

MULTICHOICE GROUP LIMITED

(formerly MultiChoice Group Proprietary Limited and K2018473845 (South Africa) Proprietary Limited)
(incorporated in the Republic of South Africa)
(Registration number: 2018/473845/06)
JSE Share Code: MCG ISIN: ZAE000265971
("MultiChoice" or "the Company" or "the group")

Trading statement

Shareholders are advised that the MultiChoice group ("the group") is finalising its consolidated annual financial statements for the twelve months ended 31 March 2019 ("current period").

Core headline earnings per share and trading profit

Shareholders are reminded that the board considers core headline earnings per share and trading profit as the two most appropriate indicators of the operating performance of the group, as they adjust for non-recurring and non-operational items.

Compared to the group's results for the twelve months ended 31 March 2018 ("prior year") included within the pre-listing statement, the group expects core headline earnings per share for the current period to be between 8% (30 ZAR cents) and 12% (45 ZAR cents) higher than the prior year's reported 374 ZAR cents.

Trading profit is expected to be between 9% (R0.6bn) and 13% (R0.8bn) higher than the prior year's reported R6,3bn. On an organic basis (i.e. reflecting results on a constant currency basis, excluding any M&A) trading profit is expected to be between 24% (R1.5bn) and 30% (R1.9bn) higher than the prior year's reported R6,3bn.

The improved financial performance expected for the current period is mainly driven by solid subscriber growth and a reduction in losses in the Rest of Africa segment.

As explained in the pre-listing statement, core headline earnings per share and organic trading profit constitute pro forma financial information in terms of the JSE Listings Requirements. The pro forma financial information is the responsibility of the group's directors, has been prepared for illustrative purposes only, and may not fairly present the group's financial position, changes in equity, cash flows or results of operations. Core headline earnings is calculated by adjusting headline earnings for the following items, net of tax and non-controlling interests: a) amortisation of intangible assets arising from business combinations; b) accounting adjustments stemming from IFRS 3: Business Combinations; c) equity-settled share-based payment compensation; d) unrealised foreign currency gains/losses; e) certain fair-value adjustments under IFRS; and f) non-recurring current and deferred taxation impacts. Organic trading profit is calculated by excluding foreign currency movements and changes in the composition of the group.

Loss per share and headline loss per share

Compared to the prior year, the group expects loss per share for the current period to be between 673 ZAR cents and 739 ZAR cents lower than the prior year's reported earnings per share of 332 ZAR cents.

Headline loss per share for the current period is expected to be between 724 ZAR cents and 800 ZAR cents lower than the prior year's reported headline earnings per share of 410 ZAR cents.

The key reasons for the movements above are set out below:

- a) As disclosed in annex 7 of the pre-listing statement, the group had to account for the impact of allocating for no consideration a 5% stake in MultiChoice South Africa Holdings (Pty) Ltd to Phuthuma Nathi Investments 1 and Phuthuma Nathi Investments 2 as part of the unbundling process. As a result, loss per share and headline loss per share were impacted significantly by the once-off equity-settled share-based compensation charge recognised on what was an effective disposal of 5% of the group's interest in MultiChoice South Africa Holdings (Pty) Ltd. While the impact of this transaction is removed from core headline earnings per share and trading profit, it is included in both loss per share and headline loss per share. This is expected to reduce earnings per share and headline earnings per share by 438 ZAR cents.
- b) Furthermore, the impact of the depreciation of SA Rand against the US dollar has led to an increase in unrealised foreign exchange losses on translation of the group's US dollar denominated transponder lease liabilities. This is expected to reduce earnings per share and headline earnings per share by 263 ZAR cents.

Further details will be provided in the consolidated provisional annual results, due to be released on SENS on 18 June 2019.

The financial information on which this trading statement is based has not been reviewed and reported on by the Company's external auditor.

Randburg
10 June 2019
Sponsor: Rand Merchant Bank (a division of FirstRand Bank Limited)

Important notice

Shareholders should take note that, pursuant to a provision of the MultiChoice memorandum of incorporation, MultiChoice is permitted to reduce the voting rights of shares in MultiChoice (including MultiChoice shares deposited in terms of the American Depositary Share ("ADS") facility) so that the aggregate voting power of MultiChoice shares that are presumptively owned or held by foreigners to South Africa (as envisaged in the MultiChoice memorandum of incorporation) will not exceed 20% of the total voting power in MultiChoice. This is to ensure compliance with certain statutory requirements applicable to South Africa. For this purpose MultiChoice will presume in particular that:

- **all MultiChoice shares deposited in terms of the MultiChoice ADS facility are owned or held by foreigners to South Africa, regardless of the actual nationality of the MultiChoice ADS holder; and**
- **all shareholders with an address outside of South Africa on the register of MultiChoice will be deemed to be foreigners to South Africa, irrespective of their actual nationality or domicilium, unless such shareholder can provide proof, to the satisfaction of the MultiChoice board, that it should not be deemed to be a foreigner to South Africa, as envisaged in article 40.1.3 of the MultiChoice memorandum of incorporation.**

Shareholders are referred to the provisions of the MultiChoice memorandum of incorporation available at www.multichoice.com for further detail. If shareholders are in any doubt as to what action to take, they should seek advice from their broker, attorney or other professional adviser.