

The MultiChoice SA Brands



A product of MultiChoice



MWEB

Partly Owned



ORACLE





Profile and Nature of Business

- Provides premium television entertainment through DStv bouquet
- Operations include subscriber management services and digital satellite television platforms
- Provides over 70 video and 60 audio channels, as well as 7 data channels with interactive television offerings
- The subscriber base is currently over 1 million

- M-Net/SuperSport provides premium thematic channels and exclusive content
- M-Net provides premium entertainment channels
- SuperSport provides sports channels

- M-Web provides the infrastructure for MCSA's interactive platform
- M-Web also provides an internet service to approximately 324 000 dial-up and 19 000 broadband ADSL subscribers



Highlights

- 1995: Launch of first digital satellite service in the world outside USA
- 2002: Launch of Interactive television.
- 2003: Dual View decoder launch – first in the world.
- 2005: The DStv PVR decoder launched.
- 2005: DStv Premium subscribers South Africa cross the 1 million mark.
- 2006: Launch of Disney Channel

Rationale for the Scheme



- MultiChoice is committed to South Africa and Transformation
- The share scheme forms part of MultiChoice's empowerment strategy, which is aligned to the DTI codes
- Our empowerment strategy includes the following elements;
 - Employment equity and staff development
 - Preferential procurement
 - Community development and CSI initiatives
 - Equity shareholding

The Scheme Principles



Our philosophy and approach

- Commitment to economic transformation
- Truly broad-based
- Affordable

Qualification

- Only qualifying black groups and black individuals can participate
- The share offer opened on 29 September and closes on 27 October

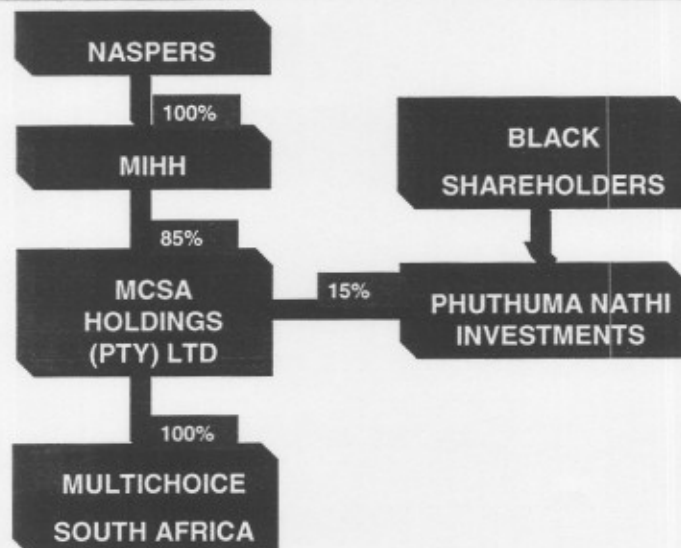


How the Scheme is Structured

- MultiChoice has established a company called Phuthuma Nathi Investments (PNI)
- This company will enable black investors to hold shares in MCSA Holdings
- MIHH will sell up to 45 million shares in MCSA Holdings to PNI
- The transaction represents up to 15% shareholding with a value of R2,25 billion
- PNI shareholders will be able to vote directly at the AGMs of PNI and through a proxy at the AGMs of MCSA Holdings.
- MultiChoice plans to implement its empowerment programme in a phased approach
- This transaction is the first and most important phase of the MultiChoice empowerment programme



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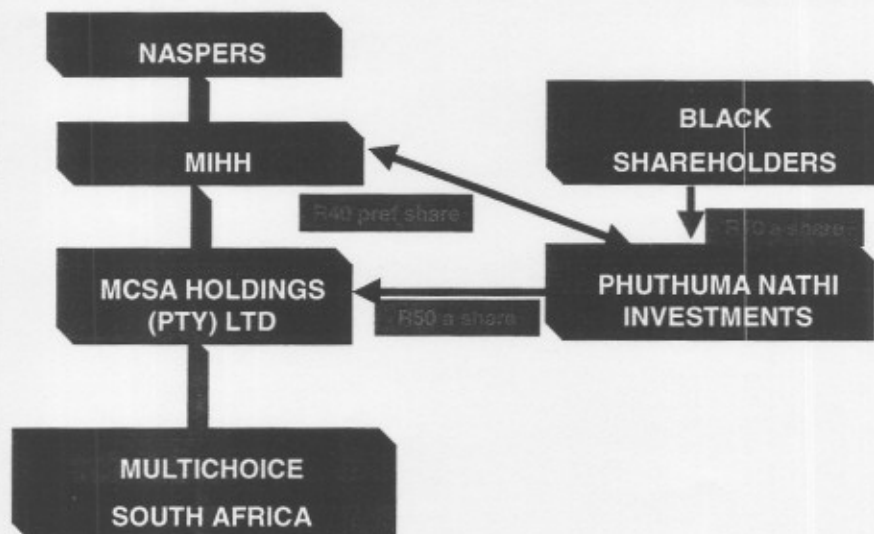


Funding for Sale of 15%

- 15% shares of MCSA Holdings will be sold to PNI at R50 per share
- MIHH will fund 80% of the purchase price at R40 per share through preference shares issued by PNI
- The remaining 20% will be funded from cash raised by PNI through the sale of ordinary shares to qualifying black investors at R10 per share
- Therefore, every R10 investment made by participants to PNI is equivalent to a R50 investment in MCSA holdings
- This is because MIHH is funding 80% of this transaction
- Dividends will be paid in the following order of priority
 - Costs of PNI
 - PNI shareholders (at the discretion of the Preference shareholders)
 - PNI Preference shareholders
 - Repayment of preference shares



Funding for sale of 15%





Conditions for Participants

- Participants are required to purchase a minimum of 20 shares for R200
- Maximum 4,5 million shares for R45m or 10% of the issued PNI ordinary shares
- The minimum investment period is five years and shares cannot be traded during this period
- The intention is to pay dividends from year one
- After the minimum investment period shares can be traded only to qualifying black groups and black individuals on a willing buyer/willing seller basis
- This is to ensure that the BEE equity is not diluted and remains aligned to the communications sector legislation requirements
- MultiChoice will further endeavour to create an over the counter trading system



Distribution channels

- Post Office has been selected as the distribution partner for this transaction.
- The post office has more than 2800 offices nationally
- It will ensure access to the scheme by those who stay in even the most rural of areas
- The Post Office, will amongst others, make available the prospectus to applicants
- It will also receive applications for shareholding and will open Post Bank accounts for those who are currently unbanked as well as assist them with FICA Compliance
- Provision of dedicated call centre line

Conclusion



- Conducting roadshows across the country
- Conducting education campaign through community radios and newspapers
- Dedicated contact centre line to assist with enquiries – 0860 116 226



Thank You