] or 10.3 percent. 71.3 percent or SIT 19,243 million [EUR 80,301 thousand] accounted for the revenues for public services, 28.7 percent or SIT 7,764 million [EUR 32,399 thousand] for revenues from sales of goods and services on the market.

**Revenues for public service operations** exceeded the plan by SIT 1,352 million [EUR 5,642 thousand] or 7.6 percent. They were by SIT 3,182 million [EUR 13,281 thousand] or 14.2 percent lower than those achieved in 2005.

**Revenues from the sales of goods and services on the market** were lower than planned by SIT 460 million [EUR 1,920 thousand] or 5.6 percent. They exceeded those attained in 2005 by SIT 79 million [EUR 331 thousand] or 1.0 percent.

**Expenses by the cash-flow principle** accounted for SIT 27,014 million [EUR 112,729 thousand] in 2006 and were by SIT 869 million [EUR 3,627 thousand] or 3.1 percent smaller than planned. They were by SIT 942 million [EUR 3,932 thousand] or 3.6 percent higher than those attained in 2005.

**Expenses for public service operations** accounted for 65.6 percent of total expenditures and amounted to SIT 17,727 million [EUR 73,975 thousand]. They were lower than planned by SIT 3,750 million [EUR 15,651 thousand] or 17.5 percent. They were lower than those achieved in 2005 by SIT 2,047 million [EUR 8,546 thousand] or 10.4 percent.

**Expenses from the sales of goods and services on the market** amounted to SIT 9,287 million [EUR 38,754 thousand] and were higher than planned by SIT 2,881 million [EUR 12,025 thousand] or 45.0 percent. Com-

pared to those attained in 2005 they were higher by SIT 2,990 million [EUR 12,478 thousand] or 47.5 percent.

The most substantial part or 46.2 percent of expenditures accounted for expenditures for wages and other payments to employees and contribution of employees for social insurance and amounted to SIT 12,482 million [EUR 52,088 thousand] and exceeded the plan by SIT 44 million [EUR 183 thousand] or 0.4 percent. They exceeded those attained in 2005 by SIT 165 million [EUR 688 thousand] or 1.3 percent.

The expenditures for goods and services that accounted 44.7 percent in the structure of expenditures amounted to SIT 12,069 million [EUR 50,365 thousand]. In comparison with the plan they exceeded it by SIT 1,015 million [EUR 4,236 thousand] or 9.2 percent. In comparison with those attained in 2005 they exceeded it by SIT 1,319 million [EUR 5,503 thousand] or 12.3 percent.

Investment expenditures amounted to SIT 2,458 million [EUR 10,258 thousand]. They were lower than planned by SIT 1,897 million [EUR 7,917 thousand] or 43.6 percent. They were lower than those attained in 2005 by SIT 397 million [EUR 1,656 thousand] or 13.9 percent. The prevailing part were the expenditures for the purchase of audiovisual, telecommunication and computer equipment and restructuring and recovery.

### Statement of Account of Receivables and Investments

Received repayments of given loans amounted to SIT 36,757 million [EUR 153 thousand], which was lower than planned by SIT 959 million [EUR 3,987 thousand]. On the item of given loans there were neither realised nor planned values.

### Statement of Financing Account

In 2006 we had SIT 1,915 million [EUR 7,989 thousand] loans. Repayments for the loans already hired amounted to SIT 1,884 million [EUR 7,862 thousand]. Net indebtedness in RTV Slovenia in 2006 amounted to SIT 31 million [EUR 127 thousand], which is by SIT 2,351 million [EUR 9,812 thousand] less than planned.

Table 8: Cash-Flow Statement

Statement of Revenue and Expenditure by the Principle of Cash-Flow

in SIT thousand	Realisation 2006	Plan 2006	Nominal difference	Reach of plan	Realisation 2005	Nominal difference	Index
1	2	3	4 [2-3]	5 [2:3]	6	7 [2-6]	8 [2:6]
<b>1. Revenues for the performance of the public service broadcaster</b>							
19,243,389	17,891,331	1,352,058	107.6%	22,426,029	-3,182,640	85.8	
a) Revenues from public finance	310,158	321,413	-11,255	96.5%	262,801	47,357	118.0
b) Other revenues for the operations of the public service broadcaster	18,933,231	17,569,918	1,363,313	107.8%	22,163,228	-3,229,997	85.4
<b>2. Sale of products and services on the market</b>							
7,764,097	8,224,173	-460,076	94.4%	7,684,688	79,409	101.0	
<b>REVENUES TOTAL</b>	<b>27,007,486</b>	<b>26,115,504</b>	<b>891,982</b>	<b>103.4%</b>	<b>30,110,717</b>	<b>-3,103,231</b>	<b>89.7</b>
<b>1. Expenses related to the performance of the public service broadcaster</b>							
17,727,358	21,478,067	-3,750,709	82.5%	19,775,291	-2,047,933	89.6	
a) Wages and other expenses to employees	7,256,035	7,760,094	-504,059	93.5%	7,689,524	-433,489	94.4
b) Social insurance costs paid by employers	1,256,706	1,312,729	-56,023	95.7%	1,290,729	-34,023	97.4
c) Expenses for the goods and services for the performance of public service	6,751,881	8,014,341	-1,262,460	84.2%	7,790,995	-1,039,114	86.7
d) Payment of interests	4,584	35,603	-31,019	12.9%	148,969	-144,385	3.1
e) Investment expenses	2,458,152	4,355,300	-1,897,148	56.4%	2,855,074	-396,922	86.1
<b>2. Expenses generated from the sale of goods and services on the market</b>							
9,287,074	6,405,474	2,881,600	145.0%	6,296,781	2,990,293	147.5	
a) Wages and other expenses to employees	3,471,398	2,943,484	527,914	117.9%	2,921,108	550,290	118.8
b) Social insurance costs paid by employers	498,176	422,067	76,109	118.0%	416,019	82,157	119.7
c) Expenses for the goods and services generated from the sale of goods and services	5,317,500	3,039,923	2,277,577	174.9%	2,959,654	2,357,846	179.7
<b>EXPENSES TOTAL</b>	<b>27,014,432</b>	<b>27,883,541</b>	<b>-869,109</b>	<b>96.9%</b>	<b>26,072,072</b>	<b>942,360</b>	<b>103.6</b>
<b>REVENUE MINUS EXPENSES</b>	<b>-6,946</b>	<b>-1,768,037</b>	<b>1,761,091</b>	<b>0.4%</b>	<b>4,038,645</b>		

Statement of Account of Receivables and Investments

in SIT thousand	Realisation 2006	Plan 2006	Nominal difference	Reach of plan	Realisation 2005	Nominal difference	Index
1	2	3	4 [2-3]	5 [2:3]	6	7 [2-6]	8 [2:6]
<b>Received back payments of given loans</b>							
36,757	992,216	-955,459	3.7%	8,889,324	-8,852,567	0.4	
<b>Given loans</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>/</b>	<b>5,539,139</b>	<b>-5,539,139</b>	<b>0.0</b>
<b>RECEIVED MINUS GIVEN LOANS</b>	<b>36,757</b>	<b>992,216</b>	<b>-955,459</b>	<b>3.7%</b>	<b>3,350,185</b>	<b>-3,313,428</b>	<b>1.1</b>

Statement of Financing Account

in SIT thousand	Realisation 2006	Plan 2006	Nominal difference	Reach of plan	Realisation 2005	Nominal difference	Index
1	2	3	4 [2-3]	5 [2:3]	6	7 [2-6]	8 [2:6]
<b>Indebtedness</b>							
1,914,547	3,614,843	-1,700,296	53.0%	4,538,169	-2,623,622	42.2	
<b>Debt repayment</b>	<b>1,883,997</b>	<b>1,232,843</b>	<b>651,154</b>	<b>152.8%</b>	<b>11,498,083</b>	<b>-9,614,086</b>	<b>16.4</b>
<b>Net indebtedness</b>	<b>30,550</b>	<b>2,382,000</b>	<b>-2,351,450</b>	<b>1.3%</b>	<b>0</b>	<b>30,550</b>	<b>/</b>
<b>Net debt repayment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>/</b>	<b>6,959,914</b>	<b>-6,959,914</b>	<b>/</b>
<b>CHANGE OF ASSETS ON ACCOUNTS</b>	<b>60,361</b>	<b>1,606,179</b>	<b>-1,545,818</b>	<b>3.8%</b>	<b>428,916</b>	<b>-368,555</b>	<b>14.1</b>

## Financing of projects from the funds obtained from the bonds of RS

On its 6<sup>th</sup> regular session on July 27, 2006 the Supervisory Council adopted the following resolution: »In principle, the Supervisory Council of RTV Slovenia grants a possibility to use the funds from the bonds of RS in the amount of SIT 380 million (EUR 1,586 thousand) for the enrichment and development of radio and television programming, provided concrete programme projects are submitted in advance and should be defined as to their content, costs and dynamics of use of funds and persons authorised for the implementation of an individual project. The Supervisory Council recommends that a consent of the Programme Council of RTV Slovenia should be obtained for programme contents.«

Table 9 shows the funds used from the bonds of RS for programme projects of the PU TV Slovenia and the PU Radio Slovenia and business operations of RTV Slovenia without consideration of projects financed from the funds of the bonds of RS.

It is evident from Table 9 that external expenditures for the projects, which were additionally financed from the funds of the bonds of RS amounted to SIT 129 million (EUR 539 thousand). Of that SIT 105 million (EUR 437

thousand) refer to the PU TV Slovenia and SIT 25 million (EUR 103 thousand) refer to the PU Radio Slovenia.

Comparative review of expenses by individual projects is evident from Table 10 (page 80).

In 2006 SIT 129,269 thousand (EUR 539 thousand) from the funds of the bonds of RS were used for the enrichment of programme contents on the Radio and Television out from the total of SIT 380 million (EUR 1,585 thousand). The rest of the funds in the amount of SIT thousand 250,731 (EUR 1,046 thousand) should be allocated to the enrichment of programme contents in 2007.

Table 11 (page 80) shows the business operations of RTV Slovenia compared with the plan and realisation in 2005. The table excludes the projects financed from the funds of bonds of RS.

With the projects financed from the funds of bonds of RS eliminated, the expenses total SIT 28,092 million (EUR 117,230 thousand), i.e. by SIT 656 million (EUR 2,736 thousand) or 2.4 percent more than planned. The surplus of revenues over the expenses amounts to SIT 1,666 million SIT (EUR 6,951 thousand), which is by SIT 438 million (EUR 1,828 thousand) or 35.7 percent more favourable than planned.

**Table 9: Statement of Expenditures for 2006 without Elimination of Projects financed from the Funds of Bonds of RS**

in SIT thousand	RTV Slovenia	Projects of supplemental financing on TV Slovenia	Projects of supplemental financing on Radio Slovenia	Total projects of supplemental financing	RTV Slovenia without projects of supplemental financing
1	2	3	4	5	6
Costs of goods, material and services	10,556,694	102,739	24,468	127,207	10,429,487
Labour costs	13,171,938	1,943	119	2,062	13,169,876
Amortisation	2,347,457	0	0	0	2,347,457
Long-term provisions	158,642	0	0	0	158,642
Other expenses	273,397	0	0	0	273,397
Financial expenses	52,828	0	0	0	52,828
Extraordinary expenses	132,750	0	0	0	132,750
Revaluation expenses	1,528,530	0	0	0	1,528,530
Income tax	0	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>28,222,236</b>	<b>104,682</b>	<b>24,587</b>	<b>129,269</b>	<b>28,092,967</b>

Table 10: Expenses by Individual Projects financed from the Funds of the Bonds of RS

in SIT thousand	Realisation 2006 EXPENSES
110D2450019 Piramida	45,128
110D2550001 The Ježek awards	2,941
110B2210004 Scenography	27,574
110C2350023 Goma	1,739
110C3250064 Preparation of shooting logs	4,146
110C3490411 Metropolitan opera - Gala	1,005
110C3490412 Ballet gala - Prague	626
110C3490413 Legend - Mario Lanza	223
110C3450054 Slowind 2006	378
110C4250050 Anica - Desa Muck	0
110D2660001 Broadcasts prepared for the coming year	20,922
<b>TOTAL PU TV Slovenia</b>	<b>104,682</b>
120C5100015 SL. production	9,542
120D2300027 SL. production	9,684
120D4100002 SL. production	5,360
<b>TOTAL PU Radio Slovenia</b>	<b>24,586</b>

Table 11: Comparative Review of Revenues and Expenses with the Elimination of Projects financed from the Funds from the Bonds of RS

in SIT thousand	Realisation 2006	Plan 2006	Nominal difference	Reach of plan	Realisation 2005	Nominal difference	Index
1	2	3	4 [2-3]	5 [2:3]	6	7 [2-6]	8 [2:6]
Operating revenue	28,002,505	27,884,228	118,277	100.4%	26,309,256	1,693,249	106.4
Financial revenue	635,056	413,303	221,753	153.7%	12,870,778	-12,235,722	4.9
Extraordinary revenue	171,776	63,462	108,314	270.7%	180,305	-8,529	95.3
Revaluation revenue	949,259	303,889	645,370	312.4%	197,738	751,521	480.1
<b>TOTAL REVENUE</b>	<b>29,758,596</b>	<b>28,664,882</b>	<b>1,093,714</b>	<b>103.8%</b>	<b>39,558,077</b>	<b>-9,799,481</b>	<b>75.2</b>
Cost of goods, material and services	10,429,487	10,201,986	227,501	102.2%	9,898,690	530,797	105.4
Labour costs	13,169,876	12,878,796	291,080	102.3%	12,819,770	350,106	102.7
Amortisation	2,347,457	2,601,159	-253,702	90.2%	2,557,795	-210,338	91.8
Long-term provisions	158,642	0	/	/	1,662,908	-1,504,266	9.5
Other costs	273,397	196,646	76,751	139.0%	179,272	94,125	152.5
Financial expenses	52,828	53,326	-498	99.1%	164,113	-111,285	32.2
Extraordinary expenses	132,750	225,594	-92,844	58.8%	293,000	-160,250	45.3
Revaluation expenses	1,528,530	997,323	531,207	153.3%	1,039,610	488,920	147.0
Income tax	0	282,370	-282,370	0.0%	1,416,157	-1,416,157	0.0
<b>TOTAL EXPENSES</b>	<b>28,092,967</b>	<b>27,437,200</b>	<b>655,767</b>	<b>102.4%</b>	<b>30,031,315</b>	<b>-1,938,348</b>	<b>93.5</b>
<b>SURPLUS OF REVENUE OVER EXPENSES</b>	<b>1,665,629</b>	<b>1,227,682</b>	<b>437,947</b>	<b>135.7%</b>	<b>9,526,762</b>	<b>-7,861,133</b>	<b>17.5</b>

On its regular 6<sup>th</sup> session on July 27, 2006 the Supervisory Council adopted the following resolution as well:  
 »The Supervisory Council of RTV Slovenia agrees with the sale of bonds of RS for the purpose of the project Digitalisation of broadcasting network in the total value of SIT 382,632,432.00 SIT (EUR 1,597 thousand). The sale-off of bonds can be carried out directly prior to the payment to the suppliers of equipment and services falls due and can directly be allocated for the payment of these liabilities. Director General reports to the Supervisory Council on the transaction course on the first session after it has been completed.«

The development component of the project of digitalisation of broadcasting network is described in detail in the material Digitalisation of Broadcasting Network submitted on the 6<sup>th</sup> session of the Supervisory Council in July 2006.

Table 12 shows a comparative review of granted and realised funds from the bonds of RS and inflows from the

investment in the company Eutelsat Communications for the purpose of digitalisation of the broadcasting network.

It is clear from Table 12 that in 2006 SIT 168 million (EUR 702 thousand) were used from the bonds of RS for the digitalisation of broadcasting network, i.e. by SIT 179 million (EUR 747 thousand) less than foreseen for 2006 and by SIT 214 million (EUR 895 thousand) less than the total approved value SIT 383 million (EUR 1,597 thousand). The reasons why the actual consumption lags behind the planned are to be searched in several unsuccessful public tenders.

**Table 12: Funds from the Bonds of RS intended for the Digitalisation of the Broadcasting Network**

Cons. No.	DATA				EXPECTED / ACTUAL MONTHLY PAYMENTS						in SIT TOTAL	
	ELI No.	Subproject	ELI date	Supplier	Aug	Sep	Oct	Nov	Dec	Year 2007		
1	5699	Encoding-decoding and multiplexer equip. for DVB-T and DVB-S	17/ 02/ 06	Sky, AVC, Elti, Smart,	9,852,544		68,967,808	19,705,088	44,724,560		<b>143,250,000</b>	
				Promotion	2,061,057	36,243,993	4,096,661		21,743,412		<b>64,145,123</b>	
2	5700	Encoding-decoding equipment for TV signal contribution and OB	17/ 02/ 06	PRO MOTIONS	19,432,902	6,440,740					<b>25,873,642</b>	
						24,984,929					<b>24,984,929</b>	
3	5808	Digital connections for ENG and OB, OC receivers OC ...	10/ 04/ 06					34,380,000	80,220,000		<b>114,600,000</b>	
											<b>0</b>	
4	5867	DVB-T transmitters for western region		IMP, Elti,					57,300,000	36,290,000	<b>93,590,000</b>	
				Avektis					51,251,328		<b>51,251,328</b>	
5	5965	Measurement instrument Field Monitor for covering DAB-GBP 12.950	14/ 06/ 06	Radioscape	5,318,790						<b>5,318,790</b>	
						4,601,564	671,828				<b>5,273,392</b>	
6	6017	NTI measurement instrument		AVC				0	0		<b>0</b>	
								2,410,175			<b>2,410,175</b>	
7	6235	Digital connections - the Primorska region		Elber					0		<b>0</b>	
									4,251,106		<b>4,251,106</b>	
8	6133	Videogenerator SBAF		IMP					0		<b>0</b>	
									4,827,754		<b>4,827,754</b>	
9	6134	Measurement system TV FMS 100		IMP					0	0	<b>0</b>	
									11,058,900		<b>11,058,900</b>	
10	<b>APPROVED FINANCE FROM BONDS</b>				<b>34,604,236</b>	<b>6,440,740</b>	<b>68,967,808</b>	<b>54,085,088</b>	<b>182,244,560</b>	<b>36,290,000</b>	<b>382,632,432</b>	
11	<b>REALISED CONSUMPTION</b>				<b>2,061,057</b>	<b>65,830,486</b>	<b>4,768,489</b>	<b>2,410,175</b>	<b>93,132,500</b>	<b>0</b>	<b>168,202,707</b>	
12	<b>FINANCE STILL AVAILABLE</b>										<b>214,429,725</b>	

## Assessment of Operating Efficiency and Performance

### Fundamental Indexes of Operating Efficiency

Operating efficiency ratio, which covers the total of revenues and the total of expenses is greater than 1, which means that total revenues exceed the total expenses. The ratio for 2006 was 1.0547. It was by one percent point higher than planned. The ratio for 2005 amounted to 1.3172.

Operating efficiency ratio is expressed as a ratio between operating revenues and operating expenses and amounted to 0.9990 for the year 2006. It was planned in the value of 1.0375. The ratio for 2005 amounted to 0.9343.

Profitability level of revenues is calculated as a ratio between the surplus of revenues over the expenses prior to tax deduction and total revenues. It amounted to 0.0518 for the year 2006. It was planned in the amount of 0.0527. The index amounted to 0.2766 for the year 2005.

Net profit level of revenues is calculated as a ratio between the surplus of revenues over the expenses after tax deduction and total revenues. It amounted to 0.0518 for 2006. It was planned in the amount of 0.0428. The index amounted to 0.2408 in 2005.

The amortisation rate of equipment and other tangible fixed assets calculated as a ratio between the purchase value of equipment, other tangible fixed assets and accumulated amortisation of equipment and other fixed assets amounted to 81.8 percent in 2006 and exceeded the plan by 2.1 percent points. The rate amounted to 82.3 percent in 2005. A relatively high level of amortisation points at the fact that the equipment of the public service broadcaster is very old.

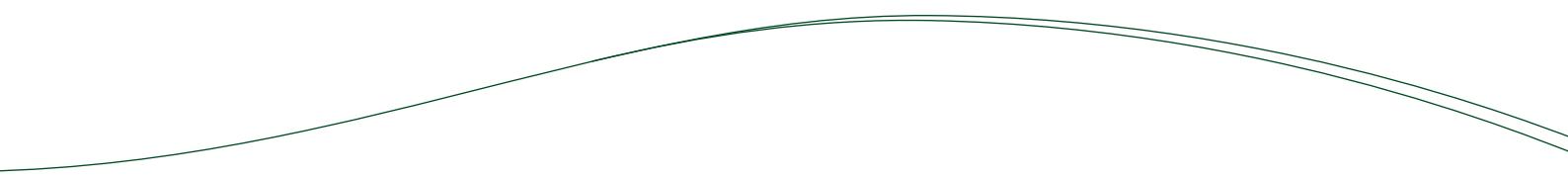
### Productivity Index

Productivity as a ratio between operating revenue and average number of employees from working hours is an indicator that each employee in 2006 created an average revenue of SIT 13,531 thousand (EUR 56 thousand). Compared to 2005 the productivity increased by 8.2 percent.

### Other Indexes

Liquidity index, in which inventories are taken into account apart from short-term assets, amounted to 0.8524 at the end of 2006. This means we had short-term assets and inventories in the amount of 85.24 percent of short-term liabilities. The plan foresaw the index to amount to 0.5846, which means that liquidity was better than planned. This index amounted to 0.7270 at the end of 2005.

The index of more severe liquidity excluding inventories is lower and amounted to 0.7311 at the end of 2006. It means we have short-term assets without inventories in the amount of 73.11 percent of all short-term liabilities. The plan foresaw this index to be 0.4870, which means that liquidity was better than planned. This index amounted to 0.6750 at the end of 2005.



## Assessment of Performance of Internal Financial Supervision System

The law on public finance stipulates that financial operations should be organised in a way to assure effective reaching of set goals of the management and the assets should be insured against loss and damages. It can be attained by establishing an internal supervision system of the so-called procedures and methods assuring legality, clear presentation, efficiency and business efficiency.

In order to initiate a well-ordered way of evaluation and improvement of risk-management procedures we started the system of internal audit in the middle of 2005. Its fundamental purpose is to evaluate the measures for the protection of assets and adequate operation of assets and profit-and-loss statement, to look for possible inappropriateness and irregularities in operations and to shape proposals for remedy.

The role of internal audit is independent checking of financial operations and internal controls as well as counselling to the management in order to improve performance. Its main purpose is issuing of independent opinions in compliance with legal stipulations and standards of occupational work of internal auditors that will be of assistance to the management of the public service broadcaster. The department of internal auditors will have to manage the control environment that will define the mode of operations and will also have influence on operational decision-making in the public service broadcaster.

In 2006 a new PIS was introduced and in co-operation with the internal audit service further internal controls were defined in the financial, accounting and procurement fields. A suitability analysis of internal controls in the field of calculation of wages and fees was performed. The internal audit service played an important role also during the audit of the Audit Court and audit of the external audit company, and after the audit was over, it identified the suitability of correction measures and abolishment of deficiencies in individual fields of operation.

In 2006 an internal auditor participated in the work group for the preparation of a list of internal regulations. The goal of the work group was to prepare a chronologic review of a well-ordered list of internal regulations and an integral review of internal regulations on web pages.

The legality and regularity of operations are performed by an external audit company as well. It is selected in a public procurement procedure that regularly checks the existence and operations of controls integrated in business processes, for which business managers are accountable on all organisation levels.

# Marketing

## Marketing of RTV Programmes

2006 was characterised by two important sports events (the Olympic Winter Games and the Football World Championship) that had influence on the structure of revenues pertaining to advertising.

We managed to maintain a high level of revenues with both advertising leaseholders (Mediapool and Media Publikum) despite the fact that the rating data were not in our favour. The rating fell critically at the end of spring and the tendency continued up until autumn.

The total advertising plan was set very ambitiously in the amount of SIT 5,243,532,000 (EUR 21,880,871.00) and as much as 98 percent of it was reached, i.e. SIT 5,142,078,559.00 (EUR 21,457,513.00). Fair 6 percent of the revenues were earned from advertising in comparison to 2005, when SIT 4,850,079,000.00 (EUR 20,239,021.00) were realised.

In the continuation we will present a more detailed overview of revenues by programmes.

### Television Slovenia

The plan in the amount of SIT 4,016,228,000.00 (EUR 16,759,422.00) was realised in the amount exceeding 99 percent, which represents SIT 3,983,432,691.93 (EUR 16,625,570.00). As already mentioned, the good result is due to two sports events, especially the Football World Championship (in rating as well as in the way of marketing). Advertisers remained loyal also to the Sunday evenings.

### Radio Slovenia

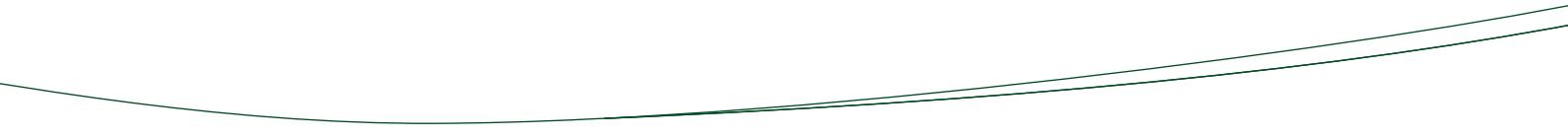
A great jump in the realisation of the plan was evident also in the programmes of Radio Slovenia. The plan set at SIT 826,270,000.00 (EUR 3,447,963.00) was realised almost in 98 percent, which is in the amount of SIT 809,026,266.00 (EUR 3,376,000.00). Compared to 2005, the realisation was higher by fair SIT 27 million (EUR 112,669.00).

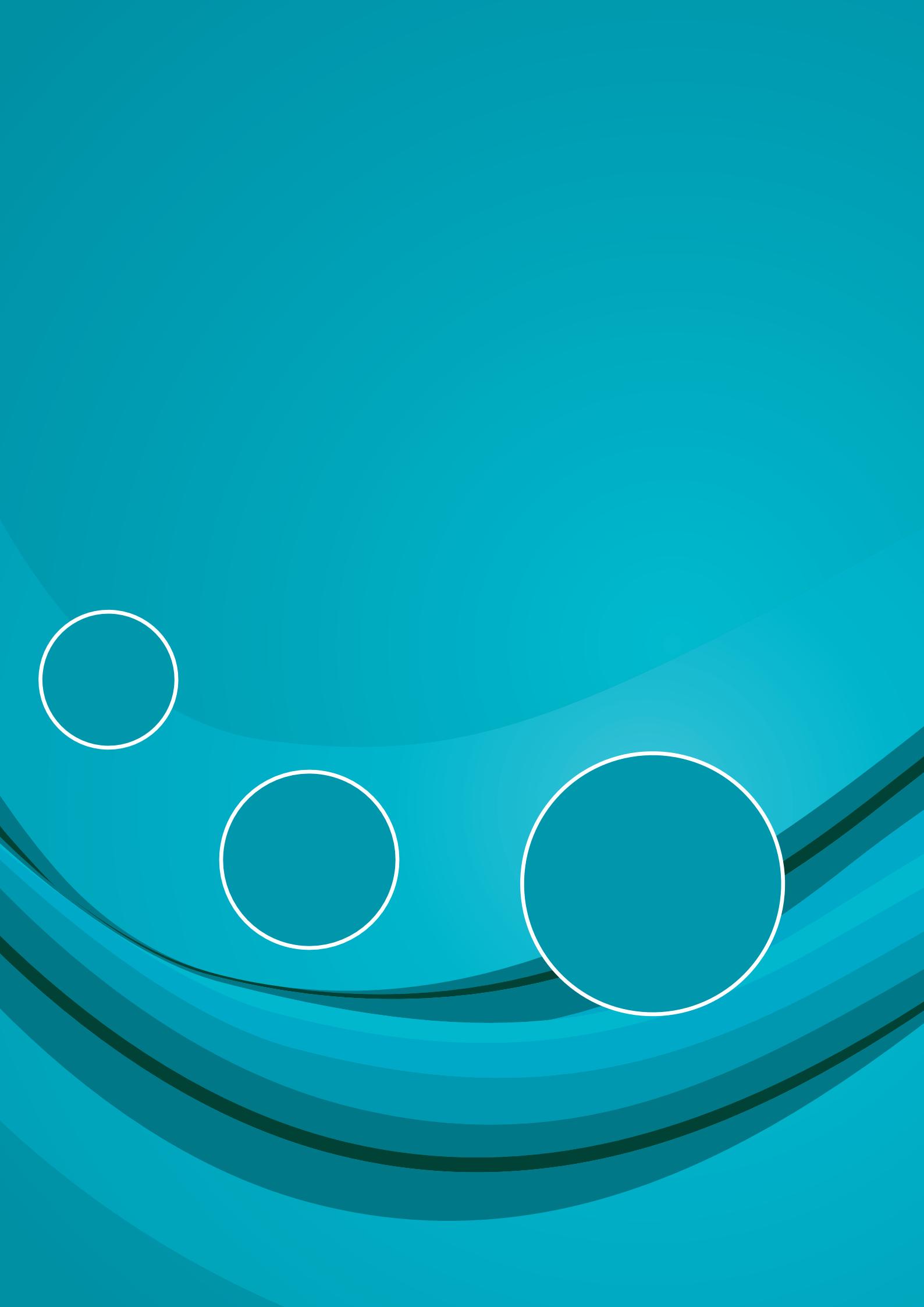
### Regional RTV Centre Koper-Capodistria

The revenues plan in the Regional Centre Koper-Capodistria in the amount of SIT 201,879,000.00 (EUR 842,426.00) was realised in 92 percent, i.e. in the amount of SIT 187,360,342.00 million (EUR 781,840), which means that the realisation exceeded that of 2005 by fair SIT 3 million (EUR 12,519).

### Regional RTV Centre Maribor

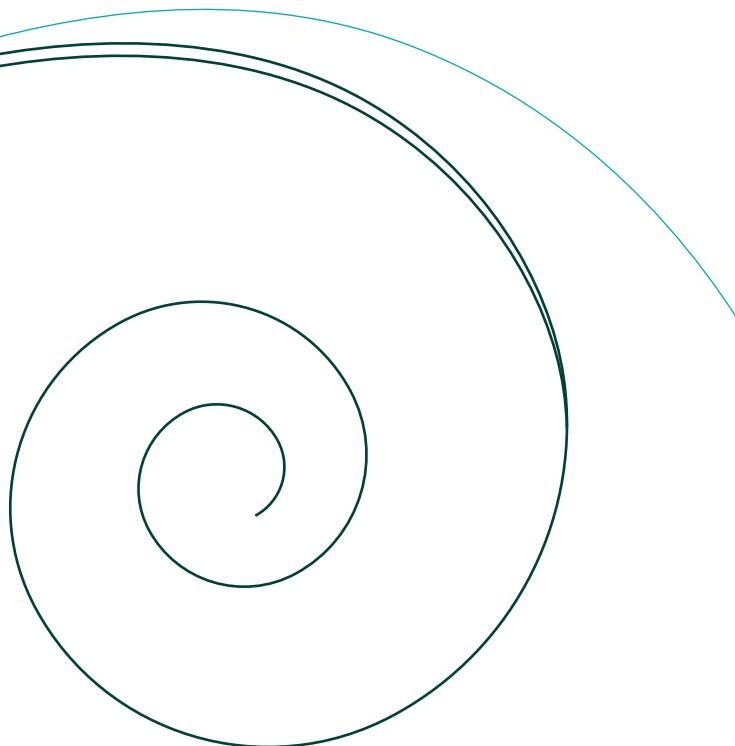
A considerable decrease in advertising revenues is noticeable in the Regional RTV Centre Maribor. The realisation of the plan was even below that of 2005. The plan set in the amount of SIT 199,155,000.00 million (EUR 831,060) was realised in 81 percent, i.e. in the amount of SIT 162,259,259.00 million (EUR 677,100). The main reasons are to be searched in stiff competition of radio programmes and in the need for the restructuring of programme contents.







## Transmitters and Communications





The 2006 basic task of the organisation unit (OU) Transmitters and Communications remained broadcasting of the programmes of RTV Slovenia and of radio and television programmes of some other stations.

For this purpose, in decades several transmitting networks have been built and connected with microwave links for the distribution of programmes from radio and television stations or between them. All over Slovenia there are 227 transmission points, via which we service listeners and viewers with the programmes of RTV Slovenia. In 2006 two transmitting stations (Mojstrana and Gozd Martuljek) were cancelled, because the viewers in that area receive our programmes via cable and satellite.

The satellite Hot Bird 3 was replaced by Eutelsat by the new Hot Bird 8 on the same orbital position ( $13^{\circ}$  E), through which RTV Slovenia has aired all three national TV channels, the programme of TV Koper-Capodistria and five radio channels. On the remaining part of the satellite space we hosted two television and three radio programmes.

The parliamentary programme was aired via satellite, cable distribution systems and IPTV. Thus we ascertained the programme to be received by over 60 percent of households.

Besides the programmes aired by RTV Slovenia we also broadcasted programmes of 30 commercial RTV stations and 22 programmes of special importance.

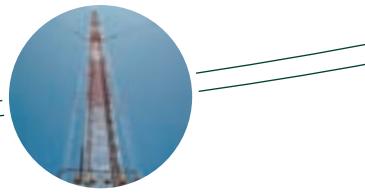
For the needs of various programmes we performed 239 domestic broadcasts from the field and 226 satellite broadcasts from foreign countries.

Our comprehensive infrastructure of transmitters and transponders allows us to lease some of our capacity to other participants in radio diffusion spectrum in compliance with the Law on Electronic Communications (mobile phone operators, Telekom, Elektrogospodarstvo, Petrol, Ministry of Defence of the Republic of Slovenia, Ministry of Internal Affairs, road-construction companies ...). In 2006 we signed 25 agreements of this type.

The organisation unit Transmitters and Communications employed 135 workers as per 31 December 2006, which is four less than at the beginning of 2006. The workers take care of smooth operation of all transmitter networks and for investment activities. Work groups are spread all over Slovenia. Smooth operation is provided by teams of seven transmitter and six field centres and other work groups.

**Table 13: Planned and Realised Outflows of Investments in 2006**

OU TRANSMITTERS AND COMMUNICATIONS	Annual plan of outflow SIT	EUR	Actual outflow SIT	EUR	Realisation (in %)
Renewal of the existing technology	150,000,000	626,000	145,486,323	607,076	97
Renewal of infrastructure (TC)	130,000,000	542,450	61,294,767	255,764	47
Safety equipment	20,000,000	83,450	14,969,522	62,462	75
New transmission units	30,000,000	125,180	22,901,647	95,560	76
Small replacements of used-up technology (TC)	5,000,000	20,800	3,579,642	14,934	72
Satellite receivers (TC)	10,000,000	41,720	0	0	0
New technologies	100,000,000	417,200	96,854,127	404,140	97
<b>TOTAL PRIORITY 1</b>	<b>445,000,000</b>	<b>1,856,874</b>	<b>345,086,031</b>	<b>1,439,958</b>	<b>78</b>
Digitalisation of transmission network (TC)	410,000,000	1,710,800	196,921,766	817,870	48
Transport means (TC)	50,000,000	208,630	23,814,880	99,370	48
<b>TOTAL PRIORITY 2</b>	<b>460,000,000</b>	<b>1,919,465</b>	<b>220,736,647</b>	<b>921,070</b>	<b>48</b>
<b>TOTAL INVESTMENTS</b>	<b>905,000,000</b>	<b>3,776,340</b>	<b>565,822,678</b>	<b>2,361,034</b>	<b>63</b>



## Report on the Use of Investment Finance and Investment Maintenance

The total amount of all investments in 2006 was SIT 565 million (EUR 2.35 million), total realisation without maintenance amounted to 63 percent.

The most important investment was the beginning of erection of a digital television network, which was dedicated a third of investment finance and will be put into operation in 2007. A part of the finance for this investment is covered by the finance pertaining to the sale of the Eutelsat shares.

### Reasons for a Poorer Realisation of Some Items

- Renewal of infrastructure

The realisation of this item lags behind the planned realisation especially to the expense of purchase of aerial towers and containers. A building permit and a contract with the owner of the land are needed to erect new aerial towers and containers. Obtaining these lags behind due to lengthy procedures. Several investments started at the end of the year, the invoices will follow in 2007.

- Safety equipment

This item was supposed to cover the purchase of safety systems for climbing the towers. Since in-

vestments to new towers have not followed the plan, it was not reasonable to purchase a stock of safety systems.

- New transmission units

The purchasing of new transmission units has not followed our expectations, because we did not manage to obtain enough new frequencies from the Post and Electronic Communications Agency of the Republic of Slovenia.

- Satellite receivers

This item was planned for the co-investment of satellite receivers to the viewers, who do not have a possibility of receiving signals from the network of transmitters and transponders. Following the audit recommendation of the last year, this co-investment is no longer considered an investment, and the item thus remained totally unused.

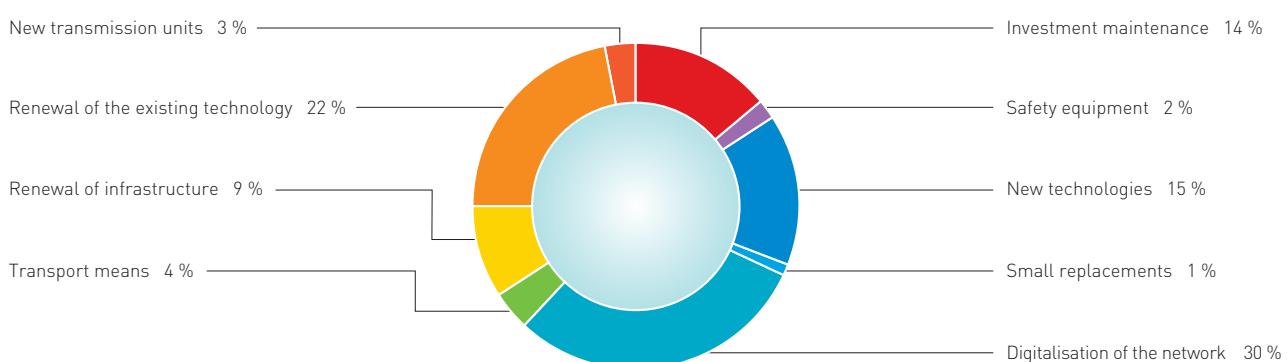
- Digitalisation of transmission network

The realisation lags behind the plan, especially due to an unsuccessful public tender. A repeated tender will complete in 2007.

- Transport means

The realisation lags behind the plan especially due to an unsuccessful public tender. A repeated tender will complete in 2007.

**Figure 16: Structure of Investments in 2006**

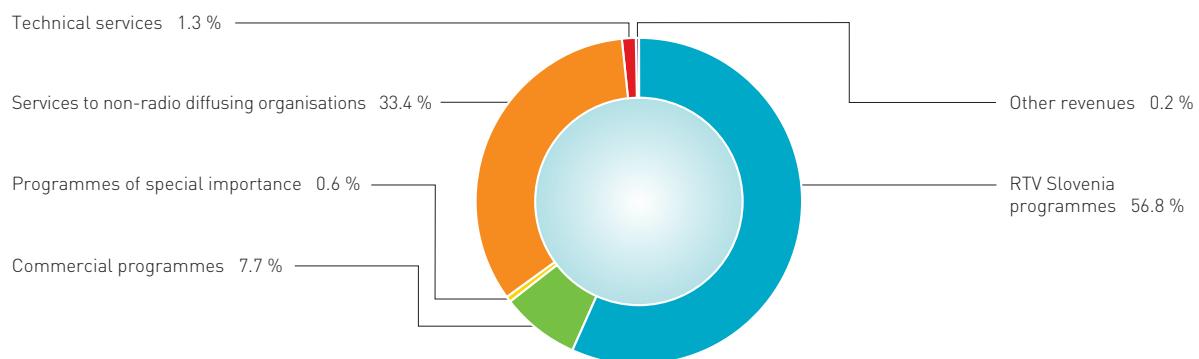


## **Financial Operations of the OU Transmitters and Communications in 2006**

The revenues of the OU Transmitters and Communications consist of internal revenues billed for the broadcasting of all RTV Slovenia programmes and external revenues including the revenues from commercial television and radio stations, the revenues of television and radio stations of special importance, revenues of non-radio diffusing organisations (especially mobile telephony operators) and revenues from technical services and other commercial revenues. All revenues totalled SIT 4.19 billion (EUR 17.48 million). In 2006 we lost two important contractual partners. The mobile operator Vega ceased its operations and Mobitel dismantled the NMT network of mobile telephony, which caused SIT 102 million (EUR 425,620) of deficit of external revenues, which was mostly covered by technical services and new leases.

The surplus of revenues over the expenses amounted to SIT 1,438 million (EUR 6 million) or 12 percent more than planned. The final result lies above the plan by SIT 146 million (EUR 609,200) despite the deficit in revenues due to the creation of new revenues and savings in costs.

**Figure 17: Revenue Structure of the OU Transmitters and Communications in 2006**





## Radio Production

Radio production is a special organisation unit of RTV Slovenia creating radio broadcasts upon order and for the needs of Radio Slovenia programmes. The unit consists of two branches: Technical Production of Programmes and Technical-technologic Group. The latter is externally invisible, yet a very important part of the organisation unit watching the operation of devices and following new trends in technology in co-operation with the systems development department. In 2006 the Second Radio Programme was renewed, the renovation of Studio 14 was completed and the renewed drama Studio 02 was opened to use. All the mentioned technologic assemblies are equipped with the latest and top quality digital technology. Within this group there is also a group for system support taking care of production information systems (planning and development, purchase and installation of hardware and software, maintenance of antivirus protection tools and system and application support of users).

Technical production of programmes consists of four groups. A group for the broadcasting of programmes, a group for the distribution and a group for voice recordings take care of recording, cutting, transmission and broadcasting of radio programming. A group for voice recordings and directed broadcasts has a broader mission apart from that in the radio, namely a mission linked to the implementation of audio matrixes for record labels, for public-address systems and realisation of audio signal in more demanding television broadcasts. Within co-ordination the group takes care of reasonable planning, rational use of technical means and acquisition of external revenue.

In 2006 Radio Production implemented a series of extremely demanding programme events, of which only the most important will be mentioned: transmissions from the Metropolitan Opera, new year's jumping tournament, Euroradio concerts, every day's night-time transmissions of Euroclassico, Euroleague in basketball, weekly broadcasting of masses across Slovenia, handball champion league, the ULEB cup, concerts of Big Band of RTV Slovenia, recording of the festival Narečna popevka, selection for the Eurovision song EMA, live broadcasting of the Eurosong, the broadcasts Športnik zime and Športnik poletja, Festival

bluss, Druga godba, Jazz Festival – Križanke, the State Celebration – a day of fight against the occupier, State Celebration on the National Holiday Day, Dan Rudolfa Maistra, Naj viža, World Cup in Skiing, recordings and live broadcasts of sessions from the National Assembly and all commissions of the National Assembly, Festival Radovljica, Festival Brežice, hockey league, football state championship, all international national team performances in a majority of sports, the Ljubljana Summer Festival, Slovenska popevka, the state celebration of the Return of Primorska to the Mother Country, the concert of Zoran Predin, recording and transmissions of the Symphony Orchestra of RTV Slovenia, opera arias with Janez Lotrič, recording and concert of the Police Orchestra, 80 years of the Academic Singing Choir Tone Tomšič, the opera Romeo and Juliet, the Belgrade Philharmonics, Reformation Day, each year's December concert for managers, the concert of the Symphony Orchestra of RTV Slovenia and Neisha, concert in memory of Majda Sepe, Prizma optimizma, Koncert iz naših krajev, Slovenska polka in valček, Veseli tobogan, Miklavžev večer, Awarding of the prize Frane Milčinski Ježek, the concert of Siddharta, inauguration of the bishop Jamnik, the Festival Ljubljana, concerts on the Kogojevi dnevi, the Sunday Mozartinas, recording of radio plays, Izštekani, EBU Christmas concert, each week's transmission of concerts of the EBU members. Audiophonically were also covered all more important projects for the needs of TV Slovenia, the World Championship in Biathlon, World Cup in Alpine Skiing and all events in Slovenia having a national character from cultural, sports, political events ... All important events of the last year from Slovenia and abroad were recorded.

The business operations of the Radio Production in 2006 is estimated to be very good and in compliance with the requirements of the management of the public service broadcaster on the decrease of costs and the number of employees. None of the groups of planned costs was exceeded despite the deficit in human resources and decrease of already planned financial items. 89.5 percent of variable costs have been used with respect to the adopted 2006 business and programme plan. Labour costs reached 100.8 percent of the plan. The total consumption of 2006 amounts to 99.4 percent of the business and programme plan.

## Television Production

The OU TV Production consists of work groups (video, sound, lightning, cameramen, magnetoscopes and telecinema, cutting, sculptural TV shaping, photo film, reporting vans, TV distribution department and broadcasting of programmes). A part of Television Production is also the group of maintenance taking care of undisturbed operation of technical-technologic sets and equipment.

We are striving to decrease the number of employees each year. At the end of the year we had 347 full-time employees (in 2006 the number was decreased by 18 workers).

Our basic activity is production of broadcasts for RTV programmes and in 2006 we produced all the required projects of programme editorial departments. It includes some 300 live broadcasts of various sports, entertaining, cultural and political events that have marked the year 2006 in Slovenia.

Moreover, we have recorded and post-produced a large number of broadcasts requiring a more demanding production. It includes feature programme - series, music broadcasts, broadcasts of educational and documentary contents and children's programme.

In the international media space we excellently carried out the following production projects:

- TOBO – Olympic Winter Games (the organiser of the Olympic Games – the Olympic Committee hired us for the recording of ski jumps at the Olympic Games in Torino);
- informal meeting of NATO defence ministers in Portorož;
- winter sports broadcasts of important competitions (alpine skiing, biathlon);
- league competitions (basketball, handball ...).

The success of our work has been appreciated orally and through letter appreciations, which are an initiative and perception that we can face even the greatest challenges.

Important projects can be implemented in full only with permanent investment into training of our employees, into technical-technologic equipment, by ensuing technical development and by improving the work environment and thus the conditions of work.

Despite the fact that the OU TV Production is preferably meant for the needs of the programme units of RTV Slovenia, we must not neglect the revenues obtained through services for the needs of external clients.

We are convinced to reach similar results also in the future in the scope of the given possibilities only by diligent work, professional approach and rationality.





## Investments

The 2006 investments followed the strategic guidelines of digitalisation of equipment and of assemblies in radio and television production-technologic chains, of introduction of digital distribution television terrestrial network (DVB-T) and solution of problems relating to premises and of work and residential conditions in the public service broadcaster RTV Slovenia. A special accent was also on technologic support to computer production of RTV programmes and new multimedia contents using alternative ways of digital distribution.

The realisation of investments in 2006 was somewhat unusual, because the original plan of investments adopted by the former Council of RTV Slovenia at the end of 2005 in the amount of SIT 5,802 million (EUR 24.2 million) has subsequently changed and limited to a lower amount. The new Supervisory Council of RTV Slovenia first permitted the plan to be used only up to the amount of planned amortisation costs (approx. SIT 2,700 million or EUR 11.2 million). Therefore, some purchasing activities have been stopped until June 2006, when a consent on the new total amount for the field of investments was reached. The consent considered the planned amortisation and other additional financing sources, which can be approved for individual projects only by the Supervisory Council of RTV Slovenia.

Considering all the mentioned starting points, the investment plan of RTV Slovenia in 2006 totalled SIT 4,112 million (approx. EUR 17 million). SIT 243 million (approx. EUR 1 million) were intended for the renewal of equity (investment maintenance). The plan of outflows for the investments was realised almost 68 percent. The renewal of equity was realised 49 percent. Details by units of RTV Slovenia are evident from the Table 14.

Realised investments refer to several large, year-long projects, such as:

- server technology for the production of radio and television broadcasts,
- renovation of magnetoscopes in television assemblies,
- replacement of the intercom system in television assemblies,
- renovation of music and voice radio studios,
- restructuring of the biggest music Studio S-26 on the Radio,

- digitalisation of the radio archives,
- erection of television terrestrial distribution network DVB-T,
- setup of business information system,
- replacement building on the Komenskega street,
- renovation of heating, cooling and aeration devices and systems.

Moreover, we replaced and upgraded several old fixed assets in all organisation units of RTV Slovenia and implemented a large number of several small projects, with which we have increased the technical quality of images and sound and increased the possibilities of expression of radio and television programmes.

It included:

- higher number of studio cameras and TV recording sets,
- server technology and applications in the multimedia field,
- more analogous radio and TV transmitters and radio link systems,
- fire protection systems and emergency lightning,
- computers, monitors, printers and other computer hardware for business and production needs.

The reasons for poorer implementation of investments with respect to the plan are primarily to be sought in:

- the programme and business plan for 2006 not being adopted before the beginning of the business year 2006,
- exchange of business and programme management, which caused a redefinition of priorities of projects and a rebalancing of the investment plan,
- changed and extended payment terms to suppliers in autumn 2006,
- complications in the operative implementation of public procurement of high values.

Other reasons for the deviation from the investment plan arise from programme and technical decisions adopted throughout the year and from objective circumstances that could not have been influenced:

- TV Slovenia has not defined the frames of the parliamentary programme in time and all the investments

**Table 14: Investments of RTV Slovenia in 2006 by Units**

Unit	Plan in SIT million	Realis. in SIT million	Realis. in %
TV Slovenia	40	48	118
TV Production	1,165	1,170	100
Radio Slovenia	14	11	77
Radio Production	271	133	49
RC Koper	91	86	94
RC Maribor	90	82	92
Music Production	20	26	128
Transmitters and Communications *	905	477	53
Multimedia Centre	20	35	176
Sector of Informatics	323	122	38
Common Services	292	173	59
Common planned items	880	416	47
<b>TOTAL</b>	<b>4,112</b>	<b>2,779</b>	<b>67.5</b>

\* A part of investments of Transmitters and Communications in the amount of 168 million SIT was financed from the means obtained from the bonds of RS and shares of Eutelsat Communication. The details are evident from the financial report.

in this connection were postponed to 2007 and some investments were a consequence of new programme decisions, which could not have been foreseen when the business and programme plan was prepared,

- the reconstruction of the studio S-26 on Radio Slovenia was delayed due to the acquisition of consents, which are a prerequisite for the acquisition of a building permit,
- the purchase of transmitters was only partially implemented due to a delay in issuing permits for the use of frequencies by the Post and Electronic Communications Agency of the Republic of Slovenia,
- negotiations for the purchase of Microsoft licences have not led to the finalisation of the purchase,
- replacement erection of the building on the Komen-skega street was stopped due to the delay in the adoption of spatial planning at the Municipality of Ljubljana,
- in several public procurements the prices in acquired offers were lower than estimated and we saved in investments.

# Human Resources, Organisation and Training

## Human Resources

As per December 31, 2006 RTV Slovenia employed 2,134 employees. The number turned to 2,120 on January 1, 2007. The fluctuation of employment both in figures and quality is evident from the Table 15.

48 new employment contracts were signed. 86 workers left the public service broadcaster, whereby this figure also includes the workers who retired. We have to stress that in the past two months the most has been done in the field of 'smooth' leaves of workers. 42 workers left the institute in these two months.

Due to internal rearrangements 70 employees have changed their job. We employ 84 invalids. As far as costs are concerned, we should stress the data on sick-leaves, especially the number of employees and sick-leaves up to 30 days, which go to the burden of the public service broadcaster.

Sick leaves exceeding 30 days, absence due to work injuries, blood donor services, care and injuries not related to job, father's maternity leave and 2<sup>nd</sup> category invalids, who only perform half-time work, go to the burden of others. 27 employees were on a maternity leave.

Table 15: Fluctuation of Employment in 2006

OU/BU	Arrived	Left	Retire- ment	Rearrange- ments	Full-time employed	Disabled	Sick leave up to 30 days	Longer sick leaves to the account of others	Maternity leave	Sick leaves and maternity leave total
TV Slovenia	10	5	2	20	381	13	6	8	9	23
TV Production	/	14	8	1	349	20	7	8	/	15
RA Slovenia	8	14	7	9	245	8	4	6	8	18
RA Production	1	5	/	/	88	1	1	3	/	4
Regional RTV Centre Koper-Capodistria	5	12	3	5	273	14	6	9	2	17
Regional RTV Centre Maribor	3	6	1	12	142	3	2	4	2	8
Music Production	8	8	4	1	106	2	2	1	/	3
Transmitters and Communications	/	4	2	/	135	3	1	3	/	4
Record Label	/	/	/	1	13	2	/	/	/	0
Common Services	13	18	6	21	402	18	9	10	6	25
<b>TOTAL</b>	<b>48</b>	<b>86</b>	<b>33</b>	<b>70</b>	<b>2134</b>	<b>84</b>	<b>38</b>	<b>52</b>	<b>27</b>	<b>117</b>

## Organisation

By having adopted the Law on RTV Slovenia and the Articles of Association of RTV Slovenia we adopted a new organisation rule and the organigram of RTV Slovenia at the end of the year. In this connection we have adequately adapted the coding systems of cost items and cost objects to be used in 2007. In this year we have already started renovation of the system of wages that will continue in 2007.

## Education and Training

In 2006 special accent was put on the following fields of education and training:

- speech practice and performance in front of a camera,
- training of journalists for work in electronic media,
- training of employees for work in a new digital media environment.

We continued with the project of training editors. Over 50 different educational workshops and training activities have been carried out, and were participated by 982 participants, of that 650 full-time employees and 250 regular contractual associates.

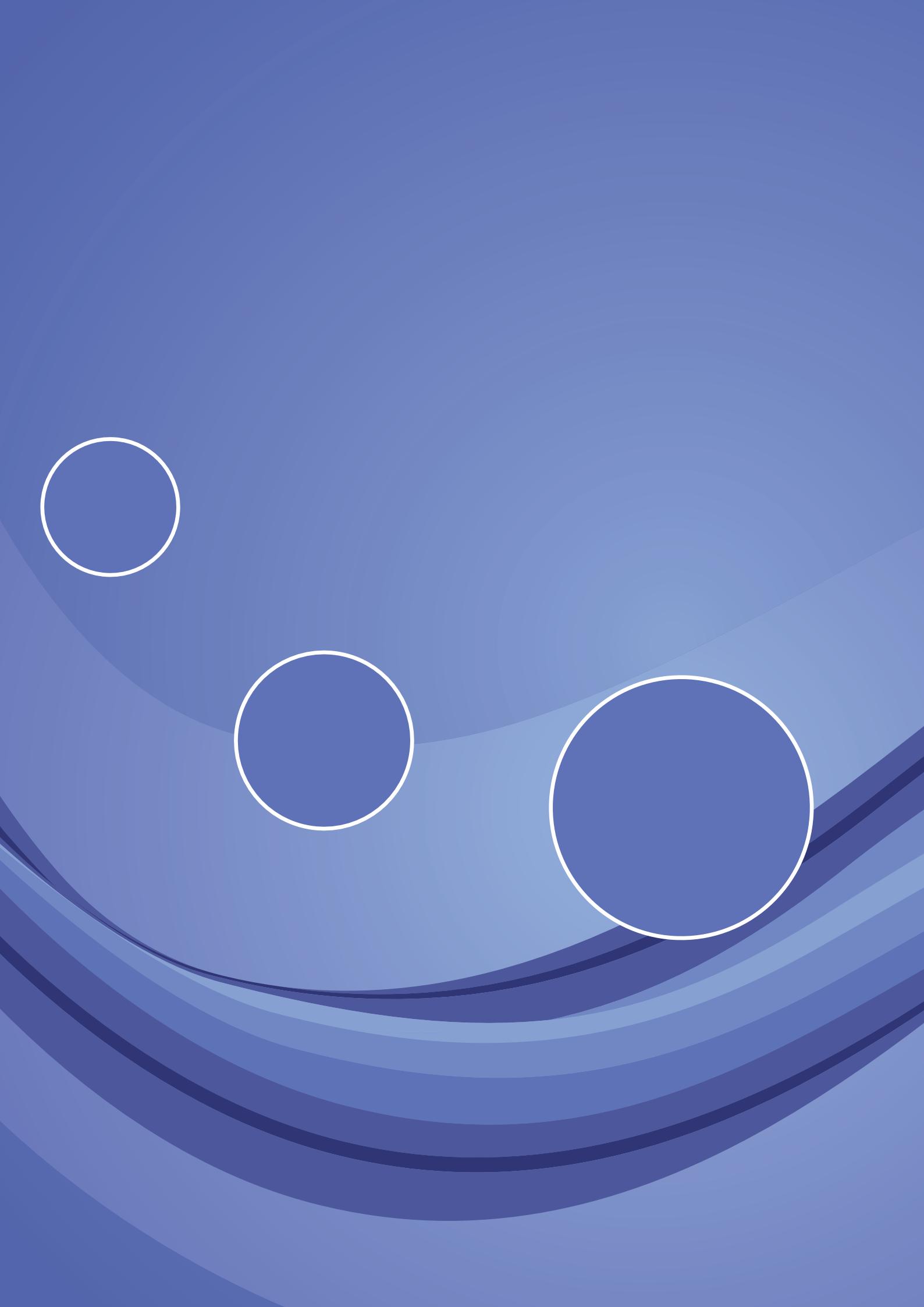
The effects of these activities, both in contents and quality, have been monitored in the USP project and the indexes of »a learning organisation« showed a 25 percent increase compared to the year before. We have come closer to the average of companies who participated in the research in many fields. However, we are aware that much energy, material inputs and efforts of the management will be needed to go in pace with the indexes of development of education and training.

Much energy has been invested in the preparation of new vocational standards for specific occupations in the media space, which have been prepared in co-operation with CPI (National Institute for Vocational Education and Training) and successfully completed. We thus have the foundations for the acquisition of national vocational qualification for the following jobs/fields:

- design of sound (level VI),
- cutting of image and sound (levels V and VI),
- media archives (level VI),
- design of lightning (levels V and VI).

A special attention has been paid to the field of renovation of regular school programmes as well. We prepared concepts of educational profile on level V (media assistant), which will be the basic educational programme for all operative jobs in programme performance and production.

The number of associates, who are in charge of the field of education, has been decreased to a satisfactory level adequate to the needs and new organisation.



# Financial Report





# Financial Report

## Introduction

RTV Slovenia is a public service broadcaster entered in the court register with the District Court of Ljubljana, entry No. 061/10084900. The basic field of activity of the public service broadcaster is radio and television activities. It was founded by the Republic of Slovenia, to which RTV Slovenia has liabilities for the management assets. The public service broadcaster has two bodies: Programme Council and Supervisory Board.

## Basic Data

Title and main offices: RTV Slovenija, javni zavod, Kolodvorska 2, Ljubljana

Tax number: 29865174

Registration number: 5056497

Number of budget user: 35513

Book-keeping, evaluation of accounting items and controlling are regulated by the Public Finance Law (Off. Gaz. of RS, No. 79/99, 124/00, 79/01, 30/02 and 56/02), the Accounting Law (Off. Gaz. of RS, No. 23/99 and 30/02), by-laws that are valid for budget and other public law entities and Slovene Accounting Standards.

## Financial Statement

Table 1: Balance as at 31 December, 2006 (total in SIT thousand)

Division into account groups	Title of account group	ADP code	Current year	Previous year
1	2	3	4	5
<b>ASSETS</b>				
<b>A) Long-term assets and management assets (002+003+004+005+006+007+008+009+010+011)</b>				
00	Intangible long-term fixed assets	002	3,545,424	3,378,840
01	Accumulated amortisation of intangible long-term fixed assets	003	2,918,635	2,824,750
02	Real estate	004	12,073,058	11,927,880
03	Accumulated amortisation of real estate	005	6,810,027	6,621,691
04	Equipment and other tangible fixed assets	006	31,508,030	30,130,626
05	Accumulated amortisation of equipment and other tangible fixed assets	007	25,772,138	24,788,313
06	Long-term investments	008	863,863	1,183,012
07	Long-term granted loans and deposits	009	5,416,164	5,524,255
08	Long-term operating receivables	010	11,111	12,172
09	Receivables from management assets	011	0	0
<b>B) Short-term assets; except inventory and deferred costs and accrued revenues (013+014+015+016+017+018+019+020+021+022)</b>				
10	Cash on hand and immediately disposable monetary values	013	0	231
11	Bank balances and other financial institution balances	014	72,065	52,878
12	Short-term accounts receivable	015	2,752,877	2,395,674
13	Given advances and deposits	016	7,171	105,047
14	Short-term receivables due from users of the unified chart of accounts	017	356,362	518,310
15	Short-term investments	018	48,961	241,999
16	Short-term financial receivables	019	179,068	185,501
17	Other short-term receivables	020	98,591	92,312
18	Outstanding expenses	021	0	0
19	Deferred costs and accrued revenues	022	329,257	532,531
<b>C) Inventory (024+025+026+027+028+029+030+031)</b>				
30	Material acquisition	024	39,644	0
31	Inventory of materials	025	538,117	444,333
32	Inventory of small tools assets and packaging	026	0	0
33	Work-in-progress and services	027	0	0
34	Products	028	48,383	47,482
35	Accounting of merchandise acquisition	029	0	0
36	Inventory of merchandise	030	0	0
37	Other inventory	031	0	0
<b>I. ASSETS TOTAL (001+012+023)</b>				
		032	22,387,346	22,538,329

Division into account groups	Title of account group	ADP code	Current year	Previous year
99	Active accounts of off-balance record	033	8,778,629	10,056,028
<b>LIABILITIES</b>				
	<b>D) Short-term liabilities and accrued costs and deferred revenues (035+036+037+038+039+040+041+042+043)</b>	<b>034</b>	<b>5,159,171</b>	<b>5,974,236</b>
20	Short-term liabilities for received advances and deposits	035	15,881	9,848
21	Short-term liabilities to employees	036	1,245,488	1,031,243
22	Short-term liabilities to suppliers	037	1,745,304	1,358,385
23	Other short-term operating liabilities	038	1,002,896	1,012,769
24	Short-term liabilities to users of the unified chart of account	039	20,689	1,424,675
25	Short-term liabilities to financers	040	30,550	0
26	Short-term financial liabilities	041	10	0
28	Outstanding revenues	042	0	0
29	Accrued costs and deferred revenues	043	1,098,353	1,137,316
	<b>E) Own shares and long-term liabilities (045+046+047+048+049+050+051+052-053+054+055+056+057+058-059)</b>	<b>044</b>	<b>17,228,175</b>	<b>16,564,093</b>
90	General fund	045	0	0
91	Reserve fund	046	0	0
92	Long-term deferred revenues	047	0	0
93	Long-term provisions	048	1,818,521	2,619,802
940	Fund of property intended for a purpose in public funds	049	0	0
9410	Fund of property in other legal entities of public law, which is their property, for intangible long-term assets and tangible fixed assets	050	0	0
9411	Fund of property in other legal entities of public law, which is their property, for investments	051	0	0
9412	Surplus of revenues over the expenses	052	0	0
9413	Surplus of expenses over the revenues	053	0	0
96	Long-term financial liabilities	054	0	0
97	Other long-term liabilities	055	0	0
980	Liabilities for intangible fixed assets and tangible fixed assets	056	11,590,918	11,611,273
981	Liabilities for long-term investments	057	6,328,989	6,768,265
985	Surplus of revenues over the expenses	058	0	0
986	Surplus of expenses over the revenues	059	2,510,253	4,435,247
	<b>I. LIABILITIES TOTAL (034+044)</b>	<b>060</b>	<b>22,387,346</b>	<b>22,538,329</b>
99	Deferred accounts of off-balance records	061	8,778,629	10,056,028

Table 2: Balance and Movement of Long-Term Capital Investments and Loans in 2006 (total in SIT thousand)

Type of investment or loan	ADP code	Total investments and granted credits (Jan 1)	Total provision of investments and granted credits (Jan 1)	Total increase in investments and granted credits	Total increase in provision of investments and granted credits	Total decrease in investments and granted credits	Total decrease in provision of investments and granted credits	Total investments and granted credits (Dec 31)	Total provision of investments and granted credits (Dec. 31)	Book value of investments and granted credits (Dec. 31)	Total written-off investments and granted credits		
		1	2	3	4	5	6	7	8	9 (3+5-7)	10 (4+6-8)	11 (9-10)	12
<b>I. Long-term investments (801+806+811+812+813)</b>													
A. Investment into shares (802+803+804+805)	800	1,183,012	0	278	0	319,427	0	863,863	0	863,863			
1. Investments into shares of public companies	801	1,182,892	0	278		319,427	0	863,743	0	863,743			
2. Investments into shares of financial institutions	802						0	0	0	0			
3. Investments into shares of private companies	803						0	0	0	0			
4. Investments into shares abroad	804						0	0	0	0			
B. Investments into shares (807+808+809+810)	805	1,182,892	0	278	0	319,427	0	863,743	0	863,743			
1. Investments into shares in public companies	806	120	0	0		0	0	120	0	120			
2. Investments into shares in financial institutions	807						0	0	0	0			
3. Investments into shares in private companies	808						0	0	0	0			
4. Investments into shares abroad	809	120	0	0		0	0	120	0	120			
C. Investment real estate	810						0	0	0	0			
D. Investment into noble metals, precious stones, works of art and similar	811						0	0	0	0			
E. Other long-term capital investments (814+815+816+817)	812						0	0	0	0			
1. Allocated property transferred to public funds	813	0	0	0		0	0	0	0	0			
2. Property transferred to other legal entities of public law that own the property	814						0	0	0	0			
3. Other local long-term capital investments	815						0	0	0	0			
4. Other foreign long-term capital investments	816	0	0	0		0	0	0	0	0			
<b>II. Long-term granted loans and deposits (819+828+831+834)</b>	817	5,758,252	172,990	5,034	56,943	68,228	0	5,695,058	229,933	5,465,125			

Type of investment or loan	ADP code	Total investments and granted credits [Jan 1]	Total provision of investments and granted credits [Jan 1]	Total increase in investments and granted credits	Total increase in provision of investments and granted credits	Total decrease in investments and granted credits	Total decrease in provision of investments and granted credits	Total investments and granted credits [Dec 31]	Total provision of investments and granted credits [Dec. 31]	Book value of investments and granted credits [Dec. 31]	Total written-off investments and granted credits
A. Long-term granted loans (820+821+822+823 +824+825+826+827)	819	5,758,252	172,990	5,034	56,943	68,228	0	5,695,058	229,933	5,465,125	
1. Long-term loans granted to individuals	820	181,046	0	40		39,502	0	141,584	0	141,584	
2. Long-term loans granted to public funds	821						0	0	0	0	
3. Long-term loans granted to public companies	822						0	0	0	0	
4. Long-term loans granted to financial institutions	823						0	0	0	0	
5. Long-term loans granted to private companies	824	5,577,206	172,990	4,994	56,943	28,726	0	5,553,474	229,933	5,323,541	
6. Long-term loans granted to other state levels	825						0	0	0	0	
7. Long-term loans granted to state budget	826						0	0	0	0	
8. Other long-term loans granted abroad	827						0	0	0	0	
B. Long-term loans granted by a purchase of securities [829+830]	828	0	0	0		0	0	0	0	0	
1. Local securities	829						0	0	0	0	
2. Foreign securities	830						0	0	0	0	
C. Long-term granted deposits [832+833]	831	0	0	0		0	0	0	0	0	
1. Long-term deposits granted to commercial banks	832						0	0	0	0	
2. Other long-term granted deposits	833	0	0	0		0	0	0	0	0	
D. Other long-term given loans	834						0	0	0	0	
<b>E. TOTAL (800+818)</b>	<b>835</b>	<b>6,941,264</b>	<b>172,990</b>	<b>5,312</b>	<b>56,943</b>	<b>387,655</b>	<b>0</b>	<b>6,558,921</b>	<b>229,933</b>	<b>6,328,988</b>	

Table 3: Balance and Movement of Intangible Assets and Tangible Fixed Assets in 2006 (total in SIT thousand)

Title	ADP code	Purchase value (Jan. 1)	Provision (Jan. 1)	Increase in purchase value	Increase in provision	Decrease in purchase value	Decrease in provision	Amortisation	Carrying amount (Dec. 31)	Revaluation due to strengthening	Revaluation due to impairment		
		1	2	3	4	5	6	7	8	9	10[3+4+5+6-7+8-9]	11	12
10[3+4+5+6-7+8-9]													
<b>I. Intangible long-term assets and tangible fixed assets in management</b> <b>(701+702+703+704+705+706+707)</b>	700	44,489,575	33,791,168	2,207,078	25,872	1,037,684	1,123,310	2,347,457	10,617,782				
A. Long-term deferred costs	701	55,489		59,391		27,414			87,466				
B. Long-term property rights	702	3,212,869	2,787,113	81,256	0	279	56	80,397	426,392				
C. Other intangible long-term assets	703	129,708	37,637	18,355	0	54	0	13,544	96,828				
D. Land	704	739,778	0	256	0	0	0	0	740,034				
D. Buildings	705	11,161,818	6,621,692	108,269	0	990	116,971	305,306	4,459,070				
F. Equipment	706	29,186,626	24,341,526	1,939,551	25,872	1,008,947	1,006,283	1,948,210	4,807,905				
G. Other tangible fixed assets	707	3,287	3,200	0	0	0	0	0	0	87			
<b>II. Intangible long-term assets and tangible fixed assets - owned</b> <b>(709+710+711+712+713+714+715)</b>	708	0	0	0	0	0	0	0	0	0			
A. Long-term deferred costs	709								0				
B. Long-term property rights	710								0				
C. Other intangible long-term assets	711								0				
D. Land	712								0				
D. Buildings	713								0				
F. Equipment	714								0				
G. Other tangible fixed assets	715								0	0			
<b>III. Intangible long-term assets and tangible fixed assets - financial lease</b> <b>(717+718+719+720+721+722+723)</b>	716	0	0	0	0	0	0	0	0	0			
A. Long-term deferred costs	717							0	0				
B. Long-term property rights	718							0	0				
C. Other intangible long-term assets	719							0	0				
D. Land	720							0					
E. Buildings	721							0	0				
F. Equipment	722							0	0				
G. Other tangible fixed assets	723							0	0				

Table 4: Statement of Revenue and Expenses of Certain Users for 2006 (total in SIT thousand)

Division of account subgroups	Title of account subgroups	ADP code	Current year	Previous year
1	2	3	4	5
	A) Operating revenues (861+862+863+864)	860	28,008,517	26,309,256
760	Sale of products and services	861	28,004,521	26,306,656
	Increase in value of inventory of products and work-in-progress	862	3,928	2,436
	Decrease in value of inventory of products and work-in-progress	863	0	0
761	Sale of goods and materials	864	68	164
	B) Financial revenues	865	635,056	12,870,778
763	C) Extraordinary revenues	866	171,776	180,305
762	Č) Revaluation operating revenues (868+869)	867	949,260	197,738
Portion 764	Sale of fixed assets	868	2,237	3,067
Portion 764	Other revaluation operating revenues	869	947,023	194,671
	<b>D) TOTAL REVENUES (860+865+866+867)</b>	<b>870</b>	<b>29,764,609</b>	<b>39,558,077</b>
	E) Costs of goods, material and services (872+873+874)	871	10,556,694	9,898,690
Portion 466	Purchase value of sold material and goods	872	0	0
460	Costs of material	873	1,252,775	1,257,824
461	Costs of services	874	9,303,919	8,640,866
464	F) Labour costs (876+877+878)	875	13,171,938	12,819,770
Portion 464	Wages and compensation benefits	876	9,995,553	9,722,169
Portion 464	Employer's social security contributions	877	1,734,386	1,697,998
Portion 464	Other labour costs	878	1,441,999	1,399,603
462	G) Amortisation	879	2,347,457	2,557,795
463	H) Provisions	880	158,642	1,662,908
Portion 465	I) Revenue tax	881	0	1,416,157
Portion 465	J) Remaining other expenses	882	273,396	179,272
467	K) Financial expenses	883	52,828	164,113
468	L) Extraordinary expenses	884	132,750	293,000
	M) Revaluation operating expenses (886+887)	885	1,528,531	1,039,610
Portion 469	Expenses from the fixed assets sale	886	23,321	9,652
Portion 469	Other revaluation operating expenses	887	1,505,210	1,029,958
	<b>N) TOTAL EXPENSES (871+875+879+880+881+882+883+884+885)</b>	<b>888</b>	<b>28,222,236</b>	<b>30,031,315</b>
	<b>O) SURPLUS OF REVENUES (870-888)</b>	<b>889</b>	<b>1,542,373</b>	<b>9,526,762</b>
	<b>P) SURPLUS OF EXPENSES (888-870)</b>	<b>890</b>	<b>0</b>	<b>0</b>
	Surplus of revenues from previous years intended to cover the expenses from the accounting period	891	0	0
	Average number of employees based on working hours in the accounting period (total number)	892	2,072	2,103
	Number of months of operation	893	12	12

Table 5: Statement of Revenue and Expenses by Type of Activity for 2006 (total in SIT thousand)

Division of account subgroups	Title of account subgroups	ADP code	Revenue and expenses for the performance of public service	Revenue and expenses from the sale of goods and services on the market
1	2	3	4	5
	A) Operating revenue (661+662-663+664)	660	18,981,640	9,026,877
760	Revenue from the sale of products and services	661	18,981,640	9,022,881
	Increase in value of inventory of products and work-in-progress	662	0	3,928
	Decrease in value of inventory of products and work-in-progress	663	0	0
761	Sale of goods and materials	664	0	68
762	B) Financial revenues	665	358,683	276,373
763	C) Extraordinary revenues	666	94,139	77,637
	Č) Revaluation operating revenues (668+669)	667	893,765	55,495
Portion 764	Sale of fixed assets	668	2,237	0
Portion 764	Other revaluation operating revenues	669	891,528	55,495
	<b>D) TOTAL REVENUES (660+665+666+667)</b>	<b>670</b>	<b>20,328,227</b>	<b>9,436,382</b>
	E) Costs of goods, material and services (672+673+674)	671	7,140,548	3,416,146
Portion 466	Purchase value of sold material and goods	672	0	0
460	Costs of material	673	847,377	405,398
461	Costs of services	674	6,293,171	3,010,748
	E) Labour costs (676+677+678)	675	8,909,499	4,262,439
Portion 464	Wages and compensation benefits	676	6,760,992	3,234,561
Portion 464	Employer's social security contributions	677	1,173,139	561,247
Portion 464	Other labour costs	678	975,368	466,631
462	G) Amortisation	679	1,587,820	759,637
463	H) Provisions	680	0	158,642
Portion 465	I) Revenue tax	681	0	0
Portion 465	J) Remaining other expenses	682	184,925	88,471
467	K) Financial expenses	683	35,733	17,095
468	L) Extraordinary expenses	684	89,792	42,958
	M) Other revaluation operating expenses (686+687)	685	1,033,898	494,633
Portion 469	Expenses from the fixed assets sale	686	15,774	7,547
Portion 469	Revaluation operating expenses	687	1,018,124	487,086
	<b>N) TOTAL EXPENSES (671+675+679+680+681+682+683+684+685)</b>	<b>688</b>	<b>18,982,215</b>	<b>9,240,021</b>
	<b>O) SURPLUS OF REVENUES (670-688)</b>	<b>689</b>	<b>1,346,012</b>	<b>196,361</b>
	<b>P) SURPLUS OF EXPENSES (688-670)</b>	<b>690</b>	<b>0</b>	<b>0</b>
	Surplus of revenues from previous years intended to cover the expenses from the accounting period	691	0	0

Table 6: Statement of Revenue and Expenses of Certain Users by the Cash-Flow Principle for the Year 2006  
(total in SIT thousand)

Division of accounts	Account title	ADP code	Current year	Previous year
1	2	3	4	5
	<b>I. TOTAL REVENUE (402+431)</b>	<b>401</b>	<b>27,007,486</b>	<b>30,110,717</b>
	<b>1. REVENUE FOR THE PERFORMANCE OF PUBLIC SERVICE (403+420)</b>	<b>402</b>	<b>19,243,389</b>	<b>22,426,029</b>
	<b>A. Revenue from public finance funds (404+407+410+413+418+419)</b>	<b>403</b>	<b>310,158</b>	<b>262,801</b>
	a) Assets obtained from the state budget (405+406)	404	310,158	262,801
Portion 7400	Assets obtained from the state budget for current consumption	405	310,158	262,801
Portion 7400	Assets obtained from the state budget for investments	406	0	0
	b) Assets obtained from municipal budgets (408+409)	407	0	0
Portion 7401	Assets obtained from municipal budgets for current consumption	408	0	0
Portion 7401	Assets obtained from municipal budgets for investments	409	0	0
	c) Assets obtained from social security funds (411+412)	410	0	0
Portion 7402	Assets obtained from social security funds for current consumption	411	0	0
Portion 7402	Assets obtained from social security funds for investments	412	0	0
	d) Assets obtained from public funds and agencies (414+415+416+417)	413	0	0
Portion 7403	Assets obtained from public funds for current consumption	414	0	0
Portion 7403	Assets obtained from public funds for investments	415	0	0
Portion 7404	Assets obtained from public agencies for current consumption	416	0	0
Portion 7404	Assets obtained from public agencies for investments	417	0	0
Portion 740	e) Assets obtained from budgets relating to foreign donations	418	0	0
741	f) Assets obtained from state budget and assets of the EU budget	419	0	0
	<b>B) Other revenue for the performance of public service (421+422+423+424+425+426+427+428+429+430)</b>	<b>420</b>	<b>18,933,231</b>	<b>22,163,228</b>
Portion 7130	Revenue from the sale of goods and services relating to the performance of public service	421	18,653,967	18,098,161
Portion 7102	Obtained interests	422	242,194	89,376
Portion 7100 +	Revenue from participation in the profits and dividends of public companies, public			
portion 7101	funds and public financial institutions and other companies and financial institutions	423	0	0
Portion 7141	Other current revenue relating to the performance of public service	424	449	3,886,347
72	Equity revenue	425	9,496	21,092
730	Donations received from domestic sources	426	27,125	68,252
731	Obtained foreign donations	427	0	0
732	Donations for the abolishment of natural disaster consequences	428	0	0
786	Other assets obtained from the EU budget	429	0	0
787	Assets obtained from other European institutions	430	0	0
	<b>2. REVENUE FROM THE SALE OF GOODS AND SERVICES ON THE MARKET (432+433+434+435+436)</b>	<b>431</b>	<b>7,764,097</b>	<b>7,684,688</b>
Portion 7130	Revenue from the sale of goods and services on the market	432	5,710,490	6,030,120
Portion 7102	Obtained interests	433	225,577	126,583
Portion 7103	Revenue from rents and other property revenue	434	1,508,602	1,527,985
Portion 7100 +	Revenue from the participation in the profits and dividends of public companies, public			
portion 7101	funds and public financial institutions as well as other companies and financial institutions	435	319,428	0
Portion 7141	Other current revenue not pertaining to the performance of public service	436	0	0
	<b>II. EXPENSES TOTAL (438+481)</b>	<b>437</b>	<b>27,014,432</b>	<b>26,072,072</b>
	<b>1. EXPENSES FOR THE PERFORMANCE OF PUBLIC SERVICE (439+447+453+464+465+466+467+468+469+470)</b>	<b>438</b>	<b>17,727,358</b>	<b>19,775,291</b>
	<b>A. Wages and other payments to employees (440+441+442+443+444+445+446)</b>	<b>439</b>	<b>7,256,035</b>	<b>7,689,524</b>
Portion 4000	Wages and supplements	440	5,931,250	6,305,073
Portion 4001	Vacation pay	441	219,747	231,297
Portion 4002	Reimbursements and compensations	442	478,165	559,042

Continuation on the next page

Division of accounts	Account title	ADP code	Current year	Previous year
Portion 4003	Assets for success at work	443	458,256	383,767
Portion 4004	Assets for overtime work	444	11,900	25,237
Portion 4005	Wages for the work of non-residents on contract	445	0	0
Portion 4009	Other payments to employees	446	156,717	185,108
	<b>B. Employer's contribution for social security (448+449+450+451+452)</b>	<b>447</b>	<b>1,256,706</b>	<b>1,290,729</b>
Portion 4010	Contribution for pension and invalidity insurance	448	569,718	598,650
Portion 4011	Contribution for health insurance	449	461,289	485,653
Portion 4012	Employment contribution	450	3,862	4,058
Portion 4013	Maternity leave contribution	451	6,437	6,764
Portion 4015	Premiums of collective supplementary pension insurance pursuant to ZKDPZJU	452	215,400	195,604
	<b>C. Expenses for the goods and services for the performance of public service (454+455+456+457+458+459+460+461+462+463)</b>	<b>453</b>	<b>6,751,881</b>	<b>7,790,995</b>
Portion 4020	Stationery and general material and services	454	485,402	651,031
Portion 4021	Special materials and services	455	405,257	511,346
Portion 4022	Power, water, public utility services and communications	456	910,373	1,041,129
Portion 4023	Transport costs and services	457	197,741	225,941
Portion 4024	Business trip expenses	458	244,416	266,353
Portion 4025	Current maintenance	459	164,967	205,483
Portion 4026	Business rents	460	425,786	367,063
Portion 4027	Penalties and indemnification	461	6,625	643
Portion 4028	Tax on wages	462	322,722	418,866
Portion 4029	Other operative expenses	463	3,588,592	4,103,140
403	D. Payment of local interests	464	4,584	148,969
404	E. Payment of foreign interests	465	0	0
410	F. Subsidies	466	0	0
411	G. Transfers to individuals and households	467	0	0
412	H. Transfers to non-profit organisations and institutions	468	0	0
413	I. Other current local transfers	469	0	0
	<b>J. Investment expenses (471+472+473+474+475+476+477+478)</b>	<b>470</b>	<b>2,458,152</b>	<b>2,855,074</b>
4200	Purchase of buildings and premises	471	0	0
4201	Purchase of transport means	472	50,793	73,069
4202	Purchase of equipment	473	1,881,486	2,102,107
4203	Purchase of other fixed assets	474	110,211	77,166
4204	New construction, reconstruction and alterations	475	223,457	335,964
4205	Investment maintenance and renovations	476	1,596	1,099
4206	Purchase of lands and natural wealth	477	256	0
4207	Purchase of immaterial property	478	184,939	259,230
4208	Feasibility studies of projects, project documentation, supervision, investment engineering	479	5,414	6,439
4209	Purchase of commodity reserves and intervention inventory	480	0	0
	<b>2. EXPENSES PERTAINING TO THE SALE OF GOODS AND SERVICES ON THE MARKET (482+483+484)</b>	<b>481</b>	<b>9,287,074</b>	<b>6,296,781</b>
Portion 400	A. Wages and other expenses to employees from the sale of goods and services on the market	482	3,471,398	2,921,108
Portion 401	B. Contributions of employees for social security pertaining to the sale of goods and services on the market	483	498,176	416,019
Portion 402	C. Expenses for the goods and services pertaining to the sale of goods and services on the market	484	5,317,500	2,959,654
	<b>III/1 SURPLUS OF REVENUE OVER THE EXPENSES (401-437)</b>	<b>485</b>	<b>0</b>	<b>4,038,645</b>
	<b>III/2 SURPLUS OF EXPENSES OVER THE REVENUE (437-401)</b>	<b>486</b>	<b>6,946</b>	<b>0</b>

Table 7: Statement of Financial Receivables and Investments for 2006 (total in SIT thousand)

Division of accounts	Account title	ADP code	Current year	Previous year
1	2	3	4	5
<b>IV. RECEIVED REPAYMENTS OF GRANTED LOANS (501+502+503+504+505+506+507+508+509+510+511)</b>				
750	Received repayments of granted loans from individuals and private companies	500	36,757	8,889,324
7501	Received payments of granted loans from public funds	501	36,757	47,318
7502	Received payments of granted loans from public companies and state - or municipality-owned companies	502	0	0
7503	Received payments of granted loans from financial institutions	503	0	0
7504	Received payments of granted loans from private companies	504	0	0
7505	Received payments of granted loans from other municipalities	505	0	0
7506	Received payments of granted loans from foreign countries	506	0	0
7507	Received payments of granted loans to state budget	507	0	0
7508	Received payments of granted loans from public agencies	508	0	0
7509	Received payments of paid guarantees	509	0	0
751	Sale of equity shares	510	0	8,842,006
440	<b>V. GRANTED LOANS (513+514+515+516+517+518+519+520+521+522+523)</b>	512	0	5,539,139
4400	Loans granted to individuals and private companies	513	0	0
4401	Loans granted to public funds	514	0	0
4402	Loans granted to public companies and the state - or municipality-owned companies	515	0	0
4403	Loans granted to financial institutions	516	0	0
4404	Loans granted to private companies	517	0	0
4405	Loans granted to municipalities	518	0	0
4406	Loans granted to foreign countries	519	0	0
4407	Loans granted to the state budget	520	0	0
4408	Loans granted to public agencies	521	0	0
4409	Payments of due guarantees	522	0	0
441	Increase in equity shares and investments	523	0	5,539,139
	<b>VI/1 GRANTED MINUS GIVEN LOANS (500-512)</b>	524	36,757	3,350,185
	<b>VI/2 GRANTED MINUS RECEIVED LOANS (512-500)</b>	525	0	0

Table 8: Statement of Account of Financing of Certain Users for the Year 2006 (total in SIT thousand)

Division of accounts	Title of account	ADP code	Current year	Previous year
1	2	3	4	5
<b>50</b>	<b>VII. BORROWING (551+559)</b>	<b>550</b>	<b>1,914,547</b>	<b>4,538,169</b>
500	Local borrowing (552+553+554+555+556+557+558)	551	1,914,547	4,538,169
5001	Loans taken out with commercial banks	552	1,914,547	4,538,169
5002	Loans taken out with other financial institutions	553	0	0
Portion 5003	Loans taken out from the state budget	554	0	0
Portion 5003	Loans taken out from the budget of local communities	555	0	0
Portion 5003	Loans taken out from social security funds	556	0	0
Portion 5003	Loans taken out from other public funds	557	0	0
Portion 5003	Loans taken out with other domestic loan givers	558	0	0
501	Foreign borrowing	559	0	0
<b>55</b>	<b>VIII. REPAYMENT OF DEBT (561+569)</b>	<b>560</b>	<b>1,883,997</b>	<b>11,498,083</b>
550	Repayment of domestic debt (562+563+564+565+566+567+568)	561	1,883,997	11,498,083
5501	Repayment of loans to commercial banks	562	1,883,997	11,498,083
5502	Repayment of loans to other financial institutions	563	0	0
Portion 5503	Repayment of loans to the state budget	564	0	0
Portion 5503	Repayment of loans to the budgets of local communities	565	0	0
Portion 5503	Repayment of loans to social security funds	566	0	0
Portion 5503	Repayment of loans to other public funds	567	0	0
Portion 5503	Repayment of loans to other domestic loan givers	568	0	0
551	Repayment of foreign loans	569	0	0
	<b>IX/1 NET BORROWING (550-560)</b>	<b>570</b>	<b>30,550</b>	<b>0</b>
	<b>IX/2 NET REPAYMENT OF A LOAN (560-550)</b>	<b>571</b>	<b>0</b>	<b>6,959,914</b>
	<b>X/1 INCREASE IN ASSETS ON ACCOUNTS (485+524+570)-(486+525+571)</b>	<b>572</b>	<b>60,361</b>	<b>428,916</b>
	<b>X/2 DECREASE OF ASSETS ON ACCOUNTS (486+525+571)-(485+524+570)</b>	<b>573</b>	<b>0</b>	<b>0</b>

## Accounting Orientations

Hereinafter we explain all important orientations, prerequisites and methods used in the preparation of the 2006 financial report apart from the fundamental accounting principles (consideration of business events emergence, consideration of temporary openness of operation and consideration of true and fair presentation).

### The Required Financial Statements are as Follows:

1. Balance sheet with appendixes on:
  - balance and movement of intangible assets and tangible fixed assets,
  - balance and movement of capital investments and loans.
2. a. Statement of revenue and expenses of certain users.  
b. Statement of revenue and expenses of certain users by types of activity.
3. Statement of revenue and expenses by the cash flow principle with appendixes:
  - statement of account of receivables and investments of certain users,
  - statement of account of financing of certain users.

### Intangible Assets and Tangible Fixed Assets

Intangible assets and tangible fixed assets are regularly written off individually by using the method of consistent time amortisation. Amortisation is accounted in compliance with the Rules on the mode and levels of write-off of intangible long-term assets and tangible fixed assets (Off. Gaz. RS, No. 45/05), where amortisation levels used for the regular write-off are defined. The stipulated amortisation rates do not exceed those granted in the accounting of corporate tax.

The following amortisation levels were used in 2006 in compliance with the Rules:

Hard material buildings	3 %
Furniture	12 %
Passenger vehicles	12.5 %
Equipment for PTT traffic	10 %
Equipment for radio and television broadcasts	20 %
Computers	50 %
Other computer equipment	25 %
Property rights	10 %
Electro-energetic equipment	7 %

Tangible fixed assets, the individual purchase value of which does not exceed the SIT value of EUR 500 after the supplier's accounting is recognised as small tools. Small tools, the individual purchase value of which does not exceed the SIT value of EUR 100 are classified among materials.

Tangible fixed assets start amortising on the first day of the following month after the month when they were first used for the performance of an activity. Small tools are written off in full upon purchase.

When the costs of purchase of fixed assets equal the written-off value of the fixed assets, the amortisation is no longer accounted for, although the assets still remain in use for the performance of the activity.

Article 10 of the Rules on the mode and levels of write-off of intangible fixed assets and tangible fixed assets stipulates that certain users of the unified chart of accounts (where RTV Slovenia belongs as well) cover amortisation costs to the burden of adequate liabilities, provided the amortisation costs are not invoiced in the price of a product or service or provided that no finance is received from public finance to cover the amortisation costs.

RTV Slovenia does not obtain finance from public finance in order to cover the amortisation costs, however, the competent Ministry of Culture provided an explanation that the total amortisation is calculated in the price of the RTV licence fee. It can be deducted from the above that in compliance with said rules amortisation should be recorded to the burden of costs.

## Receivables

For the receivables provisions are created to the burden of operating expenses by the following criteria:

- for the receivables from market activity on domestic and foreign markets not settled within 90 days after falling due, in the amount of 100 %;
- for the receivables from accounted default interests on domestic market not settled within 90 days after falling due, in the amount of 100 %;
- for the receivables from RTV licence fee not settled within 180 days after falling due, in the amount of 100 %.

## Inventory

Business books pursue the following groups of material inventories: film, scenery and programme material, cleaning and auxiliary material, material for the record label, special and specific material and broadcasts (films, series, serials).

A quality unit of material inventory is evaluated by the purchase price. In the accounting of consumption of material inventory, the public service broadcaster uses:

- plan prices for material for the production of record label,
- average prices for the remaining material.

Inventory of work-in-progress and products are evaluated by manufacturing costs.

Adjustment of inventory of material is carried out in relation to the age of inventory in the following way:

- inventory exceeding one year  
in the amount of 50 % of the inventory value;
- inventory exceeding two years  
in the amount of 75 % of the inventory value;
- inventory exceeding three years  
in the amount of 100 % of the inventory value.

As far as the inventory of final products of the Record Label is concerned, the criteria for the creation of provisions of inventory is defined in more detail due to specific production as follows:

- **inventory older than 1 year in the amount of 50 %;** it covers the inventory of articles that saw no reissuing

in a one year's period. A prerequisite for a reissuing is the critical (security) level of inventory by individual programmes. The inventory also exceeds one year provided the purchase to an external partner is lower than 20 % of the inventory balance from the day of the last reissuing (except gratis documents, internal accounts, etc.) The initial total inventory (upon reissue) is considered as the total inventory;

- **inventory older than 2 years in the amount of 75 %;** it includes an inventory of articles that saw no reissuing in a two year's time. A prerequisite for a reissuing is the critical (security) level of inventory by individual programmes. The inventory also exceeds one year provided the purchase to an external partner is lower than 40 % of the inventory balance from the day of the last reissuing (except gratis documents, internal accounts, etc.) The initial total inventory (upon reissue) is considered as the total inventory;

- **inventory older than 3 years in the amount of 100 %;** it includes an inventory of articles that saw no reissuing in a three year's time. A prerequisite for a reissuing is the critical (security) level of inventory by individual programmes. The inventory also exceeds one year provided the purchase to an external partner is lower than 60 % of the inventory balance from the day of the last reissuing (except gratis documents, internal accounts, etc.) The initial total inventory (upon reissue) is considered as the total inventory.

## Explanations about the Balance Sheet

The balance sheet comprises the data on the balance of assets and liabilities as at the last day of the current accounting period and as at the last day of the previous accounting period.

### Assets in the Balance Sheet

The largest share in the structure of assets is accounted for by tangible fixed assets with 50 %. Short-term operating receivables account for 14 % of the total assets in the balance sheet. A share of 24 % in the assets structure is accounted for by long-term financing receivables, where the bonds of the Republic of Slovenia belong.

### Intangible Fixed Assets and Tangible Fixed Assets

To intangible assets belong:

- long-term deferred costs,
- long-term property rights and
- other intangible fixed assets.

To tangible fixed assets belong:

- lands,
- buildings,
- equipment and
- other intangible fixed assets.

Table 9 indicates the write-off level of intangible fixed assets and tangible fixed assets by types pointing at a high level of write-off equipment and other tangible fixed assets as well as property rights.

The public service broadcaster has no assets to secure its liabilities, nor does it present assets in financial lease. As at December 31, 2006 the following substantial investments in course are presented:

- Equipment for server technology: SIT 25,719 thousand.
- News video server system: SIT 456,656 thousand.
- Foto, film: SIT 13,420 thousand.
- Renovation of director's booth of the Studio 26: SIT 12,863 thousand.
- Encoding-decoding equipment: STI 34,236 thousand.
- Equipment for DVB-T and DVB-S connections: SIT 25,887 thousand.
- DVB -T transmitters: SIT 78,507 thousand.

Among long-term deferred costs it recognises deferred expenses for films and broadcasts of in-house production that have not yet been aired. At the end of the year the balance sheet showed by SIT 20,572 thousand (EUR 86 thousand) long-term deferred costs presented among deferred costs and accrued revenues.

Table 9: Overview of Long-Term Assets as at December 31, 2006 by Purchase, Write-Off and Carrying Write-Off Value with a Write-Off Level (in SIT thousand)

Type of long-term assets	Purchase value	Provision	Carrying amount	Write-off of assets - index
1	2	3	4	5 = 3 : 2 x 100
A. Long-term deferred costs	87,466	0	87,466	
B. Long-term property rights	3,293,846	2,867,454	426,392	87.1
C. Other intangible fixed assets	148,009	51,181	96,828	34.6
D. Lands	740,034	0	740,034	
E. Buildings	11,333,024	6,810,027	4,522,997	60.1
F. Equipment	29,862,791	24,126,986	5,735,805	80.8
G. Small tools	1,641,953	1,641,953	0	100.0
H. Other tangible fixed assets	3,287	3,200	87	97.4
<b>TOTAL LONG-TERM ASSETS</b>	<b>47,110,410</b>	<b>35,500,801</b>	<b>11,609,609</b>	<b>75.4</b>

Table 10 shows the structure of long-term assets in relation to the source, from which assets were financed. The source of financing is linked to the way amortisation is accounted for.

Amortisation of fixed assets received for management from the Ministry of Culture amounted to SIT 2,347,457 thousand (EUR 9,796 thousand) in 2006 and was totally to the burden of costs. Amortisation of other fixed assets, received from the Ministry of Economy, The Post and Electronic Communications Agency, Italian Union and from donations amounted to SIT 24,896 thousand (EUR

104 thousand) in 2006 and was to the burden of assets, received for management.

### **Long-Term Investments and Long-Term Receivables**

Long-term investments are investments with maturity exceeding one year. They are shown in accounting ledgers by their purchase value. Among long-term capital investments - shares abroad - the investments into the company Eutelsat Communications are recognised, in which we own 2,468,724 shares with a nominal value of EUR 1 as at December 31, 2006. The shares quote at the Paris stock-exchange Euronext. As

**Table 10: Structure of Intangible Fixed Assets and Tangible Fixed Assets as at December 31, 2006 by Sources (in SIT thousand)**

Structure of intangible fixed assets and tangible fixed assets by sources	Purchase value	Provision	Carrying amount	Write-off of assets - Dec. 31, 2006	Write-off of assets - Dec. 31, 2005
1	2	3	4	5 = 3 : 2 x 100	6
A. Ministry of Culture	44,567,523	34,071,247	10,496,276	76.4	78.3
B. Post and Electronic Communications Agency	844,221	840,330	3,891	99.5	99
C. Ministry of Economy	90,469	76,702	13,767	84.8	74.5
D. Italian Union	5,606	3,708	1,898	66.1	42.3
E. Donations for tangible fixed assets	63,684	49,199	14,485	77.3	63.2
<b>TOTAL INTANGIBLE AND TANGIBLE FIXED ASSETS</b>	<b>45,571,503</b>	<b>35,041,186</b>	<b>10,530,317</b>	<b>76.9</b>	<b>76.7</b>

**Table 11: Overview of Long-Term Receivables and Investments as at December 31, 2006 and December 31, 2005 (in SIT thousand)**

Balance sheet item	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
LONG-TERM CAPITAL INVESTMENTS	863,863	1,183,012	
Investments in stocks abroad	863,743	1,182,892	73.0
Investments in shares in Slovenia	120	120	
LONG-TERM GIVEN LOANS AND DEPOSITS	5,465,125	5,585,254	97.8
Long-term given loans in Slovenia	155,919	219,114	71.2
Investments in bonds of RS	5,309,206	5,366,140	
LONG-TERM OPERATING RECEIVABLES	14,273	15,504	92.1
Other long-term operating receivables	59,789	59,264	100.9
Provision of other long-term operating receivables	45,516	43,760	104.0
<b>TOTAL LONG-TERM INVESTMENTS AND LONG-TERM RECEIVABLES</b>	<b>6,343,261</b>	<b>6,783,770</b>	<b>93.5</b>

at December 29, 2006 the latest trade was performed by the value of EUR 14.48/share.

Decrease in the value of investment in shares of the Eutelsat Communications in the amount of SIT 319,427 thousand (EUR 1,333 thousand) is based on a decision of the shareholder's meeting and derives from the payment of part of capital reserves, which was realised in November 2006.

Among long-term given loans the public service broadcaster has bonds of RS in the following amounts:

- bonds of RS 58 in the amount of SIT 1,530,228 thousand (EUR 6,386 thousand),
- bonds of RS 59 in the amount of SIT 2,983,316 thousand (EUR 12,449 thousand) and
- bonds of RS 60 in the amount of SIT 1,025,595 thousand (EUR 4,280 thousand).

As at December 31, 2006 the public service broadcaster's portfolio of bonds of RS amounted to SIT 5,539,139 thousand (EUR 23,114 thousand). Since the book value of shares exceeds the market value, a provision in the amount of SIT 229,933 thousand (EUR 959 thousand) was created and entered to the burden of the account 981000 – liabilities for long-term investments. As at December 31, 2006 the public service broadcaster had no pledged bonds and shares for securing its liabilities.

The following given loans are entered onto long-term given loans:

- loans for flats to the employees SIT 141,584 thousand (EUR 591 thousand),
- loan to the Hockey Union of Slovenia SIT 9,341 thousand (EUR 39 thousand) and
- loan to the Gymnastics Association of Slovenia SIT 4,994 thousand (EUR 21 thousand).

A part of long-term loans due in 2007 in the amount of SIT 48,961 thousand (EUR 204 thousand) is shown in the balance sheet among short-term investments.

### **Short-Term Operating Receivables**

At the end of 2005 the accounts receivable due from the users of the unified chart of accounts (UCA) amounted to SIT 518,310 thousand (EUR 2,163 thousand), and at the end of 2006 to SIT 356,362 thousand (EUR 1,487 thousand). Among short-term accounts receivable due from the users of the unified chart of accounts were also shown accounts receivable due from the state. Article 82 of The Law on Media (Off. Gaz. RS, No. 35/01) stipulates that the finance needed for the erection, maintenance and operation of transmission broadcasting network needed to air special importance programmes shall be ascertained from the state budget. The Organisation Unit Transmitters and Communications performs the services of maintenance and operation of transmission-broadcasting network for

Table 12: Short-Term Receivables as at December 31, 2006 (in SIT thousand)

Balance sheet item	Receivables	Provision	Balance Dec. 31, 2006	Balance Dec. 31, 2005
<b>Local accounts receivable</b>	<b>7,180,897</b>	<b>3,830,555</b>	<b>3,350,342</b>	<b>3,065,939</b>
a) Local accounts receivable	1,650,227	306,864	1,343,363	932,660
b) Accounts receivable due from customers for the RTV licence fee	4,796,078	3,427,129	1,368,949	1,420,942
c) Accounts receivable due from unified-chart-of-accounts users	356,362	0	356,362	518,310
d) Short-term given advances	103,733	96,562	7,171	105,047
e) Short-term accounts receivable from interests	179,068	0	179,068	0
f) Other short-term receivables	95,429	0	95,429	88,980
<b>Foreign accounts receivable</b>	<b>325,183</b>	<b>284,618</b>	<b>40,565</b>	<b>42,072</b>
<b>TOTAL SHORT-TERM ACCOUNTS RECEIVABLE DUE FROM CUSTOMERS</b>	<b>7,506,080</b>	<b>4,115,173</b>	<b>3,390,907</b>	<b>3,108,011</b>

the publishers of RTV programmes with a status of special importance programme. The public service broadcaster has contracts with all publishers in compliance with the price list. In 2004, the costs of maintenance and operation of said stations amounted to SIT 51,938 thousand (EUR 217 thousand), for which a claim was filed with the Ministry of Culture for the remittance of these funds and a lawsuit filed against the state. In 2005 the accounts receivable relating to this area increased (in total) to SIT 162,746 thousand (EUR 679 thousand). It is evident from the documentation obtained from the Ministry of Culture that the accounts receivable have never been granted, moreover, we have never received a confirmed IOP form. Based on the opinion of legal experts there is not enough ground for the recovery via the court and consequently for the entry into the accounting ledger. In 2006, the accounts receivable due from the state in the amount of SIT 162,746 thousand (EUR 679 thousand) to ascertain technical capacities for the broadcasting of special importance programmes were deleted from accounting records. Since the account receivable was not recorded on the revenue side but on accrued costs and deferred revenues, the deletion had no influence on the operational result of the public service broadcaster. When the new Law on Radiotelevision was introduced, the broadcasting of special importance programmes became part of the public service.

An account receivable due from the state pertaining to maintenance and erection of transmission-broadcasting network for local RTV stations in the amount of SIT 51,938 thousand (EUR 217 thousand), for which a lawsuit has been filed, is entered in the off-balance-sheet record.

Accounts receivable from customers were not set in order to secure payments or other purposes. Accounts receivable from local commercial activity that are not

settled within 90 days after maturity and mature unpaid accounts receivable for the interests from market activities are subject to court recovery.

In order to recover the RTV licence fee, RTV Slovenia issues decisions each six months. Independently also compulsory recovery following tax proceedings is performed. At the end of 2006 all those RTV licence fee payers were included in the procedure of compulsory recovery, for whom RTV Slovenia obtained the data that are a prerequisite for execution (known tax number of the payer, the payer is employed or receives pension and/or the payer has an account).

Unsettled short-term accounts receivable from consumers in Slovenia amounted to SIT 1,721,319 thousand (EUR 7,183 thousand) at the end of the year, of that SIT 437,848 thousand (EUR 1,827 thousand) matured to payment on 31 December 2006, which indicates that the unsettled accounts receivable accounted for SIT 1,283,471 thousand (EUR 5,356 thousand) at the end of the year.

### **Inventory**

As at December 31, 2006 a provision of inventory of materials in the amount of SIT 127,570 thousand (EUR 532 thousand) and a provision of inventory of finished products in the amount of SIT 8,033 thousand (EUR 33 thousand) were created. In 2006 we additionally created a provision of inventory value in the amount of SIT 9,244 thousand (EUR 39 thousand), which had influence on the operating result of the public service broadcaster as well.

Write-offs of material in 2006 amounted to SIT 853 thousand (EUR 3.6 thousand) and the deficits to SIT 1,064 thousand (EUR 4.4 thousand). The deficits of finished products amounted to SIT 217 thousand (EUR 0.9 thousand).

**Table 13: Overview of Inventory as at December 31, 2006 (in SIT thousand)**

Inventory	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
Material in a warehouse	577,761	444,333	130.0
Finished products	48,383	47,482	101.9
<b>TOTAL INVENTORIES</b>	<b>626,144</b>	<b>491,815</b>	<b>127.3</b>

### Deferred Costs and Accrued Revenues

Within short-term deferred costs in the amount of SIT 308,092 thousand (EUR 1,286 thousand) are recognised deferred costs for films and broadcasts of in-house production that have not been broadcasted yet in the amount of SIT 219,856 thousand (EUR 917 thousand) and transmissions of sports championships from abroad of the coming year in the amount of SIT 45,585 thousand (EUR 190 thousand). A portion of long-term accountable costs in the amount of SIT 20,572 thousand (EUR 86 thousand) due for payment in 2007 are also recognised within the deferred costs and accrued interests.

All accounts payable from the customers that were not settled at the end of the year, shall be accrued by default interests until December 31, 2006. The default interests total SIT 511 thousand (EUR 2.1 thousand).

### Liabilities and Equity in the Balance Sheet

Liabilities for the managed assets represent 37 % of the total liabilities in the balance. A 20 % portion is represented by long-term investments, where also the bonds of the Republic of Slovenia and investments into the company Eutelsat Communication belong.

### Liabilities for the Assets Obtained in Management

Pursuant to Article 37 of the Accounting Law and the Rules on the mode and terms of harmonisation of receivables and liabilities all receivables due from the state and other direct users shall be harmonised as at 31 December with a printout of open items. The same applies for the harmonisation of liabilities of assets obtained in management.

### Liabilities for Long-Term Investments

Liabilities for long-term investments in the amount of SIT 6,328,989 thousand (EUR 26,410 thousand) are a balance offset of all long-term investments and long-term given

Table 14: Overview of Deferred Costs and Accrued Revenues as at December 31, 2006 compared to December 31, 2005 (in SIT thousand)

Balance item	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
Short-term deferred costs	308,092	441,804	69.7
Previously not accounted revenues	511	55,571	0.9
Other deferred costs and accrued revenues	82	7,742	1.1
<b>TOTAL DEFERRED COSTS AND ACCRUED REVENUES</b>	<b>308,651</b>	<b>505,117</b>	<b>61.1</b>

Table 15: Overview of Liabilities for the Assets in Management by Sources as at December 31, 2006 (in SIT thousand)

Sources of assets in management	Amount total in 2006	Amount total in 2005
1	2	2
A. Ministry of Culture	11,556,876	11,556,876
B. Post and Electronic Communications Agency	3,891	6,314
C. Ministry of Economy	13,767	23,107
D. Italian Union	1,898	3,236
E. Donations	14,486	21,739
<b>TOTAL LIABILITIES FOR ASSETS OBTAINED IN MANAGEMENT</b>	<b>11,590,918</b>	<b>11,611,272</b>

loans recognised in the assets of the balance sheet. The shown liabilities for long-term investments in the liabilities side equal the total of long-term capital investments and loans in the assets side. The most considerable portion of liabilities originates from the bonds of the Republic of Slovenia in the amount of SIT 5,309,206 thousand (EUR 22,154 thousand) and from investments in the stocks of Eutelsat Communications in the amount of SIT 863,743 thousand (EUR 3,604 thousand).

### **Long-Term Financing Liabilities**

The public service broadcaster does not recognise long-term financial liabilities in its ledgers. In 2005 and 2006 the public service broadcaster took out no long-term loan.

### **Long-Term Provisions**

The Regulations on the unique chart of accounts stipulate that the accounts of the group 93 should show long-term provisions from donations that the donor dedicated to the coverage of certain costs, and long-term provisions created for risks and other purposes. Provisions shall be recognised separately by the purpose, for which they have been created.

The Accounting Law stipulates in its Article 18 that legal entities financed from the funds of public finance

should not create long-term provisions with an advance accounting of costs or expenses or with long-term deferring of revenues to the burden of the funds of public finance.

The Ministry of Finance explained these provisions in a way that certain users can create long-term provisions only to the burden of expenses relating to revenues, obtained with the sale of goods and services on the market, yet a surplus of expenses from the sale of goods and services on the market should not be recognised due to the creation of long-term provisions and neither should be the surplus of expenses from the performance of all activities of a certain user.

The accounting statements for 2005 created SIT 2,619,802 thousand (EUR 10,932 thousand) long-term provisions for lawsuit claims. Based on the decision of the Constitutional Court No. U-I-300/04-25 of March 2, 2006, stipulating that Article 1060 of the Code of Obligation shall be annulled, we reversed too highly created provisions for the accounted default interests (that exceeded the equity as at January 1, 2002). In April 2006 we reversed the provisions in the amount of SIT 948,827 thousand (EUR 3,959 thousand) after the final account of the total of created provisions was

Table 16: Overview of Long-Term Provisions as at December 31, 2006 (in SIT thousand)

Long-term provisions	Balance of provisions Dec. 31, 2005	Too highly accounted interests, transfer to revenues	Reversal in 2006	Creation in 2006	Balance of provisions Dec. 31, 2006
1	2	3	4	5	6
Infimedia 3 filming d.o.o. Ljubljana	14,181	7,678	6,503		0
Infimedia 3 filming d.o.o. Ljubljana	10,239	5,645	4,594		0
Ponteco s.p.a	857,289	409,219			448,070
Euro 3 TV d.o.o. Ljubljana	839,829	400,886			438,943
Publiest s.r.l.	128,021	61,110			66,911
Bruno Viler s.p.	131,959	62,989			68,970
Histria festival	40,985	1,297			39,688
Humanik Manager	507,131		65,941		573,072
VPK	90,165		8,160		98,325
BWIN	0		51,639		51,639
Babnik in Škvarča	0		32,900		32,900
<b>TOTAL LONG-TERM PROVISIONS</b>	<b>2,619,799</b>	<b>948,824</b>	<b>11,097</b>	<b>158,640</b>	<b>1,818,518</b>

finished and confirmed by the legal department. When created, the provisions were to the burden of operating expenses, yet the reversal or use of provisions has influence on the operating revenues in compliance with the regulations of SRS.

Long-term provisions created on the basis of long-term costs accounted in advance or long-term expenses, accounted in advance, will - in case of unfavourable decisions of the court for RTV Slovenia - decrease directly by the costs, for the coverage of which they have been created. In 2006 the total provision for Infimedia 3 filming d.o.o. Ljubljana was reversed.

### **Short-Term Operating Liabilities**

Unsettled short-term local supplier payables amounted to SIT 993,530 thousand (EUR 4,146 thousand) at the end of the year. Of that SIT 199,802 thousand (EUR 834 thousand) fell due for payment on December 31, 2006, not due liabilities amounted to SIT 793,728 thousand (EUR 3,312 thousand). Within the liabilities for the goods not yet billed we showed the liabilities to the SAZAS association in the amount of SIT 100,000 thousand (EUR 417 thousand) and other liabilities to suppliers that emerged from signed contracts, yet no invoices were received until the end of the business year.

Within other short-term operating liabilities we recorded SIT 773,177 thousand (EUR 3,226 thousand) for the programmes of special importance (creation of 3 % of the RTV licence fee in years 2001 - 2003).

### **Short-Term Financial Liabilities**

Within short-term financial liabilities we recognise the liability from a short-term loan in the amount of SIT 30,550 thousand (EUR 127.5 thousand). The short-term loan was taken out with the Banka Koper on May 12, 2006. Pursuant to the consent of the Ministry of Finance a new contract was signed on December 29, 2006 with a lower value and with a possibility of use up until December 28, 2007. The loan was granted in the amount of EUR 2,000 thousand or SIT 479,280 thousand. It was secured by bills of exchange.

### **Accrued Costs and Deferred Revenues**

Within the accrued costs and deferred revenues the following groups are recorded and are evident from Table 18 (page 124).

The expenses accounted in advance recognise liabilities from default interests and other liabilities to suppliers, when the services were completed or goods delivered until December 31, 2006, yet the supplier did not issue an invoice until the end of the business year. The amount of liabilities accounted in advance for interests amounts to SIT 7,829 thousand (EUR 32.7 thousand), and the amount of other accrued liabilities on the basis of signed contracts amounts to SIT 19,387 thousand (EUR 81 thousand). The amount of accounted interests until December 31, 2006 from the bonds of the Republic of Slovenia amounts to SIT 178,164 thousand (EUR 743 thousand).

Within the short-term deferred revenues we also recognise the interests from the RTV licence fee in the

Table 17: Overview of Short-Term Liabilities as at December 31, 2006 (in SIT thousand)

Short-term liabilities	Dec. 31, 2006	Dec. 31, 2005
<b>Short-term liabilities to employees</b>	<b>1,245,488</b>	<b>1,031,243</b>
<b>Short-term liabilities to suppliers</b>	<b>1,745,304</b>	<b>1,358,385</b>
Local supplier payables	972,841	1,032,329
Foreign supplier payables	502,993	291,239
Liabilities for the goods and services not yet billed	269,470	34,817
<b>Liabilities to the UCA users</b>	<b>20,689</b>	<b>1,424,675</b>
<b>Other short-term operating liabilities</b>	<b>1,002,896</b>	<b>1,012,769</b>
<b>TOTAL OPERATING LIABILITIES</b>	<b>4,014,377</b>	<b>4,827,072</b>

Table 18: Items of Accrued Costs and Deferred Revenues as at December 31, 2006 (in SIT thousand)

Balance sheet item	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
Expenses accounted in advance	31,079	50,695	61.3
Short-term deferred revenues	1,067,274	1,086,621	98.2
Other accrued costs and deferred revenues	0	0	
<b>TOTAL ACCRUED COSTS AND DEFERRED REVENUES</b>	<b>1,098,353</b>	<b>1,137,316</b>	<b>96.6</b>

amount of SIT 685,449 thousand (EUR 2,860 thousand) and the expenses in the amount of SIT 115,900 (EUR 483.6 thousand). These are recovery charges and interests recorded on documents issued to RTV licence fee payers, i.e. on decisions, decrees and notices. Due to lengthy recovery proceedings the revenues are recorded upon the payment of interests or costs as defined in the adopted accounting directions.

#### Off-Balance Sheet Record

Within the off-balance sheet record we also recorded the accounts receivable from the Slovene Compensation Company from compensation for the expropriated building

on the Dalmatinova ulica 8. The account receivable amounted to SIT 420 million or EUR 1,725,629. In December 2006 RTV Slovenia received a decision from the District Court of Ljubljana, based on which RTV Slovenia will obtain compensation from the Slovenska odškodninska družba d.d. after the decision has become finally binding.

The off-balance sheet record also records statements of claim, for which no provisions to the burden of the operating result should be created in compliance with the legislation in force. Should we lose the statements of claim, there will be expenses in the current business period that will include the value of the claim and default interests.

Table 19: Off-Balance Sheet Record as at December 31, 2006 (in SIT thousand)

Off-balance sheet record type	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
<b>Possible accounts receivable</b>	<b>3,019,532</b>	<b>7,383,937</b>	<b>40.9</b>
Accounts receivable from lawsuit claims	1,243,602	5,961,055	20.9
Obtained guarantees	260,503	352,015	74.0
Accounts receivable from the republic of former Yugoslavia	1,053,364	1,053,081	100.0
Accounts receivable from SOD	420,000		
Other accounts receivable	42,063	17,786	236.5
<b>Possible liabilities</b>	<b>5,759,097</b>	<b>2,672,091</b>	<b>215.5</b>
Denationalisation claims	964,177	959,722	100.5
Given guarantees	479,280	500,000	95.9
Labour disputes	11,766	46,872	25.1
Other liabilities from lawsuits	4,104,009	965,685	425.0
Foreign fixed assets - Italian Union	199,865	199,812	100.0
<b>TOTAL OFF-BALANCE SHEET RECORD</b>	<b>8,778,629</b>	<b>10,056,028</b>	<b>87.3</b>

## Explanation about the Statement of Revenue and Expenses

The statement of revenue and expenses shows the total revenues and expenses of the public service broadcaster in 2006 and the business result in the studied period.

The tables below evidence the amounts of individual items in the statement of revenue and expenses for years 2006 and 2005 and changes in the current year compared to those in the previous year, expressed by an index.

### Revenue in the Statement of Revenue and Expenses

#### Operating Revenues

The revenues from RTV licence fee represent 66.5 % of revenues in the structure of operating revenues for 2006. These revenues and the co-financing revenues represent the revenues of the public service broadcaster. The

share of public service in the structure of revenues is 67.4 % and the share of market activity 32.36 %.

Within the revenues from the sale of products and services on the local market SIT 958,423 thousand (EUR 3,999 thousand) refer to the reversal of provisions from too highly accounted interests in compliance with the decision of the Constitutional Court No. U-I-300/04-25 of March 2, 2006, stipulating that Article 1060 of the Code of Obligations should be annulled and default interests should therefore not exceed the principal value.

#### Financial Revenue

The reasons for a higher total of financial revenue in 2005 in comparison to that in 2006 are the revenues from the sale of shares in the Eutelsat company in the amount of SIT 8,450,055 thousand (EUR 35,261 thousand). The sales value of the investment amounted to SIT 10,024,950 thou-

Table 20: Overview of Operating Revenues in Years 2006 and 2005 (in SIT thousand)

Revenue type	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
Revenues from RTV licence fee	18,627,648	18,783,768	99.2
Revenues from sale of products and services on the local market	8,624,977	6,890,352	125.2
Revenues from sale of products and services on the foreign market	397,904	352,937	112.7
Co-financing	353,992	279,599	126.6
Revenue from sale of material	68	164	41.5
Change in the value of inventories	3,928	2,436	161.2
<b>TOTAL OPERATING REVENUES</b>	<b>28,008,517</b>	<b>26,309,256</b>	<b>106.5</b>

Table 21: Overview of Financial Revenue in 2006 and 2005 (in SIT thousand)

Revenue type	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
Operating interest revenue	382,320	409,372	93.4
Revenue from investments	225,618	8,460,969	2.7
Reversed interests from tax due	0	3,883,034	
Loan interests	9,179	28,181	32.6
Other revenue	17,939	89,222	20.1
<b>TOTAL FINANCIAL REVENUE</b>	<b>635,056</b>	<b>12,870,778</b>	<b>4.9</b>

sand [EUR 41,843 thousand] and considerably exceeded the book value of the investment.

Interest revenue refers to recovered default interests from RTV licence fee and subscriptions in the amount of SIT 331,052 thousand (EUR 1,381 thousand), and SIT 51,257 thousand (EUR 214 thousand) of interests refer to commercial accounts receivable.

Within the revenue from long-term investments in the amount of SIT 225,618 thousand (EUR 941 thousand) the interests from bonds of the Republic of Slovenia account for SIT 217,257 thousand (EUR 906.6 thousand).

#### **Extraordinary Revenue**

Within extraordinary revenue the revenue from levies of execution and lawsuits and decisions in the amount of SIT 171,327 thousand (EUR 715 thousand) is an important item. It covers accounts receivable recovered via bailiffs and accounts receivable from RTV licence fee, recovered in compliance with the law on tax proceedings.

#### **Revaluation Revenue**

Settled accounts receivable, for which revaluation was created in the previous years or which were written off refer to:

- RTV licence fee in the amount of SIT 832,371 thousand (EUR 2,473 thousand),
- Subscription in the amount of SIT 34,088 thousand (EUR 142.2 thousand),
- Operating receivables in the amount of SIT 55,495 thousand (EUR 231.6 thousand).

Extraordinary revenue of this type emerges when the receivables, which were written off in the previous years or for which revaluation was performed and for which the expenses were created are settled.

Apart from its public service RTV Slovenia obtains revenue on the market as well. Therefore it calculates a temporary deductible proportion of VAT for all received invoices during the year. In compliance with the VAT Act, the actual deductible proportion of VAT should be

Table 22: Overview of Extraordinary Revenue in 2006 and 2005 (in SIT thousand)

Extraordinary revenue	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
Revenue from levies of execution and lawsuits - RTV licence fee and subscription	93,691	144,947	64.6
Revenue from levies of execution and lawsuits - other	77,636	33,383	232.6
Other extraordinary revenue	449	1,975	22.7
<b>TOTAL EXTRAORDINARY REVENUE</b>	<b>171,776</b>	<b>180,305</b>	<b>95.3</b>

Table 23: Overview of Revaluation Revenue in 2006 and 2005 (in SIT thousand)

Revenue type	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
Settled receivables (write-offs and revaluation)	921,955	176,768	521.6
Recalculation of deductible proportion at the end of the year	25,067	1,510	1,660.1
Decrease of provisions of receivables	0	13,080	0.0
Other revaluation revenue	2,237	6,380	35.1
<b>TOTAL REVALUATION REVENUE</b>	<b>949,259</b>	<b>197,738</b>	<b>480.1</b>

calculated at the end of the year. The temporary deductible proportion of VAT in 2006 from February onwards amounted to 27 % and the final deductible proportion amounted to 29 %. For this reason we prepared an adjustment of the deductible proportion of VAT, which contributed to an increase of revaluation revenue by SIT 25,067 thousand (EUR 104.6 thousand).

### Expenses in the Statement of Revenue and Expenses

In the structure of expenses labour costs account for 48 % of total expenses, costs of material and services account for 37 %, and amortisation accounts for 8 %.

### Costs of Material and Services

In 2006 the costs of services and material exceeded those of 2005 by 6.6 %. The most considerable increase is detected in the costs of recordings and broadcasts and in the costs of copyright and related rights. The costs of copyright in 2006 were accrued by SIT 100,000 thousand (EUR 417 thousand), because the contract on business co-operation with the Society of Composers, Authors and Publishers for the Protection of Copyright in Slovenia - SAZAS expired on April 30, 2005 and a new contract has not yet been signed despite numerous negotiations. Since a certain risk is related to the unarranged contractual relation, an additional liability was recorded at the end of the year to SAZAS in the amount indicated above.

Table 24: Costs of Material and Services in 2006 and 2005 (in SIT thousand)

Type of cost	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
<b>Costs of services</b>	<b>9,303,919</b>	<b>8,640,866</b>	<b>107.7</b>
a) Maintenance services	595,224	618,579	96.2
b) Intellectual services	305,829	351,240	87.1
c) Communication services	837,998	733,274	114.3
č) Transport services and reg. of vehicles	159,907	158,910	100.6
d) Costs of business trips	378,207	361,934	104.5
e) Other general services	623,008	653,868	95.3
f) Costs of recordings and broadcasts	2,666,120	2,241,246	119.0
g) Copyright and related rights	3,097,402	2,755,742	112.4
h) Other services and liabilities	482,683	559,040	86.3
I) Advertising, hospitality expenses, advertisements	157,541	207,033	76.1
<b>Costs of material</b>	<b>1,252,775</b>	<b>1,257,824</b>	<b>99.6</b>
a) General material	130,293	154,473	84.3
b) Technical material	131,364	118,743	110.6
c) Material for the production of the Record Label	74,867	72,378	103.4
č) Special material	187,502	174,544	107.4
d) Electricity	468,748	462,926	101.3
e) Heating	96,307	93,215	103.3
f) Fuel and lubricants for transport means	88,562	87,494	101.2
g) Magazines and newspapers	73,906	93,709	78.9
h) Stock-taking differences	1,226	342	358.5
<b>TOTAL COSTS OF MATERIAL AND SERVICES</b>	<b>10,556,694</b>	<b>9,898,690</b>	<b>106.6</b>

## Labour Costs

In comparison with 2005 the wages and compensation benefits increased by 2.8 % in 2006. This fact is due to the increase of the starting wage in August by 2 %, i.e. the starting wage increased from SIT 90,615 (EUR 378.13) to SIT 92,418.31 (EUR 385.65).

In December, the public service broadcaster paid a portion of the wages relative to profit based on a consent of the Ministry of Culture and on the agreement with trade unions, which represented SIT 368.000 thousand (EUR 1,535 thousand) additional costs.

In November 2004 RTV Slovenia joined the supplementary pension scheme for civil servants. In 2006 RTV Slovenia paid to the capital company the premiums for supplementary pension scheme of the employees in the amount of SIT 199,161 thousand (EUR 831 thousand).

In compliance with the Rules on distribution and measurement of revenue and expenses of legal entities of public law the public service broadcaster did not create any provisions for pensions upon retirement and jubilee prizes in compliance with SRS 10.3. The actuarial calculation shows that provisions of this type would amount to SIT 1,601,390 thousand (EUR 6,682 thousand) at December 31, 2006.

## Financial Expenses

Default tax interests refer to the payment of VAT for the period from 2001 to 2004 following a decision of the inspection, where the principal value amounted to SIT 129,358 thousand (EUR 539.8 thousand) and the interests to SIT 8,604 thousand (EUR 35.9 thousand).

Table 25: Labour Costs in 2006 and 2005 (in SIT thousand)

Type of cost	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
Wages and compensation benefits	9,995,553	9,722,169	102.8
Social security contribution from wages	1,535,225	1,502,580	102.2
Premiums of extra collective insurance	199,161	195,418	101.9
Labour costs reimbursements	974,218	841,196	115.8
Tax on wages	467,781	554,085	84.4
<b>TOTAL LABOUR COSTS</b>	<b>13,171,938</b>	<b>12,815,448</b>	<b>102.8</b>

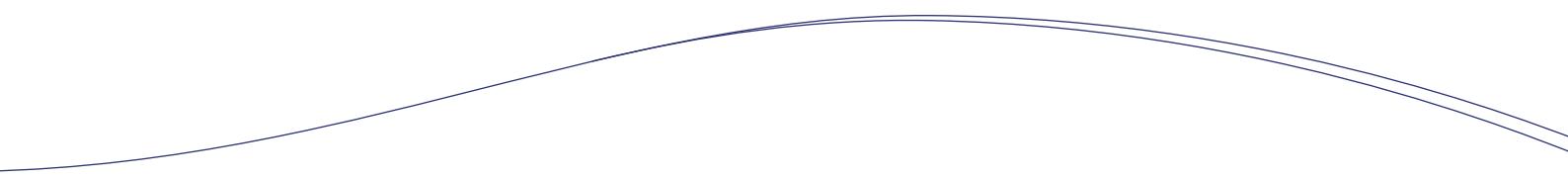
Table 26: Financial Expenses in 2006 and 2005 (in SIT thousand)

Type of expense	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
Default tax interests	8,604		
Operating late interests	25,078	23,186	108.2
Loan interests	9,201	135,279	6.8
Foreign exchange losses	9,945	5,648	176.1
<b>TOTAL FINANCIAL EXPENSES</b>	<b>52,828</b>	<b>164,113</b>	<b>32.2</b>

### **Extraordinary Expenses**

The most substantial item in the extraordinary expenses in 2006 is court expenses of bailiffs and refers to the recovery of subscription in the amount of SIT 97,522 thousand (EUR 407 thousand). The costs of notaries public, attorneys and other legal expenses amount to SIT 20,436 thousand (EUR 82.2 thousand).

Indemnities paid to real persons amount to SIT 14,647 thousand (EUR 60.2 thousand), and those to legal entities SIT 134 thousand (EUR 560).



Receivable write-offs in the amount of SIT 641,889 thousand (EUR 2,678.5 thousand) refer to the RTV licence fee, and the amount of SIT 24,313 thousand (EUR 101.5 thousand) refers to commercial receivables. Based on the analytic records of the RTV licence fee SIT 130,347 thousand (EUR 544 thousand) receivables were written off in 2006 due to the lapse of time. Said receivables were accounted for by revaluations in the previous years.

### **Revaluation Expenses**

Provisions against receivables in 2006 refer to operating receivables in the amount of SIT 146,630 thousand (EUR 611.8 thousand) and to accounts receivable from RTV licence fee in the amount of SIT 683,133 thousand (EUR 2,850.6 thousand). Provisions against receivables are created in compliance with the adopted accounting directions.

Table 27: Extraordinary Expenses in 2006 and 2005 (in SIT thousand)

Type of expense	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
Court expenses	117,959	279,974	42.1
Indemnity	14,791	13,026	113.5
Other extraordinary expenses	0	0	
<b>TOTAL EXTRAORDINARY EXPENSES</b>	<b>132,750</b>	<b>293,000</b>	<b>45.3</b>

Table 28: Revaluation Expenses in 2006 and 2005 (in SIT thousand)

Type of expense	Current year	Previous year	Index
1	2	3	4 = 2 : 3 x 100
Provisions against receivables	829,764	839,169	98.9
Receivable write-offs	666,202	161,208	413.3
Write-off and sale of fixed assets	23,321	9,652	241.6
Provisions and inventory write-offs	9,244	29,581	31.2
<b>TOTAL REVALUATION EXPENSES</b>	<b>1,528,531</b>	<b>1,039,610</b>	<b>147.0</b>

## Explanations about the Statement of Revenue and Expenses by the Cash-Flow Principle

In the statement of revenue and expenses by the cash-flow principle the revenue is divided in the activity of the public service broadcaster and the sale of goods and services on the market with respect to actual data, whereas the expenses are joined during the year for better clarity and comparability and are not divided in activities with a calculation of the share for each individual activity.

The most substantial share of expenses is accounted for by operative expenses covering the expenses for the purchase of rights for films, broadcasts, recordings and small and large copyrights.

### Explanations about the Statement of Financial Receivables and Investments

On the account 070 the public service broadcaster recognises accounts receivable for housing loans granted to employees until 2000 - long-term local granted loans. The loans were granted pursuant to the Regulation on solving housing problems of employees of the public service broadcaster RTV Slovenia (May 1992, amendments and supplements March 1994). In 2006 the accounts receivable from granted housing loans were

decreased by SIT 36,757 thousand (EUR 153.4 thousand). Since 2000 no housing loans are granted to employees. Taking into consideration the refunds in 2006, the balance of accounts receivable of the public service broadcaster as at December 31, 2006 referring to granted housing loans amounts to SIT 141,585 thousand (EUR 590.9 thousand).

### Explanations about the Statement of Financial Account

The legal basis for the borrowing of the public service broadcaster is the Regulation on terms and procedures of borrowing of legal entities in compliance with Article 87 of the Public Finance Act (Off. Gaz. RS, No. 23/04) and the Regulation on amendments and supplements of terms and procedures of borrowing of legal entities in compliance with Article 87 of the Public Finance Act (Off. Gaz. RS, No. 56/05).

The legal basis for investments of the free cash-flow of the public service broadcaster is the Regulation on investment of free cash flow of indirect budget users of state and municipality budgets and narrow parts of municipalities that are legal entities (Off. Gaz. RS, No. 42/03) and amendment of the Regulation (Off. Gaz. RS, No. 88/05).

Table 29: Statement of Financial Receivables and Investments for 2006 and 2005 (in SIT thousand)

	Current year	Previous year	Index
750 — Obtained refunds for loans granted to employees	36,757	51,824	70.90
751 — Sale of capital shares		8,842,006	
440 — Granted loans			
441 — Increase in capital investment		5,539,139	

Table 30: Statement of Financial Account of Certain Users for the Years 2006 and 2005 (in SIT thousand)

	Current year	Previous year	Index
500 — Borrowing	1,914,547	4,538,169	42.18
550 — Liquidation of debts	1,883,997	11,498,082	16.38
570 — Net borrowing	30,550		
571 — Net liquidation of debts		6,959,913	
572 — Increase in assets on accounts	60,361	428,917	14.08

## Additional Explanations about the Statements

### Division of Activities

The activities of the public service broadcaster must be classified separately into the activates financed from public sources and separately into the activities financed by non-public means and market activities financed by market sources.

Two separate code tables of cost carriers and cost posts were prepared for 2007. The code table of cost carriers will record all direct costs classified by projects, i.e. costs of material, services and labour.

General variable expenses will be divided by activities in the process of separation of activity (television, radio, MMC ...). Measures of activity or better temporary cost carriers are a link between the costs of activities and cost carriers.

The cost of activities will be calculated after the activates are defined and the measures set. Based on the same measure, the activities will be joined to groups of activities. Such data will serve as a basis for the calculation of a quotient for the distribution of indirect costs, which represents the costs of a temporary cost carrier. The quantity of materials represents the quantity of temporary cost carriers.

The last step will be allocation of costs of general services and general permanent expenses to costs carriers. The allocation of operating costs of the public service broadcaster not linked to the activities will undergo the method of calculation with supplements. By using the coefficient of supplement of general costs multiplied by the data on selected direct size in business effects of a certain type we will obtain a sum of general costs, which go to the burden of an individual cost carrier.

An external company, IRC d.o.o. Celje, prepares a reflection of the situation with respect to the set requirements of the public service broadcaster and seeks opportunities for the upgrade of applications for the division of activities and for setting an entry of keys that will contribute to the allocation of general expenses via activities to cost carriers. To this purpose we perform an analysis of all analytics that need to be adapted to separate monitoring

of costs and revenue by activities, and documents will have to be adequately defined as early as their origin.

In 2006 the public service broadcaster allocated the expenses on the basis of criteria that should have been prepared by the competent ministries. If no more adequate criteria are available, public institutes may use a ratio between the revenue obtained from the performance of a certain activity, which was proposed by the Association of Accountants, Financers and Auditors of Slovenia. The Audit Court also agrees therewith.

The revenue of the public service is the revenue obtained from the RTV licence fee, revenue from donations, revaluation, financial revenue (except from dividends) and extraordinary expenses.

The expenses of the public service are the operating expenses, revaluation, financial and extraordinary expenses calculated by the following scale: revenue obtained from the RTV licence fee and donations in comparison with total operating revenue. Said ratio in 2006 amounted to 31.35 % (market activity) vs. 68.65 % (public service).

According to accounting regulations, the revenue covers the total revenue recognised in the statement of revenue and expenses.

The revenue of the public service comprises the following revenue:

- revenue from the RTV licence fee in the amount of SIT 18,627,647 thousand (EUR 77,731.8 thousand),
- other revenue from the RTV licence fee and subscriptions in the amount of SIT 1,357,351 thousand (EUR 5,664 thousand) and
- state subsidies in the amount of SIT 234,048 thousand (EUR 976.7 thousand).

The revenue from public service total SIT 20,219,046 thousand (EUR 84,372.6 thousand) and are exempt from taxation as the revenue from unprofitable activity. The expenses from unprofitable activity are accounted according to the share of revenue relating to public service in comparison with total revenue. The accounting comprises operating revenue, financial revenue, extraordinary revenue and revaluation revenue.

## **Corporate Tax for 2006**

After having submitted the statement of corporate tax for 2005 we received an explanation from the Tax Office in May 2006 that returned default interests from the turnover tax in 2005 should be included in the revenue in the tax balance sheet, but can also be included in the public service revenue. Consequently, the share of the public service and the share of non taxed revenue and expenses have increased. The liability for the revenue tax decreased from SIT 1,416,157 thousand (EUR 5.9 million) to SIT 1,129,478 thousand (EUR 4.7 million). The difference between the calculations in the amount of SIT 286,679 thousand was recorded among the operating revenue in 2006.

The public service broadcaster is of the opinion that returned default interests from the turnover tax should entirely be separated from the tax settlement for 2005. On May 20, 2006 a motion was filed with the Constitutional Court of RS to judge the constitutionality and legality of the implementing regulation Explanation of the tax treatment of return of default interests of March 21, 2006 issued by the Ministry of Finance, Main Tax Office (MF, DURS). Simultaneously, a request for the return of the too much paid corporate tax was filed with the competent court in the amount of SIT 306,798 thousand (EUR 1.280 thousand).

Based on the decision of the MF DURS Tax Office of Ljubljana of June 19, 2006 a tax inspection audit was performed with the purpose to check the business books and documentation for the year 2005 and on June 21, 2006 Minutes on Inspection were issued that summarised the above allegations.

## **Procedures at the Administrative Court in Relation to the Exclusion of 3 % RTV Licence Fee for the Financing of Programme Contents of Radio and Television Programmes having the Status of Local, Regional or Student's Importance**

On the basis of the Regulation on measures for the financing of programme contents of radio and television programmes having the status of local, regional

or student's programme (Off. Gaz. RS, No. 109/02), the public service broadcaster RTV Slovenia excluded 3 % of value of the total revenue from the RTV licence fee in 2002 and 2003.

In 2002 RTV Slovenia filed a motion to evaluate the constitutionality of the first, second and fifth paragraph of Article 82 of the Law on Media (Zmed) and a motion to evaluate the constitutionality and legality of the Regulation on measures for the financing of programme contents of radio and television programmes having the status of local, regional or student's programme.

On February 5, 2004 the Constitutional Court decided that the text »and of RTV licence fee« in the first paragraph of Article 82 of Zmed and the second article of Article 82 of Zmed shall be annulled. In the final point of the operative part the Constitutional Court decided that the annulments in the items 1 and 3 of the operative part become effective after seven months as of the publication of the decision in the Official Gazette of the Republic of Slovenia.

During the entire proceeding the public service broadcaster demanded from the competent Ministry of Culture to have the status of a client in the proceeding granted. The Ministry of Culture did not grant the public service broadcaster the status of a client, therefore the latter had grounds to demand it in the proceedings in front of the competent court. Moreover, the public service broadcaster filed a lawsuit with the Administrative Court against the decision, with which the Ministry of Culture allocated the assets of the broadcaster to programmes or rather individual programme creators. Should finally binding decisions be issued in the administrative dispute, on the basis of which cash will have to be paid to the creators, the public service broadcaster will do so.

As at December 31, 2006 the Public Service Broadcaster RTV Slovenia recognised among others operating liabilities (3 % of the RTV licence fee in the period 2001-2003) in the amount of SIT 772,327 thousand (EUR 3,222.8 thousand). The Ministry of Culture gave the broadcaster a list of outstanding items as at December 31, 2006, evidencing that the Ministry of Culture has receivables from RTV Slovenia for the financing of programme contents of radio and television stations in the amount of

SIT 767,923 thousand (EUR 3,204.5 thousand), which is less than the total of recognised liabilities of the public service broadcaster toward the state.

### **Request for the Reimbursement of Assets from Maintenance and Operation of the Transmission Network for Broadcasting of Special Importance Programmes**

The total maintenance and operation costs of the transmission network for the broadcasting of special importance programmes totalled SIT 51,938 thousand (EUR 216.7 thousand) in 2004.

In compliance with the then effective Law on RTV Slovenia, Radiotelevision Slovenia filed a request with the Ministry of Culture for the reimbursement of maintenance and operation costs of the transmission broadcasting network for the broadcasting of special importance programmes and claimed from the Republic of Slovenia to get an amount of SIT 51,938 thousand (EUR 216.7 thousand) + VAT for the maintenance and operation of the transmission broadcasting network for the broadcasting of special importance programmes.

In compliance with valid regulations it addressed the request to the state attorney's office that has not yet given any response as to the contents but asked the assignee of Radiotelevision Slovenia to extend the term for a response. The public service broadcaster received no response and therefore initiated an action on April 15, 2005 due to the payment of SIT 51,938 thousand. The matter was not treated in court until the end of 2006.

Our accounting ledgers showed a receivable from the state pertaining to maintenance and operation of the transmission broadcasting network for the creators of programmes having a status of special importance in the amount of SIT 162,746 thousand (EUR 679.1 thousand) (account 140020), and simultaneously also accrued costs and deferred revenues (account 291100). Legal experts are of the opinion there is no grounded basis for the recovery via the court and therefore neither for recording in accounting ledgers.

So, in 2006 a receivable due from the state in the amount of 162,746 thousand (EUR 679 thousand) to

assure technical capacities for the broadcasting of special importance programmes was deleted from accounting records. Since the receivables were not recorded on revenue but on accrued costs and deferred revenues, the deletion had no influence on the business result of the institute. The receivable in the amount of SIT 51,938 thousand (EUR 216.7 thousand), against which an action was initiated, was recorded in the off-balance sheet record.

### **Eutelsat Communications**

The public service broadcaster RTV Slovenia owns 2,468,724 shares in the Eutelsat Communications company. In compliance with the decision of the shareholder's meeting of Eutelsat Communications of November 10, 2006 we received 0.54 EUR/share, i.e. EUR 1,333 thousand (SIT 319,428 thousand) from capital buffer.

On the last trading day in the year, on December 29, 2006, the share reached the value of EUR 14.48, which means that the public service broadcaster would obtain SIT 8.5 billion (EUR 35,747,123.52) in case all 2,468,724 shares were sold.

### **Co-Operation with Collective Organisations**

The Public Service Broadcaster RTV Slovenia is bound to co-operate with three collective organisations - SAZAS, ZAMP and IPF - on the basis of provisions of the Copyright and Related Rights Act.

#### **SAZAS**

On May 25, 2004 SAZAS and RTV Slovenia signed a contract on the use of music non-stage works in radio and television programmes of the public service broadcaster. The contract was concluded for a period of 1 year, i.e. from May 1, 2004 until April 30, 2005. The value of compensation for the use of author's works totalled SIT 272,100 thousand (EUR 1,135 thousand) per year, or rather SIT 22,675 thousand (EUR 94.6 thousand) a month VAT excluded. The basis for the calculation of the compensation consisted of two parts: a) number of subscribers for the previous business year (evaluation of

importance of broadcasting author's works; scope of use of works from the repertoire of SAZAS; auditorium) and b) annual amount of revenues from advertising for the previous calendar year.

After the expiration of the contract negotiations for the harmonisation of the amount of monthly compensation started by considering the criteria (revenue from advertising and the number of subscribers), yet no annex was signed due to disagreement as to the tariff. The public service broadcaster continues with the payments as agreed back in 2004, because this is the only way to talk about the transfer of rights of radio-diffusion broadcasting in terms of provisions of ZASP.

## ZAMP

On July 4, 2005 the public service broadcaster signed a contract on the use of author's works from the field of literature, public works, science and translations thereof, on the basis of which a compensation to ZAMP is paid in the total amount of SIT 29,250 thousand (EUR 122 thousand) annually; the compensation is paid on a monthly basis. The criteria are as follows: number of subscribers and revenue from advertising. The contract has been in use since May 1, 2005 and has been concluded for a period of 4 years. It is important that the contract is a mutual agreement between the two parties stating they have no claims one towards the other for the previous periods.

## IPF

By signing a contract on November 23, 2004 the parties agreed that the annual compensation for the broadcasting of a right for radio-diffusion broadcasting of commercial phonogrammes amounts to SIT 60,144 thousand (EUR 250.9 thousand). The calculation basis is possible audience and duration of broadcasting of programmes as well as revenues from advertising (on the radio). The amount for the use of commercial phonogrammes in TV programmes is charged on a lump sum basis.

The contract was in use between June 1, 2004 and May 31, 2005, then it automatically extended for a period of 6 months; negotiations for a new contract are in course. The expenses from the IPF association in 2006 totalled SIT 63,876 thousand (EUR 266 thousand).

## RTV Licence Fee and Subscription

### RTV Licence Fee – Recovery

Demands of RTV licence fee are subject to the proceedings of recovery in compliance with the provisions of the law on tax proceeding. Each six months RTV Slovenia issues decisions on due payments, which is the basis for execution. Compulsory recovery is carried out independently following the proceeding for tax execution by an attachment of salary and by an attachment of cash from transaction accounts of RTV licence fee payers. Due to the setup of a new information system to support the activities from the field of RTV licence fee, the proceedings of compulsory recovery were not carried out in 2005. In the first half of 2006 all the necessary processes for the exchange of the data needed for the implementation of recovery were accomplished (exchange with DURS, the Bank of Slovenia).

At the end of 2006 all those RTV licence fee payers were included in the proceeding of compulsory recovery, for who RTV Slovenia obtained the data needed to be able to implement recovery (known tax number, whether the person is employed or receives pension and/or the person has an account). Some 18,600 decisions on tax recovery in the total amount of SIT 1,283,851 (EUR 5,357 thousand) were issued. Of that, SIT 880,142 thousand (EUR 3,673 thousand) refer to the principal value and of that approximately one half of the issued decisions by an attachment of salary and a half of them by an attachment of cash on accounts.

In 2006 RTV Slovenia realised cash inflow in the amount of SIT 572,552 thousand (EUR 2,389 thousand) via the proceedings of non-compulsory recovery and SIT 319,784 thousand (EUR 1,334 thousand) via the proceedings of compulsory recovery.

### Subscription – Recovery

In 2006 RTV Slovenia continued implementing various activities in order to more intensely complete the proceedings of recovery, especially in order to decrease the costs of executors. So all execution matters were taken away from those executors who proved to be the least successful and took care itself to send a request for the payment of a debt to the debtors. It also withdrew all auctions with the executors and suggested to the court

more efficient execution means. The costs of executors thus substantially decreased in comparison with the year before. Being given that the proceedings in courts are very time consuming and that the courts received 1,500 new matters relating to RTV licence fees in 2006 to be given to executors and also under consideration of cost efficiency of operations, RTV Slovenia decided for more radical measures at the end of 2006. In December 2006 all further activities of executors in the matters that did not proceed to movable property were stopped; moreover it asked the courts in writing to withdraw execution of movable property recovery in all matters, in which the courts had not determined the executor with a decision.

#### **Creation of Revaluation of Receivables from given Advances to Executors - Recovery of Subscriptions**

At the end of 2005 RTV Slovenia partly created provisions against receivables due from executors in the amount of SIT 50,000 thousand (EUR 208 thousand). At the end of 2006 provisions for the entire remaining part of recognised receivables due from executors in the amount of SIT 46,562 thousand (EUR 194 thousand) were created with respect to the intense completion of execution matters pertaining to subscriptions. The receivables originate from given advances remitted to the executors from May 2000 to September 2002 in compliance with the then effective law on execution and protection. The executors mostly completed the activities of attachment of movable property, yet the courts did not issue decisions on costs for the actions performed by the executors regularly.

Dynamics of decrease of recognised receivables from the executors is on the decrease from a year to another, for the scope of performed actions of executors is growing smaller. In 2006 the value of recognised receivables due from the executors decreased by only SIT 20,459 thousand (EUR 85 thousand), therefore provisions were created in the total value.

#### **Harmonisation of the RTV Licence Fee Height**

RTV licence fee did not change in 2006. The latest change in the RTV licence fee was performed on the basis of a decision of the Government of the Republic of Slovenia in April 2004 by 3.5 %, which is evident from Figure 1 (page 136). A discrepancy between the price of the RTV licence fee and inflation is shown in the graph (Figure 1).

#### **Labour Costs**

In 2006 the wages of director general, of both programme directors and assistants started to be calculated in compliance with the Act on the system of wages in public sector. A harmonisation of wages of the employees, who obtain wages in compliance with ZSPJS, was performed on July 1, 2006.

Pursuant to the Regulations on extra success at work in public sector, the budgetary users can pay part of the finance for success at work from the revenues obtained from the sale of goods and services on the market. With reference to the mentioned Decision the Ministry of Culture issued a consent to the increased success of work of the employees of RTV Slovenia for 2006 on July 17, 2007.

#### **Deductible Proportion of VAT**

Apart from its public service RTV Slovenia also performs market activities, therefore it has no right to the total deduction of input tax referring to part of public service in compliance of the law on value added tax. Due to the accounting of the deductible proportion the costs/expenses are burdened also by part of input tax.

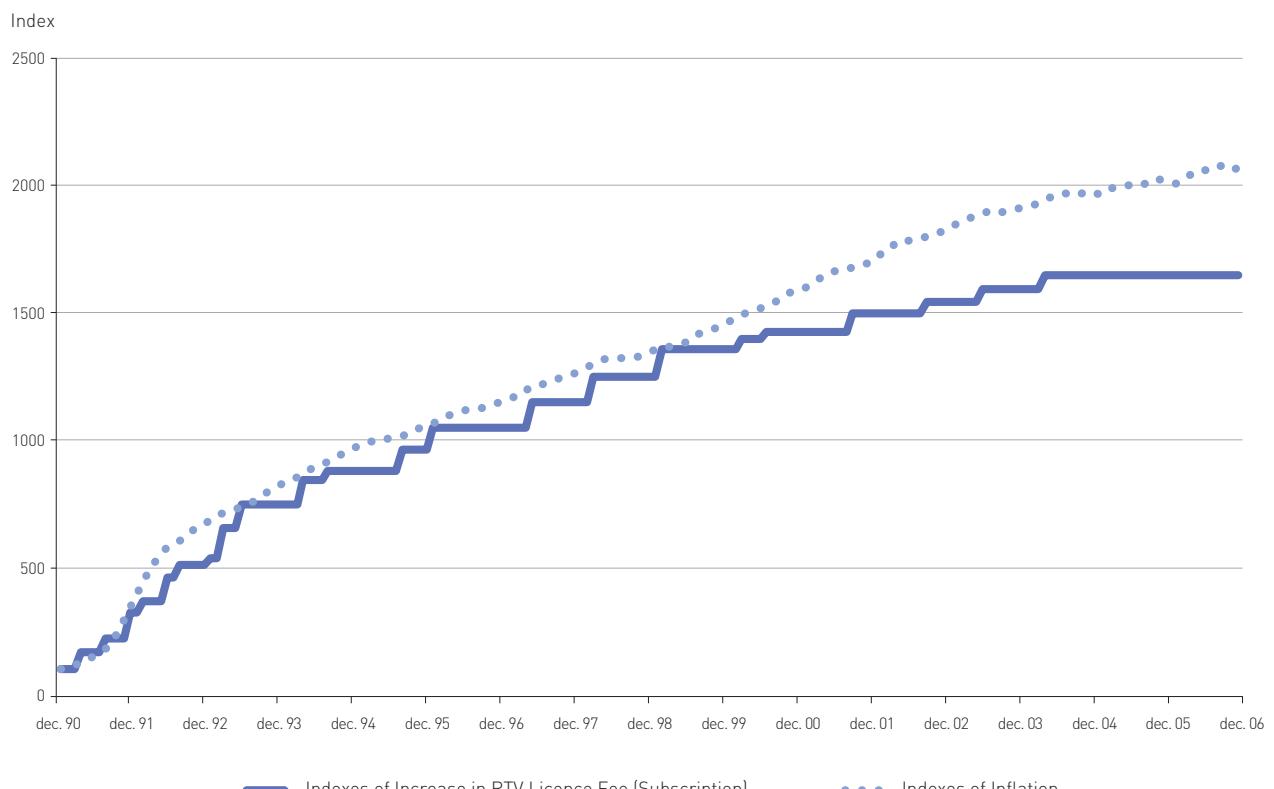
In 2006, 27 % of VAT charged on received invoices, in which we had a right for deduction, were to the burden of the business result. The amount of VAT, which was a burden of expenses in 2006 totalled SIT 1,079,657 (EUR 4,505.3 thousand). As at December 31, 2006 SIT 25,067 thousand revenues were recorded from the adjusted input VAT.

#### **Data on Tangible Fixed Assets and Intangible Long-Term Assets, which are Fully Written Off, yet Still in Use for the Performance of Operations**

RTV Slovenia uses fixed assets given in management from:

- the Ministry of Culture: 58,686 fixed assets with a total purchase value of SIT 44,567,523 thousand (EUR 185,976.9 thousand) or the current value of SIT 10,496,276 thousand (EUR 42,800.2 thousand);
- The Post and Electronic Communications Agency: 652 fixed assets with a total purchase value of SIT 844,221

Figure 1: Comparison of Cumulative Indexes of Increase in RTV Licence Fee [Subscription] and Cumulative Indexes of Inflation



thousand (EUR 3,522.8 thousand) or the current value of SIT 3,891 thousand (EUR 16.2 thousand);

- Ministry of Economy: 113 fixed assets with a total purchase value of SIT 90,469 thousand (EUR 377.5 thousand) or the current value of SIT 13,767 thousand (EUR 57.4 thousand);
- Different donators: 28 fixed assets with a total purchase value of SIT 63,684 thousand (EUR 265.8 thousand) or the current value of SIT 14,485 thousand (EUR 60 thousand).

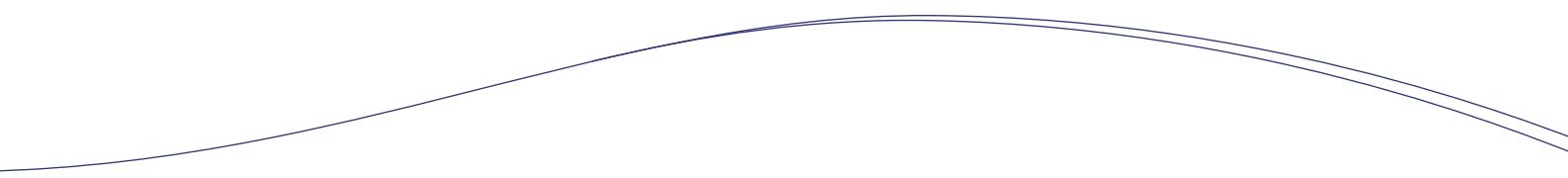
procedures and methods assuring legality, clear presentation, efficiency and economy of operations.

In order to initiate a well-ordered way of evaluation and improvement of risk-management procedures we started the system of internal audit in the middle of 2005. Its fundamental purpose is to evaluate the measures for the protection of assets and adequate operation of assets and profit-and-loss statement, to look for possible inappropriateness and irregularities in operations and to shape proposals for remedy.

## Internal Audits

The public finance act stipulates that financial operations should be organised in a way to assure efficient reaching of set goals of the management and to secure the assets against loss and damages. It can be achieved by establishing an internal audit system, i.e. the so-called

The role of internal audit is independent checking of financial operations and internal controls as well as counselling to the management in order to improve performance. Its main purpose is issuing of independent opinions in compliance with legal stipulations and standards of occupational work of internal auditors that will be of assistance to the management of the



public service broadcaster. The department of internal auditors will have to manage the control environment that will define the mode of operations and will also have influence on operational decision-making in the public service broadcaster.

In 2006 a new PIS was introduced and in co-operation with the internal audit service further internal controls were defined in the financial, accounting and procurement fields. A suitability analysis of internal controls in the field of calculation of wages and fees was performed. The internal audit service played an important role also during the audit of the Audit Court and audit of the external audit company, and after the audit was over, it identified the suitability of correction measures and abolishment of deficiencies in individual fields of operation.

In 2006 an internal auditor participated in the work group for the preparation of a list of internal regulations. The goal of the work group was to prepare a chronologic review of a well-ordered list of internal regulations and an integral review of internal regulations on web pages.

The legality and regularity of operations are performed by an external audit company as well. It is selected in a public procurement procedure that regularly checks the existence and operations of controls integrated in business processes, for which business managers are accountable on all organisation levels.

### **Investments of Unallocated Financial Assets**

In 2006 RTV Slovenia took out two new short-term standing credit lines, namely in April with the Hypo Alpe Adria Bank in the amount of SIT 954,162 thousand (CHF 6,255,000) and in May with the Banka Koper in the amount of SIT 960,385 thousand (CHF 6,250,000). Both loans were due on December 29, 2006. On December 29, 2006 RTV Slovenia signed a new short-term loan contract with the Banka Koper in the amount of SIT 479,280 thousand (EUR 2,000 thousand) based on a consent of the Ministry of Finance with due date December 28, 2007.

The borrowings in 2006 reached their highest level in May 2006, when the institute paid corporate tax for 2005

and the vacation pay for 2006. Standing credit lines were used only on pay days and were usually returned within five working days.

Unallocated financial assets were daily placed with respect to possibilities and the level of interest rate in compliance with the regulations to the Public Treasury of the Ministry of Finance and in the Probanka. Interest rates in 2006 fluctuated from 2.06 % to 2.17 % per year. Placement was the most topical at the beginning of a month with the day of repayment on the pay day. As at December 31, 2006 the public service broadcaster had no placed unallocated financial assets.

## Auditor's Report

### To the Supervisory Board of the public institute Radiotelevizija Slovenija, Ljubljana

We have audited the accompanying financial statements of the public institute Radiotelevizija Slovenija, Ljubljana which comprise the balance sheet as at 31 December 2006, the related statement of revenues and expenses for the year then ended, and the notes thereto. Management of the public institute is responsible for the preparation of the financial statements. Our responsibility is to express an opinion on these financial statements based on our audit. The audit of the public institute Radiotelevizija Slovenija included also the consideration of provisions of the Accounting Act (Official Journal of RS, nos. 23/1999 and 30/2002) and the Radiotelevizija Slovenija Act (Official Journal of RS, no. 96/2005).

We conducted our audit in accordance with International Standards on Auditing that refer to auditing of financial statements and auditing of compliance with the regulations. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements and that the public institute Radiotelevizija Slovenija complied with the Radiotelevizija Slovenija Act that requires keeping of separate account books for the market-related activity and the activity of a public institute, and in compliance with § 28 that requires the reporting of costs of production programmes in terms of individual programme schemes or contents.

An audit involves procedures to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### In our opinion

- (a) the financial statements present fairly, in all material respects, the financial position of the public institute Radiotelevizija Slovenija as at 31 December 2006 and the result of its operations for the year then ended in accordance with the Accounting Act and the Radiotelevizija Slovenija Act;
- (b) the public institute Radiotelevizija Slovenija, in all material respects, complied as at 31 December 2006 with the provisions of the Radiotelevizija Slovenija Act referring to the accounting reporting and reporting on the costs of production programmes.

Zdenka Vidovič, M.Sc.Ec.  
*Certified Auditor*

KPMG SLOVENIJA,  
podjetje za revidiranje, d.o.o.

Marjan Mahnič, B.Sc.Ec.  
*Certified Auditor*  
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Ljubljana, 31 May 2007

*KPMG Slovenija, d.o.o.*



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