MULTICHOICE SOUTH AFRICA HOLDINGS
PROPRIETARY LIMITED

INTEGRATED ANNUAL REPORT
TO THE SHAREHOLDERS OF
PHUTHUMA NATHI
INVESTMENTS 2 (RF) LIMITED FOR
THE YEAR ENDED 31 MARCH

2016

PHUTHUMA NATHI
SHARE THE FUTURE

Contents

MultiChoice South Africa Holdings Proprietary Limited

PHUTHUMA NATHI
SHARE THE FUTURE

Phuthuma Nathi Investments 2 (RF) Limited

MultiChoice
ENRICHING LIVES

The MultiChoice journey

1995
DStv launched

DStv so much more

1997
MWEB founded

MWEB CONNECT & YOU CAN

2003
Dual-view decoder launched

2005
Standard-definition (SD) PVR decoder launched

2006
PN – our first BBBEE share scheme is launched

2007
PN2 launched

PHUTHUMA NATHI
SHARE THE FUTURE

2008
High-definition (HD) PVR decoder launched

2009
HD channels made available for SuperSport, Discovery and National Geographic

Discovery CHANNEL

2010
DStv Catch Up service, SuperSport app and DStv mobile Drifta launched

DStv Mobile

2011
Mobile TV and DStv BoxOffice launched and Phuthuma Nathi shares began trading publicly

BoxOffice By DStv

2012
Drifta and Walka 7 launched and general entertainment channels made available in HD

2013
DStv Explora launched

2014
DStv Explora internet enabled and DStv Now mobile app launched

DStv Now

2016
GOtv launched in SA

GOtv Live it. Love it.

Overview

About this report

Reporting boundary

MultiChoice South Africa Holdings Proprietary Limited (MultiChoice) was incorporated in May 2006. The scope of this report includes MultiChoice and its subsidiaries (the group).

The report includes the financial results and corporate information of the two MultiChoice broad-based black economic empowerment (BBBEE) shareholding schemes – Phuthuma Nathi (PN) and Phuthuma Nathi 2 (PN2) (together Phuthuma Nathi). The sole investments of the Phuthuma Nathi schemes are the shares held in MultiChoice.

We present our integrated report for the financial year from 1 April 2015 to 31 March 2016. Our aim is to provide stakeholders with relevant information on how we create value.

The content of this report focuses on key developments and material issues in our business environment. We believe integrated and balanced reporting on our strategic objectives, material issues and how we are governed, provides a comprehensive view of our financial and non-financial performance and the sustainability of our business into the future.

Determining materiality

In determining content to report, we focused on issues that are material to our stakeholders. These issues are discussed by the board and continually addressed. Issues are considered material when they drive the executive agenda.

Basis of preparation

The structure of this report has been developed against the framework published by the International Integrated Reporting Council (IIRC). Our sustainability reporting is based on the Global Reporting Initiative guidelines (GRI G4). Due consideration has been given to the recommendations of the King Code of Governance Principles and the King Report on Corporate Governance in South Africa (King III).

Our aim is to constantly enhance our reporting and disclosure to improve our stakeholders' understanding of the group. Feedback on the report is welcomed and can be communicated to **gri@multichoice.co.za**.

Assurance providers

Independent assurance has been provided on the material information presented in this report.

Financial information: For the integrated report, summarised financial information for the group and Phuthuma Nathi, extracted from the group's audited consolidated annual financial statements and the Phuthuma Nathi annual financial statements for the year ended 31 March 2016, have been reflected correctly. The full financial statements can be accessed on the MultiChoice and Phuthuma Nathi websites and are available for inspection from the company secretary, Ms Lurica Klink, at the company's registered offices.

Overview (continued)

About this report (continued)

The financial information in this report was reviewed by the audit committee and approved by the board. Refer to page 74 for the PricewaterhouseCoopers Inc. report on the group's summarised annual consolidated financial statements and to page 89 for the report on the Phuthuma Nathi summarised annual financial statements.

Non-financial information: EmpowerLogic has verified all BBBEE information in the report.

Responsibility and approval

The board has overall responsibility for ensuring the integrity of information in the integrated report and believes it has addressed material issues in presenting the performance of the group and Phuthuma Nathi.

The audit committee has reviewed and recommended the integrated report for approval and the report was approved by the board on 10 June 2016.

Connect with us on:

Forward-looking statements

This report may contain forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as 'believe', 'anticipate', 'intend', 'seek', 'will', 'plan', 'could', 'may', 'endeavour' and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. While these forward-looking statements represent our judgements and expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These include factors that could adversely affect our businesses and financial performance. We are not under any obligation (and expressly disclaim any such obligation) to update or alter our forward-looking statements, as a result of new information, future events or otherwise. Investors are cautioned not to place undue reliance on any forward-looking statements in this report.

Overview (continued)

Our business

Company structure	MultiChoice is directly held by MIH Holdings Proprietary Limited, a subsidiary of Naspers Limited. Naspers has its primary listing on the JSE Limited (JSE) and a level 1 American depository receipt programme listing on the London Stock Exchange (LSE).
Who we are	We offer a variety of platforms to give customers access to a world of entertainment – anywhere, anytime. We also offer our customers access to the internet, targeted media sales and integrated multimedia products.
What type of business are we building?	South Africa's first-choice and leading video-entertainment destination.
Our brands	MultiChoice is home to a variety of well-known brands that deliver exceptional content across a range of platforms. Our brands are constantly evolving to ensure our customers get the very best in entertainment and services, thanks to our focus on innovation and customer experience. Household brands in our portfolio include MultiChoice, DStv, BoxOffice, DStv Catch Up, Express from the US, M-Net, M-Net Edge, Vuzu Amp, Mzansi Magic, Mzansi Wethu, Africa Magic, Carte Blanche, kykNET, kykNET & Kie, SuperSport, SuperSport Blitz, SuperDiski, SuperSport United Football Club, MultiChoice Diski Challenge, Let's Play, M-Net Magic in Motion and MWEB. We recently launched ShowMax, our subscription video-on-demand service that offers our customers even more choice and flexibility.
What we believe in	Exceptional customer service, the best in entertainment, innovation, making a difference in the lives of all South Africans, creating platforms for riveting local and international content – in short, we make the extraordinary possible.

Our values

Our values exemplify who we are and what we do:

CARE

means doing what is best for our customers, colleagues and the community by:

- Considering them in everything we do
- Doing the right thing, with no exceptions
- Delivering with passion and excellence.

CONNECT

means building lasting relationships with our customers, colleagues and the community by:

- Getting to know them and what they need
- Collaborating with them to produce solutions
- Sharing information and staying in touch.

CREATE

means shaping the desired future for our customers, our community and ourselves by:

- Always being curious
- Taking risks and embracing change
- Getting things done.

Overview (continued)

Our business (continued)

MultiChoice, through its DStv service, offers movies, series and general entertainment channels to millions of customers in South Africa. The genres we air, include: sport, movies, children's entertainment, education, lifestyle and culture, general entertainment, documentaries, news and commerce, music, religion and consumer affairs.

DStv is dedicated to finding new ways of connecting customers to their favourite shows – whenever they want and wherever they are. Content is bundled into packages with a mix of channels.

M-Net delivers premium thematic channels and exclusive content, which is either sourced from international content owners or commissioned by us (our local productions). This premium entertainment is distributed to DStv customers.

SuperSport is the continent's leading aggregator of local and global sport content, showcasing the best on-field action and sport commentary.

New to the MultiChoice South Africa group is ShowMax, our internet-based subscription video-on-demand service with an extensive catalogue of TV shows and movies. ShowMax delivers world-class international content and the best of specialised local content.*

DStv Media Sales handles commercial airtime sales and on-air sponsorship across M-Net, SuperSport and the majority of DStv's international channels.

Completing our family is MWEB, a leading consumer-focused internet service provider offering ADSL fibre and 3G connectivity solutions for the home.

** ShowMax South Africa is owned by MultiChoice South Africa.*

Overview (continued)

Our business (continued)

OUR PACKAGES AND PRODUCTS

Our DStv service is available in six packages, designed to suit all budgets and tastes. These range from DStv EasyView to our top-tier DStv Premium package (with other options being DStv Extra, Compact, Family and Access).

DStv Compact

R345
per month

DStv Easy view

R29
per month

DStv Access

R99
per month

DStv Extra

R459
per month

DStv Family

R219
per month

DStv Premium

R759
per month

Overview (continued)

Our business (continued)

Our flagship **personal video recorder (PVR)**, the **award-winning DStv Explora**, has been changing the way our customers use their media. The Explora uses intuitive software and gives users access to an extensive library of content, thanks to services like **DStv Catch Up** and **BoxOffice**. Connecting this device to the internet gives our customers even more content and enhanced functionality such as remote recordings.

ShowMax was launched in August 2015 and allows our customers to stream movies and TV series. With the **DStv Now app**, you can watch local and international shows from a variety of devices such as your Apple TV, smartphones, tablets, smart TVs and computers.

SOCIAL MEDIA HIGHLIGHTS THE PAST YEAR

Facebook

1 526 121 likes

206 648 average users per week

WeChat

51 298 users

YouTube

12 842 subscribers

Twitter

71 600 average impressions per day

171 100 followers

AWARDS ACROSS THE BUSINESS UNITS

DStv

- Best reputation in media and entertainment – Mail and Guardian's Top Companies Reputation Index
- Best Consumer App at 2015 MTN App awards
- Winner of Oliver Empowerment Awards 2016 for enterprise and supplier development
- Winner of Oliver Empowerment Awards 2016 for the top empowered business of the year
- Winner of the 2015 certificate of top gender-empowered company: Investing in People Award at 12th Annual Top Women Awards
- Winner of seven Gold Awards at Global Contact Centre Awards held in Las Vegas
- Winner of The Star Readers' Choice Award for best customer service

M-Net

- 24 PromaxBDA Africa 2015 Awards**
- Silver in the New Generation Social and Digital Media Awards (intranet category)

SuperSport

- Bookmarks Award for digital brand of the year in 2016
- 15 PromaxBDA Africa 2015 Awards**

SHOWMAX

- Stuff's overall App of the Year

DStv Media Sales

- Winner of Media Owner Legend at the MOST Awards 2015 ***

** *PromaxBDA Awards honour design and marketing work in advertising and promotions broadcast, published or released in their respective markets.*
*** *MOST Awards is an annual measure of the service efficacy of providers in the South African media industry.*

Overview (continued)

Our performance at a glance

OUR FINANCIAL PERFORMANCE

Revenue +13%
to **R35,7bn**
(2015: R31,6bn)

Trading profit +4%
to **R9,2bn**
(2015: R8,9bn)

Net profit R6bn
(2015: **R5,6bn**)

Core headline earnings R6,9bn
(2015: **R6,3bn**)

Dividends paid R6,2bn
(2015: **R5,5bn**)

INVESTING IN LOCAL CONTENT

We spent
R1,7bn
(2015: **R1,5bn**)

Spent on local sports content
R1,2bn
(2015: **R1,1bn**)

While the aim of the company is to **make a profit**, we consciously use this resource to **bolster our country's economy** and **uplift our communities**. Being a **responsible corporate citizen** makes **excellent business sense**.

Overview (continued)

Our performance at a glance (continued)

OUR PEOPLE

We have

130

independent agencies

86%

of our **permanent employees are black**

(2015: 86%)

49% of our **employees** are black women

Our 1 302 (2015: 1 270) accredited installers employ

3 321

trained technicians

Employee skills development spend

R111m

(2015: R119m)

63%

of our **board members** are black, of which **18% are women**

INVESTING IN OUR SOCIETIES

Direct taxes

R3,5bn

(2015: R3,2bn)

Indirect taxes R2,2bn

(2015: R2,1bn)

We spent

R11,5bn

with BBBEE suppliers, including **R2,9bn** with small and medium enterprises in 2016

Level 2

BBBEE status

As a responsible corporate citizen, MultiChoice aims to enrich lives through social upliftment.

Chair's review

MultiChoice continues to make a positive contribution to society through the Phuthuma Nathi (PN) share schemes. PN and PN2 companies have received around R6,5bn in dividends since their inception, ultimately empowering and enriching the lives of thousands of ordinary South Africans.

Overview

Despite tough conditions in the South African economy and shifts in the competitive landscape, the group produced satisfactory financial results and continued to create value for stakeholders. This demonstrates the management team's commitment and focus in meeting the company's objectives and executing strategies to ensure value is created for all stakeholders. This report illustrates our commitment to sustainability and our objective of enriching the lives of all our stakeholders.

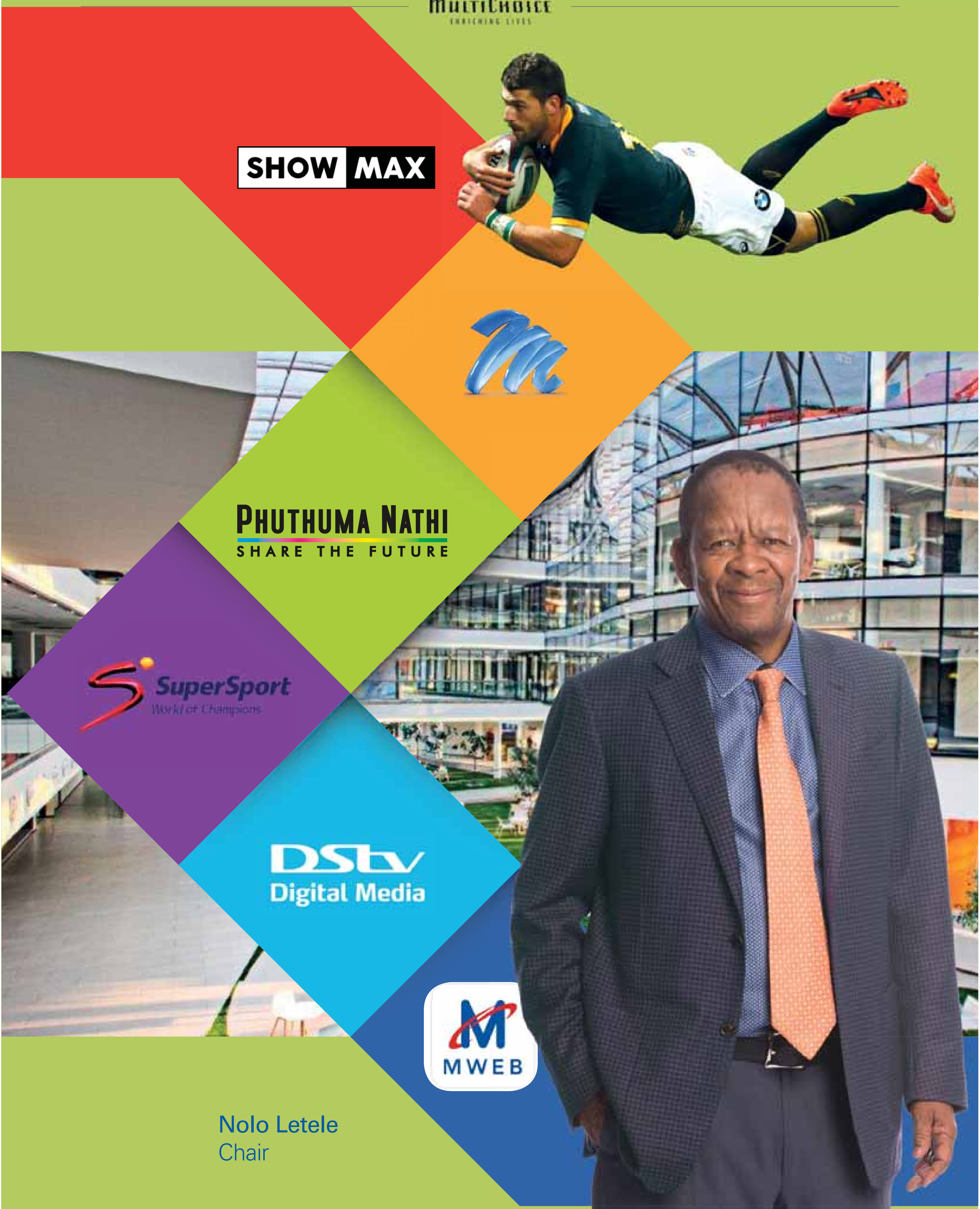
Dividend

The board considered the following in respect of its recommendation of a dividend this year: the tough economic environment in South Africa, compounded by the weaker exchange rate, cost pressures from expanding the customer base, investment in new technologies and local and international dollar-based content costs.

In the year ahead we expect that the local trading environment will remain tough with the depreciating currency and rising content costs that will significantly impact earnings and cash flows. It could take some time before the plans we are implementing to grow the base and cut costs have a material positive impact.

Within this context and in light of our positive 2016 financial performance, the MultiChoice board recommends that an ordinary dividend of R6,5bn be paid to its ordinary shareholders.

All dividends proposed in this report will be paid from reserves and are subject to the approval of shareholders at the annual general meetings (AGMs) on 31 August 2016. If approved, these dividends will be payable to shareholders recorded in the share register on 31 August 2016, and paid on or about 7 September 2016.



Nolo Letele
Chair

Chair's review (continued)

Total dividends

The table below reflects total gross dividends that MultiChoice will pay and has paid in the prior year:

2016	R6,5bn
2015	R6,2bn
Increase	**R0,3bn**

Phuthuma Nathi will receive and pay gross ordinary dividends shown below.

	PN		PN2	
	Ordinary shareholder	**Preference shareholder**	**Ordinary shareholder**	**Preference shareholder**
2016	R867m	–	R433m	–
2015	R827m	–	R413m	–
Increase	**R40m**	–	**R20m**	–

In PN and PN2 the amount per share, subject to 15% dividend tax, is 1 925,93 cents per share. Dividend tax per share is 288,89 cents. Shareholders of PN and PN2 will therefore receive a total net dividend of 1 637,04 cents per share.

Regulatory outlook

The highly regulated video-entertainment industry in South Africa is likely to become even more complex with several enquiries and policy reviews under way. Our strategy formulation and implementation are affected by regulatory developments, including the communications ministry's review of the information and communication technology (ICT) sector as well as the broadcasting sector. In addition, the Independent Communications Authority of South Africa (Icasa) is conducting an enquiry into the state of competition in the broadcasting sector. Matters before competition authorities remain a key focus and that, together with regulatory complexities, are placing increased demands on senior management time.

We have zero tolerance for non-compliance with regulatory requirements and continue to operate the business in a fair, accountable, transparent and responsible manner. Risk management is integrated into operations and focuses on achieving objectives underpinning our strategy. The control framework maintained to manage evaluated risks operates effectively.

Governance

The board oversees the strategic direction of the company, with oversight vesting in the audit and risk committees, and is ultimately responsible for overseeing the group's performance. The responsibility for implementing strategy is delegated to management. Governance and sustainability are integral to our strategic implementation and essential to the interests of our stakeholders. The group continually evaluates areas where governance can be improved. This is detailed in our application of King III in the group governance framework on our website at **www.multichoice.co.za**.

Chair's review (continued)

Sustainability

Our sustainable development framework links to our risk management processes, which in turn integrate financial and non-financial risk identification, management and monitoring. While the board is responsible for the integrity of integrated reporting, the audit committee has been tasked to oversee sustainability reporting to ensure the information is reliable and aligned with financial results. This report illustrates our commitment to sustainability and focuses on projects that address social and environmental issues. Some of the more significant initiatives focus on education, skills development, community outreach and environmental sustainability. We aim to play a sustainable role in improving the living conditions of our employees, their families and communities in which we operate, ultimately balancing profit, people and our planet.

Directors

In terms of the MultiChoice memorandum of incorporation, one third of directors retire annually and reappointment is not automatic. Bob van Dijk, Jim Volkwyn and Kgomotso Moroka, who retire by rotation at the annual general meeting, are eligible and offer themselves for re-election. Shareholders will be asked to consider their re-election at the annual general meeting (AGM), notice of which is included in this report.

On 11 September 2015 Imtiaz Patel was appointed chief executive officer for video entertainment in the Naspers group. The search for a new chief executive for MultiChoice South Africa Holdings is ongoing. Imtiaz was appointed acting chief executive of MultiChoice South Africa Holdings. He remains a director on the board.

Nazeer Wadee, MultiChoice South Africa Holdings group chief financial officer and director responsible for the finance function on the MultiChoice boards, was appointed as chief strategy officer for video entertainment (Naspers group). He was replaced by Uvashni Raman as chief financial officer on 1 May 2016 and director responsible for the finance function on 1 June 2016. Shareholders will be asked to consider her appointment as a director at the annual general meeting on 31 August 2016.

Members of the audit committee at 31 March 2016 were Don Eriksson, Elias Masilela and Salukazi Dakile-Hlongwane. The board recommends their appointment as audit committee members. Shareholders will be asked to consider their appointments at the AGM as required by the Companies Act of South Africa.

Brief biographical details of all directors appear on pages 62 and 63.

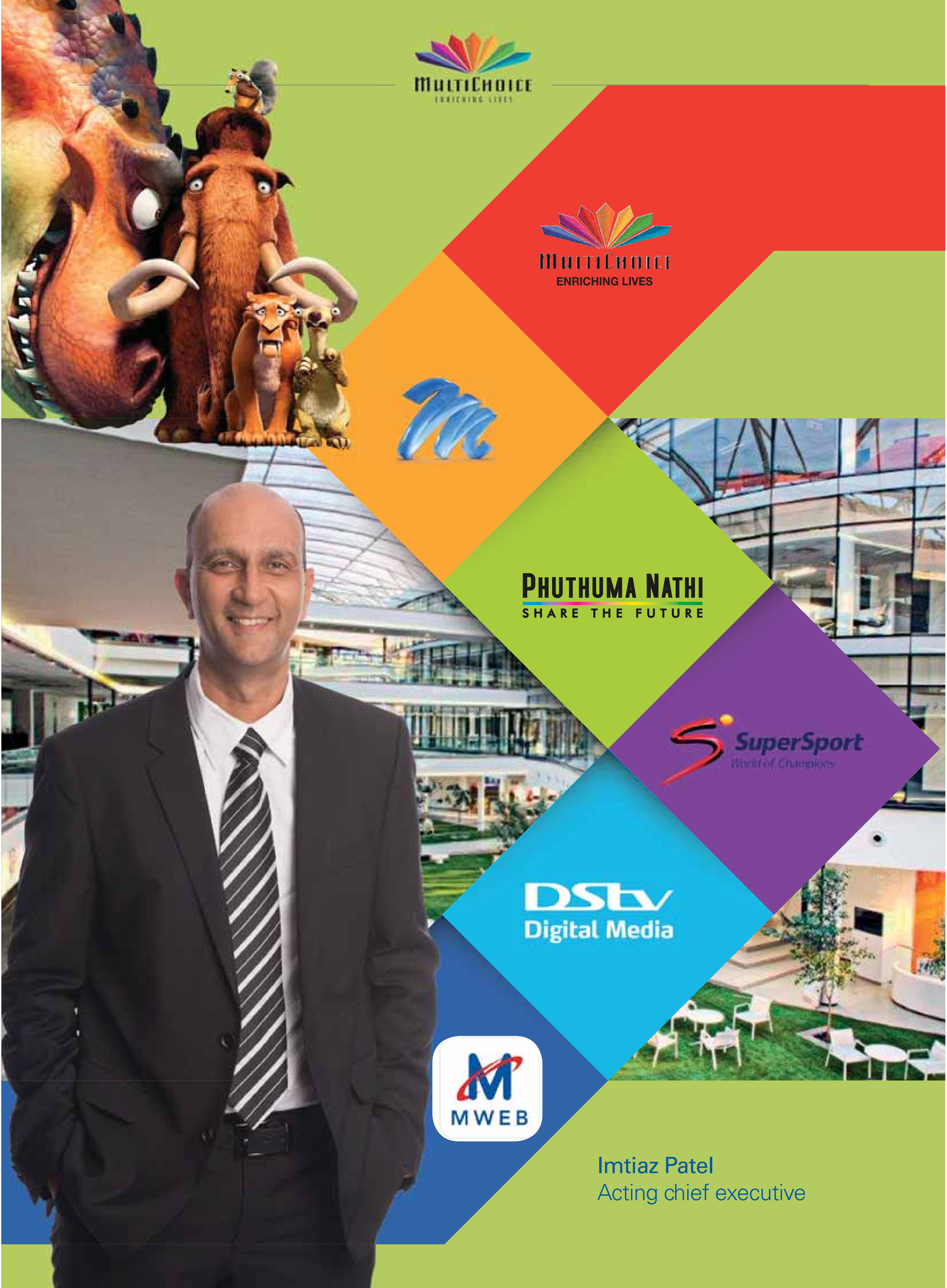
I thank my fellow board members for their continued guidance and support in another successful year. We also appreciate the commitment of the management teams and employees across our businesses who have driven our strategy to achieve our objectives and realise our full potential.

Focusing on the future

The way forward is clear. We will implement responsible and sustainable strategies to capture opportunities in the longer term. We will continue to operate the business fairly and accountably.

Nolo Letele
Chair

10 June 2016



Imtiaz Patel
Acting chief executive

Chief executive's review

It has been a tough year. A perfect storm of economic headwinds across most of Africa and South Africa with a rout in commodity prices, drought and particularly severe currency depreciation. Despite this, we continue to implement strategies to grow our business over the longer term.

Overview

The deterioration of South Africa's currency over the past year, coupled with rising competition for content, has hurt our cost base. We bill our customers in South African rand, which makes the net impact of currency depreciation against the US dollar (the greater proportion of our costs are US dollar-denominated) all the more pronounced. To counter this and limit the impact on our customers, we are aggressively managing our cost base. Despite these factors, our South African customer base held up well in a market showing little economic growth.

Our operating environment and competitive outlook

The video-entertainment environment is becoming crowded and our competitive landscape continues to shift. This year saw the launch of various over-the-top (OTT) players in the South African market. In response to this competitive shift, we launched our own OTT platform, ShowMax, in August 2015. To remain competitive in the OTT market, we will continue to ensure we have a broad library of great content, available across platforms that are relevant to our customers. ShowMax has added greater depth to our customer offering and further enhances our anywhere, anytime proposition.

Review of operations

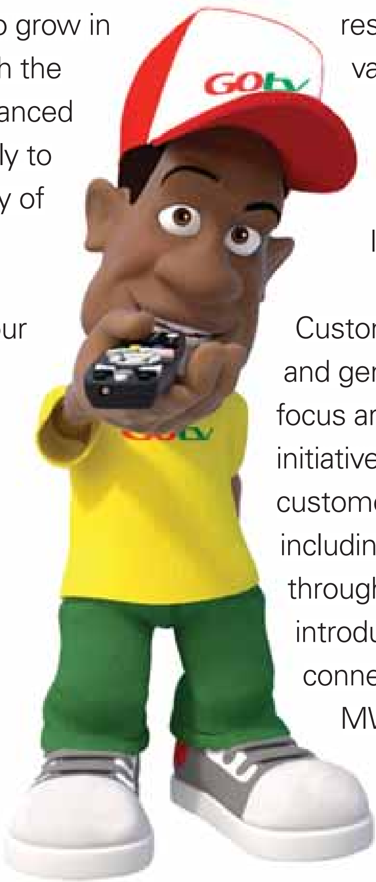
We added 325 000 customers (6% growth) across our various packages (reaching a high of 5,7m households). Improvements in our customer-service experience continued and improved investment in local and international content and the successful renegotiation of key sports rights supported this growth.

Our flagship personal video recorder, the DStv Explora, remains a key differentiator and is available to customers at increasingly competitive prices. This personal video recorder provides an outstanding viewing experience and ensures our customers with access to on-demand services. Our BoxOffice product continues to grow, with monthly average billable rentals of 607 000 (2015: 593 000), 2% higher than the prior year. Express from the US, which gives DStv Premium customers access to award-

Chief executive's review (continued)

winning and acclaimed series within a few hours of it being aired in the US, continues to grow in popularity and has been expanded with the addition of new content. We have enhanced our DStv Catch Up offering substantially to ensure that customers do not miss any of their favourite shows. The connected world is the future and we continue to improve our technologies to connect our customers to the greatest content anywhere, anytime. The connected Explora gives our customers internet access to a deeper library of the latest content.

We launched our GOtv offering in February 2016. GOtv is an alternative for customers wanting to move their analogue service to a digital offering and provides a great variety of channels at a low price.



The group continues to provide content that resonates with customers across our various packages. Twelve new channels were added to the DStv platform in the period, 10 of these in the general entertainment and lifestyle genres.

Customer retention, customer service and general cost control remained key focus areas for our business. Various initiatives will be introduced to drive customer retention over the next year, including: driving DStv Explora sales through the 'price lock' campaign, introducing fixed-term contracts, boosting connected Exploras by introducing MWEB bundles, and reducing dormancy by promoting value-added services and DStv Now. Total customer experience is pivotal to our success. Call reduction from simplified customer-facing processes such as self-service applications, a focus on eliminating system failures and implementing an experience-based training programme for all customer-facing staff – the School of DStv – are core focus areas in improving the overall customer service.

Enterprise development

We remain committed to supporting emerging entrepreneurs to realise their dreams. We support a broad range of enterprises and community television stations. Our commitment to enterprise development facilitates job creation and economic growth, which ultimately ensures social upliftment in local communities.

Chief executive's review (continued)

Sustainable development

We play an important role in the communities in which we operate. Through our corporate social investment (CSI) initiatives we aim to enrich the lives of our communities.

Focusing on the future

We will continue to focus on giving our customers access to a world of entertainment – anywhere, anytime and on any platform. Our direct-to-home growth initiatives will remain focused on meeting our customers' expectations by airing the best in sport and general entertainment content for our various platforms and further investing in local content specific to customers in the markets in which we operate. We will enhance our offerings by inventing original products, investing in and developing new technologies, while continuing to improve our customer-service initiatives.

Imtiaz Patel
Acting chief executive

10 June 2016

Our strategic priorities

The MultiChoice board determines the overall strategy and is ultimately responsible for overseeing the group's performance. Management teams across our businesses implement these

Develop and deliver video-entertainment services to delight our customers

WHAT SERVICE DO WE OFFER OUR CUSTOMERS?

We provide access to a world of entertainment – anywhere, anytime and on any device. We invest in content and technology to expand our delivery platforms while providing a quality service and customer experience.

How we do this

- Focusing on customer service and improving the ease with which customers can access services and transact with us
- Acquiring the best international content to keep our customers delighted
- By developing the best local content across Africa (encompassing genres and languages that entertain our customers)
- Delivering innovative and evolving content across various platforms
- Enhancing our technological advantage by delivering products and services that customers want

Balance profit, people and our planet

HOW DO WE DEVELOP OUR PEOPLE AND PROTECT OUR PLANET?

While we are a for-profit organisation, we also focus on attracting innovative and motivated employees and developing their full professional potential. We contribute to communities in which we operate and aim to minimise our impact on the environment.

How we do this

- We invest in the continuous development of our people
- We reward employees fairly
- We encourage our employees to contribute to sustainable development and innovation initiatives
- We respect the rights of our employees and their diversity
- We encourage employees to report areas where the group might be failing in its business conduct and values through secure channels
- We comply with relevant employment legislation
- We perform health and safety risk assessments at our facilities, supported by training
- We monitor management's actions through operational and risk management processes; contracting specialists to evaluate our health and safety performance and internal reporting
- A healthy workforce contributes to business success and several of our businesses provide medical aid and wellness programmes to their staff
- We limit our impact on the environment through continual improvement and sustainable technological innovation
- We measure and report on our carbon footprint to understand and manage our direct impact on the environment
- We reduce waste where possible
- We comply with relevant environmental legislation

Our strategic priorities (continued)

strategies, guided by the group's code of business ethics and conduct and our values. Our strategic priorities, outlined below, enable us to achieve our overall vision.

Focus on socio-economic transformation

WHAT ARE OUR SOCIO-ECONOMIC RESPONSIBILITIES?

We are focused on transformation through ownership, skills development and by supporting and stimulating enterprise development. We also focus on developing the youth through sport and industry skills initiatives.

How we do this

- We support qualifying small, medium and micro enterprises (SMMEs) by actively seeking and using these suppliers
- We assist in creating new small businesses through enterprise development funding and support
- We contribute to communities in which we live and work through our corporate social investment and employee volunteering initiatives
- Our code of business ethics and conduct defines our culture – we do business fairly, ethically and with integrity

Create organic growth and sustain stakeholder value

HOW WILL WE CREATE AND SUSTAIN OUR VALUE?

We are focused on performance to deliver and sustain value for our shareholders and other stakeholders, in the short, medium and long term.

How we do this

- We distribute earnings to employees, providers of capital and government

Operate responsibly in a challenging environment

WHAT TYPE OF ENVIRONMENT DO WE OPERATE IN?

We operate as responsible corporate citizens in a regulated and competitive environment subject to continuous change.

We have effective risk management, regulatory and compliance processes with sound oversight and governance structures in place.

We do the right thing.

Operational review

Develop and deliver video-entertainment services to delight our customers

MultiChoice operates video entertainment, media platforms and channels as well as internet and mobile platforms in South Africa. Our customers and our people define our product offerings, they provide us with the best ideas and make sure we keep delivering great products and services.

Focusing on our customers

Customer care

We are passionate about customer experience and delivering exceptional service at every point of interaction. Clarity, transparency and openness are part of the MultiChoice customer experience. A crucial part of our customer-care strategy is to improve customers' use of our self-service platforms to enable them to resolve basic problems without the need to spend time and money by phoning the call centres. During the year we made significant progress in improving the basics in our contact centres. Our service levels (the percentage of calls answered within 30 seconds) have remained above 80%.

Looking forward, we remain focused on improving our customer-satisfaction levels and reducing customer effort. We will continue to improve service levels, focusing specifically on self-service platforms and other call-reduction initiatives.

Social media

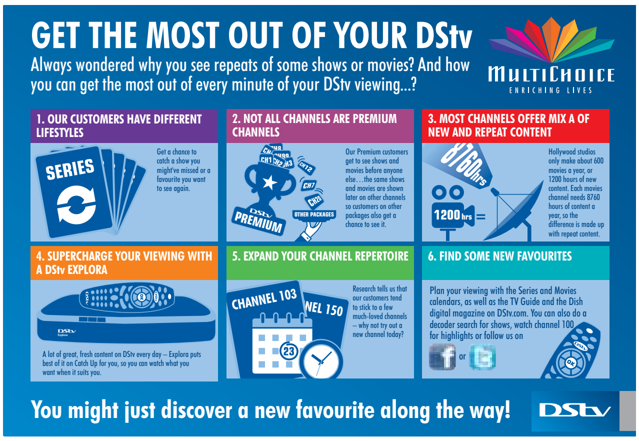
Social media has changed the way businesses operate. These platforms mean we can offer our

Operational review (continued)

Develop and deliver video-entertainment services to delight our customers (continued)

customers another (and easy) way to contact us. Followers can stay abreast of the latest news, events and schedules. We also use these channels to tell brand stories, educate our customers about products and services, and bolster our search-engine optimisation (which helps when people search for us on Google). Social media also makes us transparent and accountable. MultiChoice and each of our brands have dedicated social media platforms that are scoring impressive figures and keep us in the forefront of people's minds.

Over
60 000
social media interactions every month



@DStvCare is proving an effective method to ensure we deliver exceptional customer service. This facility saves customers time and money by channelling calls to social media, with monthly interactions rising from around 12 000 to over 60 000. Our social media platforms remain an important tool in educating customers about self-service options and providing an alternative channel to delivering exceptional service.

Investing in international and local content

General entertainment

Providing content that resonates with our customers is a key strategic advantage for the group. Two new high-definition (HD) channels were launched in May and September 2015 for the DStv Premium package, namely ITV Choice (showcasing a variety of award-winning UK drama, entertainment, comedy and soaps) and BBC Earth (bringing viewers face to face with compelling action, new ideas and the wonder of being human).

BET and SABC Encore were added in April and May 2015 respectively to various packages. New channel launches included BBC First, Gau TV, VIA, Emmanuel TV and BBC Brit. Three existing channels were rebranded and relaunched with exciting new content, namely Discovery IDx (formerly Discovery ID), M-Net Family (Magic World) and M-Net City (M-Net Series Zone).

Operational review (continued)

Develop and deliver video-entertainment services to delight our customers (continued)

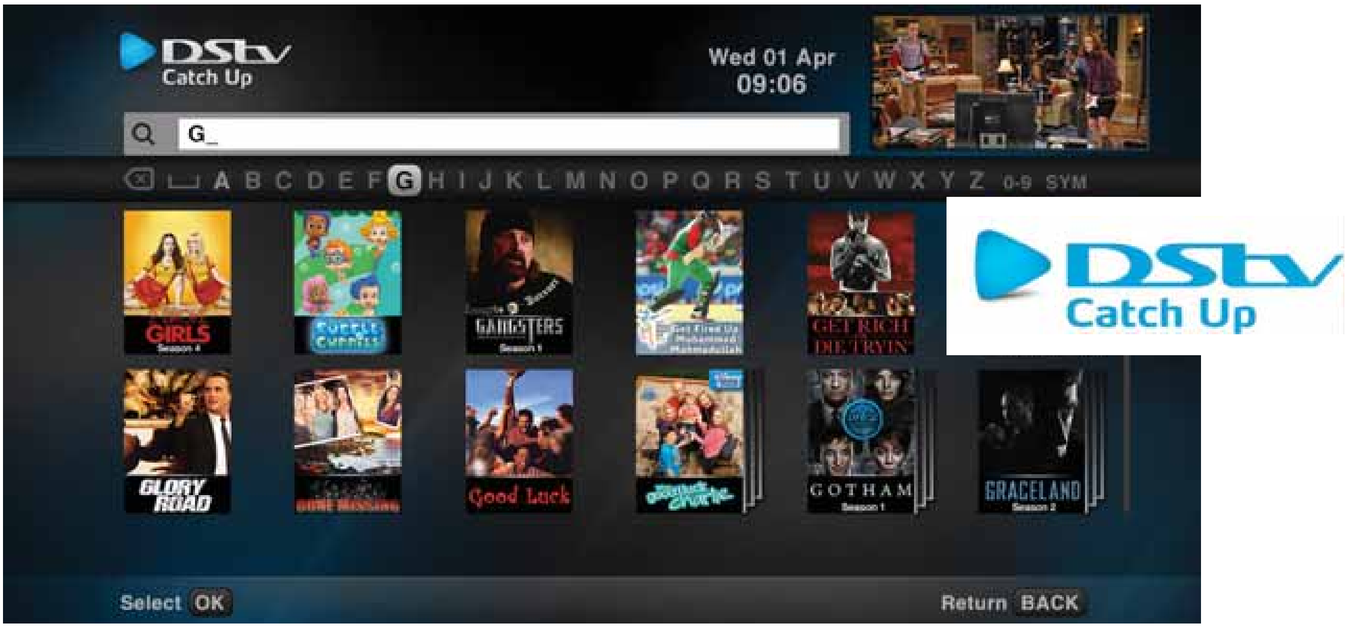
In addition to new HD channels, the existing e.tv and Mzansi Magic channels were also made available in HD, for a total of 25 HD channels on the DStv platform. Customers enjoyed four pop-up channels during the year – Star Wars, FliekNET, Hoolee (kids channel) and GoodLife Network (social educational channel). The Indian packages were further enhanced with the addition of three new channels: Star Plus, Star Vijay and Colors.

Music remains important to our customers, especially in the youth market. Channel O retained the number one position in the music channels cluster for the past year. The channel has positioned itself as the champion of local music against the international proposition of its competitive set, and this strategy has yielded positive results. Mzansi Magic Music reimaged itself from April 2016 to appeal to a more contemporary adult audience.

We continued to expand Express from the US content, adding Shades of Blue (season 1), Vikings (season 6) and Billions (season 1). In April 2015, Game of Thrones (season 5) was broadcast at exactly the same time as in the US, a first for South Africa.

Operational review (continued)

Develop and deliver video-entertainment services to delight our customers (continued)

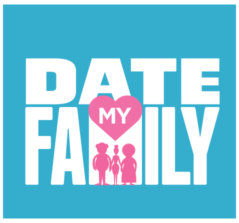


DStv Catch Up now carries content from various sources, including channels like BBC Brit, BBC Earth, BBC First, BBC Lifestyle, BET, Crime & Investigation, Cartoon Network, Cbeebies, Comedy Central, Discovery Channel, Disney, Disney Junior, Disney XD, E! Entertainment, Ebony Life, EVA, History, ITV Choice, Lifetime, Nickelodeon, Nick Junior, Nick Toons, SABC1, SABC2, Sony Entertainment, Studio Universal, TLC Entertainment, Trace Sports, Trace Urban and Universal.

The DStv Catch Up service was also expanded to Extra and Compact customers from November 2015.

Operational review (continued)

Develop and deliver video-entertainment services to delight our customers (continued)



Local content

The group is particularly focused on building the local-content industry and continues to invest significantly in original productions and local stories.

Mzansi Magic remains the second most-watched channel in the Compact market, with locally scripted content (telenovelas and dramas) and local reality formats delivering the biggest audiences. The upgrade of Mzansi Magic to HD in August 2015 facilitated a more streamlined scheduling strategy that allows us to capitalise on available audiences and retain audiences in key primetime spots during the week.

Isibaya and Our Perfect Wedding remain the top-rated shows for the channel and stellar performances continue from Date My Family and Utatakho. New seasons of Saints and Sinners (season 2) and Clash of the Choirs (season 3) were launched in January 2016 and have cemented Mzansi Magic as the number one channel on Sundays.

Mzansi Bioskop, M-Net's movie channel that showcases locally produced South African movies, continues to resonate with audiences. This year 54 titles were produced by both new and more established companies. Together, the Mzansi family of channels (Mzansi Magic, Mzansi Bioskop, Mzansi Wethu and Mzansi Magic Music) continue to perform well on the various packages. Lokshin Bioskop – local films by up-and-coming producers – is another of M-Net's successful local investments.

Operational review (continued)

Develop and deliver video-entertainment services to delight our customers (continued)

Local versions of reality shows such as The Voice SA (season 1) and Idols SA (season 11) continue to engage customers. The Voice is one of the world's most successful vocal competitions and reality formats. The local version was launched in January 2016 and is broadcast on M-Net channel 101.

My Story, a new series of documentaries launched in 2015 on the channel, tells the stories of some of the country's biggest personalities, in which they share the truth behind the headlines and reveal the real details of their lives in the limelight.

Carte Blanche, South Africa's longest-running investigative journalism programme, remains the flagship show for M-Net channel 101.

Strong new content, such as Die Boekklub, Republiek van Zoid Afrika, Reis Na Gister and Mega Boere, was launched on kykNET during the year. Following the success of Republiek van Zoid Afrika at the top of the iTunes charts, kykNET has now become the official curator for Afrikaans music on iTunes.

Suidooster, a new soap opera or soapie set in the Western Cape, was launched in November 2015. Long-running soapie, Villa Rosa, was replaced by Getroud Met Rugby in April 2016. The channel's other soapie, Binnelanders, continues to perform well.

kykNET NOU! is a favourite with Afrikaans music fans and content is currently being adapted to appeal to the increasingly younger skew of the channel's demographics. fliekNET, the Afrikaans movie pop-up channel, returned in December 2015, offering 24 hours of uninterrupted Afrikaans movies during the summer holidays.

Operational review (continued)

Develop and deliver video-entertainment services to delight our customers (continued)

Sport

SuperSport continued to strengthen its position as arguably the best aggregator of sport content globally. Significant investments in local and international content on all platforms ensured customers were entertained in a variety of languages throughout our broadcast territory.

In the ever-changing world of sport entertainment, SuperSport again proved it is in a league of its own. Sport enthusiasts enjoyed the production and broadcast of a number of top events, including the 2015 Rugby World Cup, 2016 ICC World Twenty20 (cricket), All Africa Games, Cosafa Cup (southern African football) and Copa America (South American football). For the Rugby World Cup in England, SuperSport excelled with a state-of-the-art studio, comprehensive on-air and online coverage with live streaming, highlights, expert commentary and an international line-up of studio guests.

SuperSport runs one of the largest and most advanced television-broadcast infrastructures, driven by leading technology. In addition, it remains the biggest funder of sport in Africa.

Investing in new technologies and platforms

We remain focused on developing and enhancing innovative products and delivering great local and international content on multiple platforms.

The advanced functionality of the DStv Explora PVR makes it a significant differentiator for our group. As an example, the internet-connected model gives customers access to a deeper library of DStv Catch Up content. In line with changing consumption habits among customers, our PVR technology makes on-demand television a reality and gives customers access to content on as many devices as possible.

Operational review (continued)

Develop and deliver video-entertainment services to delight our customers (continued)

To make the DStv Explora more affordable for our customers, the recommended retail price for an uninstalled unit was reduced from R1 999 to R1 499 in March 2016. We also enhanced the decoder payment plan in October 2015 to incorporate installation and extended it to include the Compact package. From 1 April 2016 customers have the following options:

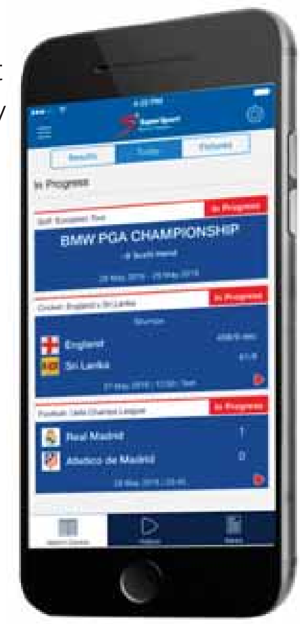
- DStv Explora plus installation over 24 months – R149 per month
- DStv Explora plus installation and monthly DStv Premium subscription including access fee – R949 per month
- DStv Explora plus installation and monthly DStv Compact subscription including access fee – R539 per month
- DStv Explora only over 24 months – R89 per month.

The DStv Now application or app gives Premium customers access to content via their mobile devices in the form of 45 linear TV channels and over 500 Catch Up titles, including the popular Express from the US titles. This application is now integrated with the connected Explora and enables users to set a remote recording on the Explora via the app.

Our BoxOffice home movie rental service has been extended to all Premium, Extra and Compact customers with a PVR. The catalogue includes 20 titles on the DStv Explora and an average of 100 titles online.

The DStv Catch Up service was extended to Compact and Extra customers in South Africa towards the end of 2015, serving tier-specific series, movies, sport and kids content to these customers.

In the past year we continued to develop SuperSport's apps for Android, Windows and iOS platforms, adding match, team and score notifications with a specific focus on the Rugby World Cup 2015. The SuperSport app now has an average of 720 000 active monthly users, and live streams on the SuperSport website average 850 000 per month. SuperSport Mobi averaged 1,8m monthly active users and the SuperSport website averaged 1,6m monthly active users. SuperSport also introduced live streaming of events that were previously not broadcast live. These included certain weekly La Liga matches and live streaming of six different courts throughout the 2016 Australian Open Tennis Championships. We have significantly improved the search capabilities and introduced a recommendation



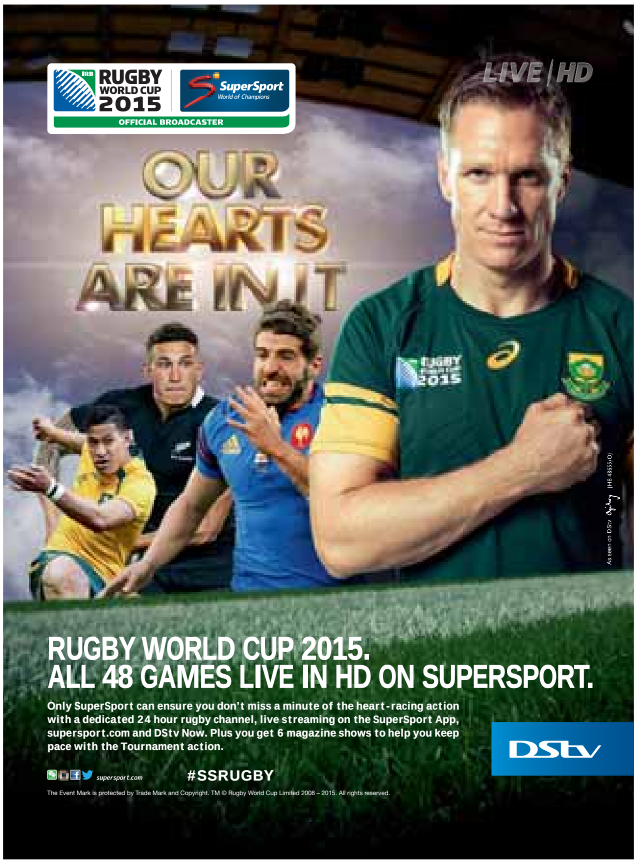
Operational review (continued)

Develop and deliver video-entertainment services to delight our customers (continued)

engine for the SuperSport app. The general usability of these apps has made them compelling to customers, with improved speed and download functionality. SuperSport's innovation in the digital marketing field was reinforced when it received the prestigious digital brand of the year at the Bookmarks Awards 2016.

SHOW MAX

ShowMax was launched in South Africa in August 2015 in response to the need for an online streaming service providing great content at a low price. ShowMax enables customers to watch local and international content anywhere, anytime, on multiple devices and platforms, including Apple TV, tablets, smartphones, smart TVs and PCs. Download functionality was added to the ShowMax app on iOS in January 2016 and, in February 2016, AirPlay functionality was released, allowing customers to stream content directly from the app to their Apple TVs. Users pay R99 per month via credit card or prepaid vouchers. In just seven months we have created a recognised brand that has already become part of popular culture. Compared to local and regional competitors, the ShowMax service has a more compelling content offering. At 31 March 2016, ShowMax had 30 200 paying customers.



GOtv, our digital terrestrial television (DTT) platform, launched in February 2016 at the start of the digital migration in South Africa. It offers 12 digital channels for R99 per month as a simple solution for customers looking to upgrade their analogue service.

Operational review (continued)

Develop and deliver video-entertainment services to delight our customers (continued)

Giving our customers uninterrupted viewing is not negotiable. To ensure this happens, we have leased an additional satellite, which will be available in December 2016. This will mainly be used as a backup for our current satellite, but will also give us additional capacity to offer more content and channels.

Focusing on the future

Investing in local and international content remains a key business objective to ensure our customers are given access to world-class entertainment. Our investment in local content will continue to deepen with competitively priced productions that resonate with our audiences.

We remain focused on developing and enhancing innovative products and delivering great local and international content on multiple platforms. We will deepen our investment in new technologies and build on the success of our mobile applications, the connected DStv Explora and our ShowMax platform.

Direct-to-home (DTH) set-top boxes at affordable prices, combined with world-leading content, will continue to drive the acquisition of new customers and retention of existing customers.

Our top priority is to give customers what they want and we will focus on developments in video content on new platforms to make content available anywhere, anytime.

Customer satisfaction remains high on our agenda and we will continue to improve our customer service levels, specifically our self-service platforms and call-reduction initiatives.

Balance profit, people and our planet

We take our responsibilities to the communities in which we operate seriously. We promote the well-being of society, our customers and our employees by contributing to initiatives that improve the quality of life for all.

MultiChoice is a proud contributor to South Africa. We see beyond business priorities and deliver value to stakeholders by adding economic value, enhancing our employees' lives, delivering real benefits to communities with which we interact, while being mindful of our planet's sustainability.

As the group expands its business operations, we aim to:

- Attract the best talent.
- Train and develop our people for the benefit of the broader socio-economic environment.
- Use our expertise and resources to benefit communities that our operations touch.
- Contribute to general economic prosperity.
- Minimise our impact on the environment.

The nature of our operations means we connect with people from all walks of life and our involvement goes beyond our core business. Our sustainable development policy is focused on economic, environmental and social issues, the community, our people, health and safety.

Our people

Our employees are extraordinary – they helped craft the values we live by to make us even more extraordinary for ourselves and for our customers. The group comprises thousands of unique individuals who, through their different

Balance profit, people and our planet (continued)

characteristics and skills, add value to our business by ensuring we all care, connect and create.

We push for performance in everything we do – we are a high-performance team. We back local teams and learn from each other. We are agile, we seize opportunities and we do the right thing. We want to be recognised for providing meaningful work, the opportunity to learn and grow, and be rewarded for a job well done. In this kind of culture, we believe our people will be motivated to achieve great things by being personally responsible for high performance.

Total workforce of almost

8 000

people

Employment equity

Employees

The group plays an important role in economic growth in South Africa. At 31 March 2016 we had a total workforce, including independent service providers, of almost 8 000 people.

We completed a number of restructurings in various business units and refocused our workforce, including independent service providers, as we continually assess our operational structures and processes to drive

efficiencies. We have therefore converted 432 temporary employees into permanent employees and reduced our dependency on independent service providers and contractors.

A culture of respect, equality and diversity

We have an ingrained culture of celebrating our individual differences and skills and we are committed to playing a role in improving the lives of our employees (including those with disabilities). All employees are treated with respect and equality, and every effort is made to support them in doing their jobs effectively. This includes appropriate access to information and technology.

We give employees with disabilities specialised equipment (or adapt existing equipment), we reorganise workstations, adjust work schedules and adapt training and assessment materials to accommodate all employees, as required. As a multicultural organisation, we respect and embrace diversity as demonstrated by our multinational employee complement and rolling five-year diversity and employment equity plan.

Operational review (continued)

Balance profit, people and our planet (continued)

Training and skills development

Investing in skills development is a priority, given the strategic importance of technology and intellectual property to our sustainability in a competitive market.

Leadership development

Leadership development remains a focus and 242 leaders across the business attended programmes in their area of expertise internally or externally through the Gordon Institute of Business Science and Henley School of Business. Over 45% (108) of these leaders were women.

	2016	
	Total leaders Hours	Women leaders Hours
Total number of leadership training hours	19 871	8 627

Total leadership development spend was R7,2m of which

R3,3m

was spent on female development initiatives

The total leadership development spend investment was R7,2m, of which R3,3m was spent on female development initiatives. These include the Leading Women programme that focuses on developing emerging female talent in the group. Of the 242 leaders trained, 170 completed leadership development programmes outside of current pipeline initiatives, including advanced management programmes, introduction to management and executive coaching.

Internships

The DStv graduate programme employed 37 graduates this year. This initiative started three years ago to attract young professionals into our IT environment for a year of rotational work experience throughout the IT department. Owing to its overwhelming success, we have expanded it across the business to include broadcast technology, marketing, finance, strategy and business development.

Balance profit, people and our planet (continued)

Work experience for

176

interns

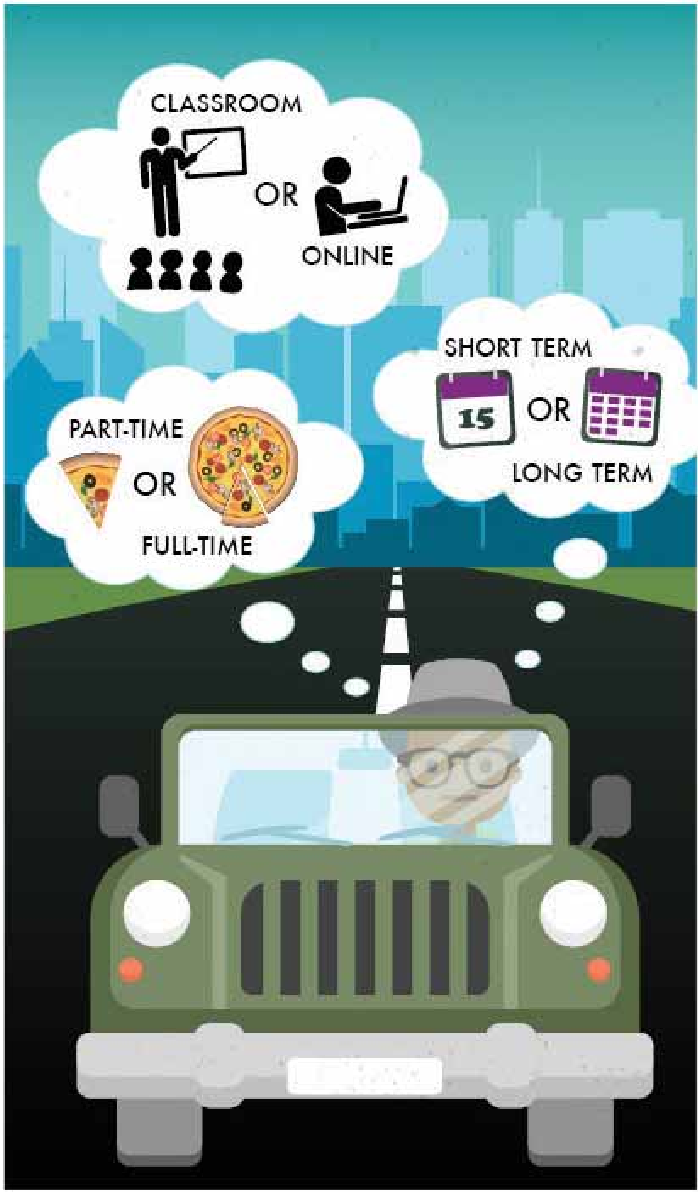
We also offer these young professionals a bursary for the second and third year of study and, where applicable, for their honours degrees. At the end of the 2015 programme, at least 90% of these graduates were offered permanent employment.

In our broadcast technology area, our Nkoka learnership (in conjunction with the National Association of Broadcasters) enables students to apply their theoretical knowledge in the workplace and contribute significantly to broadcasting research, while obtaining a further qualification in broadcast engineering. The department also has a programme to develop technical skills, particularly for black female employees, which has created numerous opportunities for women with limited qualifications and experience.

The MultiChoice, M-Net and SuperSport internship programmes have provided work experience to 176 interns. The group absorbs 33% of these graduate interns as permanent employees at the end of their programmes.

Bursaries

MultiChoice spent over R6,9m on bursaries in the financial year. A large proportion of this was focused on supporting young women, with 140 women funded for various bachelor degrees and a further 25 funded for postgraduate studies. The majority of qualifications funded, lie in fields of financial and business studies.



Operational review (continued)

Balance profit, people and our planet (continued)

At least
90%
of graduates were offered employment

Skills development and learnerships

Our learnership programmes combine vocational education and training modules to secure qualifications registered on the National Qualifications Framework (NQF). During the year 424 employees and learners completed recognised learnership and leadership programmes. These have equipped our people with skills in broadcast engineering, people management, contact-centre practices, short-term insurance and technical accounting skills. Learnerships serve a dual purpose of creating employment while addressing skills shortages in the industry.

140 women funded for various bachelor degrees. Majority in financial and business fields

Online learning

The group also gives employees opportunities to complete courses and collaborate through a cloud-based system called Siyandiza, which facilitates virtual, classroom, online learning and social collaboration. Siyandiza includes generic learning courses across seven categories, and over 790 customised online courses (including assessments) to support the business. During the period 27 315 online courses were accessed to support the drive for just-in-time learning. Of these 4 511 were unique individual registrations. Of total online courses accessed, over 75% were custom-developed by the group's learning technologies team.

Commitment to training and skills development

In 2016 we introduced a host of new products and implemented an improved customer management system called Clarity. These improvements resulted in our customer care employees receiving more than 340 000 hours

Operational review (continued)

Balance profit, people and our planet (continued)

of internal training during the year. Total training received by employees during the year is reflected in the table below:

	2016 Hours	2015 Hours
Total number of training hours*	475 895	293 197

*Includes total leadership training hours.

The workplace

Our priority is to implement a healthy and safe workplace across our administrative and production facilities, and to achieve the lowest possible injury rate on duty. Where required, and in line with legislation, health and safety committees (comprising responsible, trained individuals) ensure regulatory compliance. Appropriate medical emergency and disaster-recovery plans are in place.

Wellness

Through our wellness programmes, we take a preventative approach to employee health. Our Randburg offices have a comprehensive onsite wellness centre that is accessible to all employees and offers cost-effective, convenient and confidential medical care onsite. In addition to an onsite nurse and doctor, employees have

Balance profit, people and our planet (continued)

access to a beautician, physiotherapist, dietician and optometrist. Our Cape Town, Durban and Umhlanga offices also have onsite clinics to take care of our employees' health needs. MultiChoice City also houses a cost-effective gym that is available to all employees.

MultiChoice operates a Montessori nursery school for employees' children. An early childhood development subsidy is available for employees' children between three months and six years. MultiChoice also offers a unique lifestyle programme to employees, with access to a 24-hour virtual assistant that provides a variety of services, including a 24/7 emergency service and free legal and financial advice.

Video-conferencing facilities have been installed in boardrooms at MultiChoice City and other buildings on the Randburg campus. These facilities contribute to employee wellness by improving their work-life balance, given that excessive travel places strain on employees and can lead to burnout. By using these facilities, meetings happen when scheduled and personal stress from flight delays and travel-related issues is reduced.

Operational review (continued)

Balance profit, people and our planet (continued)

Our planet

Through continual improvement and sustainable technological innovation, we strive to create solutions that minimise our impact on the environment.

CARBON FOOTPRINT

The group measures its gross carbon footprint from scope 1 and 2 emissions in line with the Greenhouse Gas Protocol. The 2016 gross carbon footprint (scope 1 and 2) increased to 52 991 tonnes of CO_2e (2015: 43 720 tonnes).

The largest contributor to direct emissions remains electricity, accounting for 100% of scope 2 emissions (95% of total emissions). The group has generators installed to ensure a continuous supply of electricity and mitigate the risk of disruptions.

MultiChoice City and the Samrand backup facility became fully operational during the current year. These sites were the main contributors to the overall increase in the gross carbon footprint.

GREEN STAR-RATED BUILDING

As previously reported, MultiChoice City achieved a 5-Star Green Star rating for its design phase. We are proud to report that the final as-built rating was passed by the Green Building Council of South Africa and we retained our 5-Star Green Star rating.

This was achieved by following the Green Building Council's matrix, with key points scored in the following categories:

- **Management** – building tuning, environmental management and waste management.
- **Indoor environment quality** – ventilation rates, air-change effectiveness and volatile organic compounds.
- **Energy** – greenhouse gas emissions, energy sub-metering, lighting power density, lighting zoning and peak energy-demand reduction.
- **Water** – occupant amenity water, water meters, landscape irrigation and heat-rejection water.
- **Materials** – use of environmentally friendly material.

Points were also scored for transport, land use and ecology, emissions and innovations.

VIDEO-CONFERENCING FACILITIES

The key benefit of these facilities is reduced air travel. This benefits the environment by lowering associated carbon emissions.

Focus on socio-economic transformation

Our commitment to transformation is reflected in our level 2 BBBEE status (the South African Department of Trade and Industry's legislated scorecard for broad-based black economic empowerment). The group's support for transformation goes beyond legislative compliance. It is driven by our commitment to contribute to transformation in the broadcast sector specifically, and the country as a whole.

Transformation

We are proud of our scores for the different elements against which we are measured and achieving level 2 BBBEE certification. This has boosted the effectiveness of our transformation initiatives, as outlined below:

- **Ownership – a catalyst for equity:** The group scored full points on the ownership element of the BBBEE scorecard. Through a combination of shareholding in Naspers and the Phuthuma Nathi share schemes, black South African individuals and groups now enjoy a 50,1% (2015: 47,3%) economic interest in the group.

The group's preferential procurement spend was

R11,5bn

in the year

- **Preferential procurement:** Our preferential procurement programme supports the development of small, medium and micro enterprises (SMMEs). The group consolidates its buying power in South Africa in a centralised bargaining company, CommerceZone (our eprocurement solutions company). Suppliers' black economic empowerment (BEE) performance is evaluated against specific criteria and they are expected to boost their annual BEE ratings. The group's preferential procurement spend was R11,5bn in the period, equating to a 99% (2015: 100,08%) achievement on more than 3 900 (2015: 3 100) BBBEE compliant suppliers. Some 25% (2015: 13%) of this was spent on SMMEs.

Black South African individuals and groups now enjoy a

50,1%

economic interest in the group

Operational review (continued)

Focus on socio-economic transformation (continued)

- MultiChoice has a network of 1 302 accredited installers across South Africa, employing 3 321 trained technicians. In addition, we have 130 independent agencies contracted to the group that manage face-to-face customer care. Spread across the country, they manage everything from processing payments to decoder sales. We provide continuous support through access to our systems and training so that they can provide the highest level of service.

- **Enterprise development:** We remain committed to development and sustainability in our sector. We maintained our 2015 score of 11 in the current year, which equates to a 100% achievement on this element. We recognise that SMMEs face different challenges; our enterprise and supplier development programme offers various forms of support, including improving the cash flow of our enterprise development beneficiaries by paying them early, providing business development support, including legal and accounting assistance, providing grant funding for startups and providing access to the DStv platform as a marketing tool. Recognising the impact small businesses have on their communities, in 2016 we provided grant funding to seven startup businesses, including four social entrepreneurs.

- **The MultiChoice Enterprise Development Trust (the trust):** The trust was established in 2012 as the vehicle for our investments in growing the local media and production industry. It works in tandem with the group to identify, support and develop small enterprises. The trust has disbursed over R77m in loans and grants to assist our beneficiaries in acquiring skills, assets and equipment. In 2016 it launched two skills development and training initiatives in associating with the Gordon Institute of Business Science and trained almost 70 entrepreneurs.

Focus on socio-economic transformation (continued)

BBBEE status maintained at level 2

Focusing on the future

The entities in the group are subject to the ICT sector code, which is being aligned to the Department of Trade and Industry's revised codes of good practice on BBBEE. As the weightings and performance indicators in the revised codes are more stringent than prior codes, this will mean a substantial drop in the performance of companies across all industries. We remain dedicated to playing a key role in the transformation of our industry and are taking active steps to manage our BBBEE status and maintain an acceptable level of compliance.

Corporate social investment

We believe in building a sustainable business and playing our part in the growth and development of our country. Through our corporate social investment (CSI) initiatives, we reinvest in communities and people. By doing so, we share our success and nurture undiscovered talent.

Operational review (continued)

Focus on socio-economic transformation (continued)

Our flagship CSI initiatives are summarised below:

MultiChoice Diski Challenge

A multifaceted programme aimed at developing football and broadcasting through:

- A football competition (for reserve teams of the Premier Soccer League).
- An internship programme in which apprentices produce live matches in the competition for SuperSport.
- Leadership and life skills training courses for players, coaches and interns.
- Broadcasting the Diski competitions – for free – on community television channels on DStv.

The second season of the MultiChoice Diski Challenge started in September 2015 and built on the success of the inaugural season (in which 45 players were promoted to the first teams of their clubs). Season 2 was expanded into a one-round league with 120 matches. This bolstered the competitiveness of the league, with 523 players participating in the reserve league.

Highlights of the second season:

89

callups to various national teams

- The football competition was won by Golden Arrows with a single point over Mamelodi Sundowns.
- 36 production interns benefited from the opportunity to work in the field as part of a live broadcast crew. These talented youngsters helped air 44 matches live on SuperSport and community television channels. The crew included three female camera operators and 15 additional women in various key roles. Twenty-one interns have now graduated and are being used by SuperSport in various productions.
- 89 callups to various national teams: 14 players were called up for the Bafana Bafana team, 11 made it to the U23 national team to represent South Africa at the Olympic qualifiers (and will compete in the 2016 Olympic Games).

Operational review (continued)

Focus on socio-economic transformation (continued)

SuperSport Let's Play

SuperSport's CSI programme is aimed at getting children active.

Let's Play is positioned as an implementation partner of school sport for the Department of Basic Education and is now active in thousands of schools nationwide. It reaches over one million children annually.

SuperSport – in partnership with the Department of Basic Education, Sport and Recreation South Africa, the Physical Education Institute of South Africa and Unicef SA – launched the biggest school sport initiative of its kind in April 2015 (and relaunched it in February 2016), the Let's Play schools' physical education challenge.

Operational review (continued)

Focus on socio-economic transformation (continued)

The Let's Play schools' physical education challenge reached

477

primary schools

The primary objective of the challenge was to reinforce the teaching of curriculum-oriented physical education and to promote physical activity in all primary schools. The challenge was a nationwide event targeted at 10- and 11-year-old children and reached 477 primary schools. It involved over 403 000 children and was part of the 10-year anniversary celebrations of Let's Play. Springbok captain Jean de Villiers was signed as an ambassador to Let's Play in 2015.

The level of support is what differentiates the Let's Play initiative from other corporate enterprises. Notable achievements include:

- Successfully launched the first school's rugby league, endorsed by the Department of Basic Education in partnership with the Blue Bulls Rugby Union, in 2012. This has now been extended to include seven more regional rugby unions, reaching 450 primary schools annually across South Africa.
- Let's Play transforms selected schools in South Africa, improving safety and opportunities to play by providing playing fields.
- Activation partner of the Sport Court project of The Sports Trust and Sport and Recreation SA.
- Finalist in 2014 and shortlisted in 2015 for the Discovery Sport Industry Awards.
- Winner: Mail & Guardian Youth Development Award 2015.

Operational review (continued)

Focus on socio-economic transformation (continued)

M-Net Magic in Motion

M-Net's CSI initiative is the Magic in Motion (MiM) film and TV academy.

M-Net has always supported the creation of local content, both through its commissioning processes and via learning opportunities for young producers. Through MiM, our CSI projects include an extensive internship programme in film-making, in which young film producers work with more experienced producers for hands-on experience.

The MiM expo was launched in August 2014 with some 3 000 students attending the week-long event. M-Net partnered with tertiary and financial institutions, as well as production companies, to give learners a holistic view of the industry. Attendees were also made aware of the variety of jobs available in the industry, such as presenting, acting, camerawork and directing – giving them valuable insights from industry experts and handson exposure to several disciplines.

Designed to bridge the gap between theoretical knowledge and practical implementation, the academy is focused on delivering highly employable professionals into a rapidly growing industry. Twelve deserving interns were welcomed to the MiM academy in March 2015. In addition to on-the-job training, they were tasked with creating, producing and directing movies for broadcast on the Mzansi Magic channel, ensuring that what they learned was put into practice. They produced four feature films – ILizwi, The Ring, Forgotten and #LIT – which received excellent reviews.

In 2016 the academy will again offer its interns training in production commissioning, concept creation, scriptwriting, producing, directing, cinematography, sound, art direction, editing, post-production, studio and location shoots, and more. This year 20 interns will participate in several respected professional film and TV productions across a variety of programming genres.

Operational review (continued)

Focus on socio-economic transformation (continued)

Other projects we have undertaken in the past financial year include:

PROJECT	BENEFICIARIES
Community development initiatives	Charities and non-profit organisations received R23,2m in free airtime.
Tshwane community TV studio equipment donation	This donation is aimed at developing the broadcasting industry.
DStv Media Sales donations	R104 000 was donated to various charity organisations, including: ● Action ● Autism SA – Mandela Day ● Hearts of Hope quiz evening ● Title – sports equipment ● Primedia 702 – John Robbie – invitation golf day 2015 ● Please Products – porridge sponsorship ● Cancer Association of SA – Runners Against Cancer.
CNN MultiChoice African journalist awards	These prestigious awards reinforce the importance of journalism in Africa as a tool that contributes to development across the continent. They aim to remunerate, recognise and encourage journalistic excellence across all media disciplines. In 2015 the awards celebrated their 20th year and MultiChoice celebrated 10 years of involvement. Burkinabé journalist Hyacinthe Boowurosigue Sanou was awarded the top prize from entries spanning 39 nations across Africa. Since the first awards in 1995, the competition has grown to become Africa's most prestigious media event. In 2015 highlights from the ceremony (held in Nairobi, Kenya) were broadcast across Africa, the UK, USA and the Caribbean.
M-Net Africa Magic film-making grants	M-Net has funded the production of more than 100 local feature films.

Operational review (continued)

Focus on socio-economic transformation (continued)

PROJECT	BENEFICIARIES
Africa Magic Viewers' Choice Awards	The creation of the Africa Magic Viewers' Choice Awards, and ongoing training of African film crews and production staff, has helped promote and profile our talent on a pan-African level. The awards recognise and reward African film-makers for their innovation and brilliance. Through MultiChoice's M-Net channels, the company has invested extensively in developing original African programming. The fourth awards were held in March 2016 in Lagos, with three new categories for best movie in East Africa, southern Africa and West Africa.
DStv Eutelsat Star Awards	In 2010 MultiChoice Africa and Eutelsat initiated an annual pan-African student competition, the DStv Eutelsat Star Awards. These awards encourage 14- to 19-year-old students to write an essay or design a poster on a satellite-related topic. Country winners across Africa then compete in the overall awards for a trip to the Eutelsat facilities in Paris, with the essay winner travelling on to witness a live rocket launch. Runners-up win a trip to South Africa as guests of MultiChoice Africa and the South African National Space Agency at Hartebeesthoek. Overall winners' schools also receive a DStv installation, including dish, television, state-of-the-art PVR decoder and free access to the DStv education bouquet. Winners at national level receive prizes such as computers or tablets. This programme is aimed at helping young learners understand Africa's challenges and to promote the understanding that satellite technology can change the course of development on a continent. To date the awards have attracted the interest of over 5 000 students across the continent and the programme has thus more than met its goal to invigorate a passion for science and technology in secondary school learners. The fifth annual awards, which took place in 2015, drew record participation with nearly 2 000 entries from 18 countries. The essay winner, Ayawen Asuinura from Ghana, secured the coveted trip to Paris. The runner-up, Sara Eribo from Equatorial Guinea, won a trip for two to visit the MultiChoice facilities and South African National Space Agency near Johannesburg. In the poster category, winner Mallon Marume from Zimbabwe will visit Eutelsat in Paris to understand how satellites are operated and piloted in space as well as gain insight into the many ways they benefit users. Benjamin Ibanda from Uganda was runner-up.
MultiChoice: Make a Difference employee volunteering programme	The programme is aimed at giving employees the opportunity to give back to community organisations of their choice (employees receive one paid day's leave to volunteer). Last year 29 teams – comprising employees across the group – chose community organisations such as the Randburg Trauma Centre, SOS Children's Village and SPCA to benefit from the programme. Each team received R20 000 to redecorate facilities, cook meals, initiate book drives or plant vegetable gardens.

Operational review (continued)

Focus on socio-economic transformation (continued)

PROJECT	BENEFICIARIES
SuperSport United Academy	The academy is a leading youth soccer development programme in Africa that aims to educate young players and develop local football talent. Partnering with the Royal Dutch Football Association as its technical partner, the academy now focuses on developing coaches as well, and aims to further the development of football in South Africa. The SuperSport United soccer schools give individuals the chance to develop the skills to become professional football players. With 21 franchises nationwide, this serves as a feeder system to identify, integrate and develop young players into the academy. The SuperSport United youth academy houses 32 full-time players and attends to their education, sports science (physical development), media and life-skills training, medical needs and all coaching requirements. Combined with access to world-class coaches, players' development is fast-tracked in preparation for entry into professional soccer. This was evident with South Africa competing in its first U17 Fifa World Cup in Chile in 2016, which consisted of six SuperSport academy players and a technical staff member. Six youth academy players took part in the SuperSport United senior PSL squad.
SuperSport wheelchair basketball series	SuperSport has sponsored this basketball series for 19 years. This is the only televised, domestic wheelchair basketball competition in the world. Television coverage has created awareness for this minority sport for people with disabilities. The SuperSport series offers a high-performance technical development programme as the top 120 national athletes, 10 national coaches and managers, 36 referees, commissioners, table officials, statisticians and classifiers perform at top-level basketball games. As a result, Wheelchair Basketball SA has four international world referees and three zonal referees, two International Wheelchair Basketball Federation (IWBF) commissioners, three IWBF classifiers and representation at IWBF world and paralympic competitions (U25 and senior women, U23 and senior men). The total sponsorship over the past five years is R10,5m. SuperSport pays for the series, production costs and airtime.

Create organic growth and sustain stakeholder value

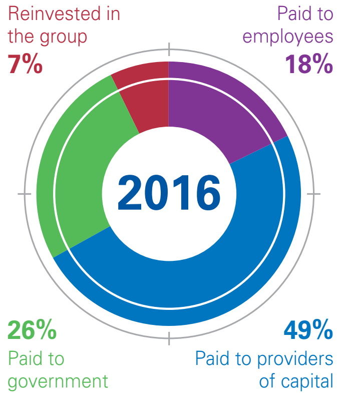
The group remains a sustainable for-profit organisation through the commitment, energy and resourcefulness of its people and stakeholders, contributing to the economy and society.

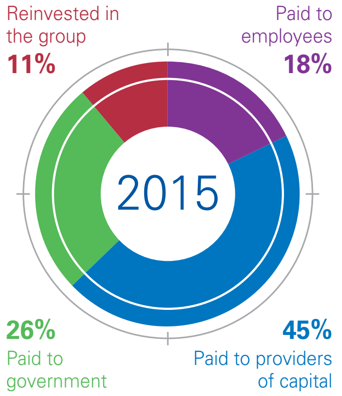
Value-added statements for the year ended 31 March

The value-added statements illustrate how the group distributed its earnings, and how much was retained for reinvestment.

	2016 R'm	2015 R'm
Value distribution		
Employees	**2 514**	2 358
Salaries, wages and benefits	**2 514**	2 358
Providers of capital	**6 747**	5 943
Finance costs	**547**	443
Dividends paid	**6 200**	5 500
Government	**3 647**	3 352
Total tax paid	**3 496**	3 217
Licence fees	**151**	135
Reinvested in the group	**923**	1 497
Depreciation, amortisation and capital items	**1 118**	1 358
Retained earnings	**(195)**	139
Total	**13 831**	13 150

Distribution of wealth





Operate responsibly in a challenging environment

The market for video entertainment has evolved with the entry of new competitors and platforms.

Key challenges include:

- Regulatory scrutiny into the broadcasting sector is intense, with focus from both competition and sector regulatory bodies.
- An economy under significant pressure from various sources is straining customers' ability and propensity to spend.
- The significant deterioration in the South African rand exchange rate against the US dollar and euro, the base currencies for our content.
- Increased disruption of the traditional direct-to-home (DTH) market by competitors offering both existing and new content platforms.
- Sport rights are increasingly sought after and becoming more expensive.
- Aggressive competition for top international content rights.
- The complexity of tax matters and an increase in tax enquiries.

The group's strategy and operations are also affected by key regulatory developments:

- Reviews of the ICT and broadcasting sectors are ongoing. The objective of the latter review is to assess developments caused by the convergence of technologies, platforms, services and other media to ensure the sector remains relevant. We expect it to result in amendments to communications and broadcasting legislation.
- A number of broadcasting regulations are under review, including those on local content, premium content and customers with disabilities. We work closely with Icasa and other stakeholders to develop appropriate and practical solutions.

Operational review (continued)

Operate responsibly in a challenging environment (continued)

Risk management review

Risk management enables MultiChoice to actively anticipate and respond to potential risks that may affect achieving our strategic objectives. In evaluating risks, we consolidate the perceptions of a group of managers, perform process reviews, data analytics, identify and monitor key risk indicators, evaluate market information and loss data, perform scenario planning and portfolio analysis.

Risks are proactively managed and reported, together with risk responses and controls. Risk management is implemented from the top down, aligned to strategy and objectives, but integrated into business processes to achieve departmental objectives. Results of risk evaluations throughout the business inform risk discussions at executive and board level.

The chief executive officer is responsible to the board for the enterprise-wide management of risk. The risk and audit committees have oversight of risk management processes on behalf of the board, which remains accountable for delivering against the strategy, and therefore managing risks that may jeopardise strategic objectives. The risk committee reviews and evaluates key risks and the appropriateness of mitigating actions. The risk management framework and policy, plan and budget are reviewed annually and risk reporting is provided at each meeting of the committee. Management is supported by the group risk function to fulfil its responsibility for the day-to-day management of risk, and to ensure that risk management processes are continually improved.

A detailed risk register, containing risk definitions, potential impacts, risk tolerance statements and mitigating actions, as well as a heat map demonstrating the relative positioning and movement of risks facing the group, are reviewed and commented on by the risk committee twice a year, and then recommended to the board for approval.

Risk profile

The risk profile of the group is based on its risk-bearing capacity and risk tolerance, which is then managed within certain risk indicators to ensure compliance with the board's direction. Results from the enterprise-wide risk management (ERM) process are integrated into the business's strategic, operational, reporting and compliance activities, and part of ongoing management responsibilities.

Operate responsibly in a challenging environment (continued)

Our stakeholders have a significant influence on how we manage our business and how we manage risks.

Our stakeholders

The group has a range of stakeholders whose concerns influence our material issues.

Customers

The group has a number of points for customer engagement, including:

- contact centre
- email
- SMS
- social media platforms (DStv Forum, Twitter and Facebook).

Shareholders and investors

Management meets at least annually with shareholders and investors to discuss strategy, performance and material issues. Annual and interim results announcements and the integrated report are additional channels of communications.

Regulators

The group participates in all regulatory processes initiated by Icasa to develop an environment conducive to the growth of the ICT sector. We also engage with opinion leaders and regulators to assist with policy development. The group is subject to regulation by the Broadcasting Complaints Commission of South Africa.

Employees and communities

We use multiple media platforms to interact with our employees. We have the workplace forum representing employees' interests. We communicate with local communities through our corporate citizenship activities.

Industry and business partners

The group plays an active and constructive role in the broadcast industry. It is a member of the National Association of Broadcasters and is represented on the ICT policy review panel that assists the minister in reviewing all related legislation. We engage regularly with suppliers and business partners.

Operate responsibly in a challenging environment (continued)

Our material issues

The performance of the business is impacted by material issues and how effectively these can be controlled and managed. Risk evaluations are based on known factors that may influence our strategy. Although extreme scenarios are considered, some potential risks may be unknown and others

MATERIAL ISSUE	RISK TYPE	RISK DESCRIPTION	MITIGATION OF RISK	STAKEHOLDER IMPACTED	STRATEGIC OBJECTIVE IMPACTED
COMPLIANCE AND REGULATORY ISSUES	**Strategic/ operational**	Competition commission and Icasa ➜ Investigations by the commission on three complaints against MultiChoice continue. Allegations range from bundling packages to predatory pricing. ➜ The commission has initiated a new investigation on whether the standard industry agency commission employed by DStv Media Sales (in the past) and others in the media industry constitutes cartel behaviour. ➜ Icasa has set up an internal committee to consider competition in the broadcasting sector – the first step in a process of instituting a formal enquiry.	➜ We cooperate fully with the commission. ➜ Senior advisers have been dedicated to assist the investigation and provide requested information. ➜ The group has access to local and international experts in this field to support internal advisers where required.	➜ Regulators ➜ Shareholders ➜ Customers	➜ Ensure compliance with legislation and governance frameworks.
	Strategic	Regulatory risk ➜ The highly regulated environment in which the group operates, continues to grow in complexity amid various policy reviews and ongoing enquiries. ➜ Several sector acts, regulatory policies and regulations are under review and potentially due for amendment, particularly the ongoing review of the ICT sector and review of the broadcast sector.	➜ A regulatory compliance policy is in place. ➜ MultiChoice participates actively in public processes during the development of new legislation/ regulations. ➜ Management involves specialist legal resources in decisions that may have a regulatory impact.	➜ Regulators ➜ Shareholders ➜ Customers	➜ Ensure compliance with legislation and governance frameworks.

Operate responsibly in a challenging environment (continued)

currently considered immaterial may increase in significance through other changes in our dynamic environment. The following material issues and related risks are currently key for the group's senior management:

MATERIAL ISSUE	RISK TYPE	RISK DESCRIPTION	MITIGATION OF RISK	STAKEHOLDER IMPACTED	STRATEGIC OBJECTIVE IMPACTED
CONTENT RIGHTS	**Strategic**	Sport content risk ➜ Sport rights have become increasingly expensive and hotly contested. ➜ SuperSport may lose or fail to secure/renew key sport rights.	➜ We review sport rights and assess their economic value to ensure continued viability of the offering. ➜ Continuously invest in and build local sport and remain a major funder of sport development in Africa. ➜ Improve the quality of viewing with ongoing technology enhancements.	➜ Customers ➜ Shareholders	➜ Renewal of key sport rights and increased hours of produced local content.
	Strategic	General content risk ➜ Local content is a significant differentiator for the video-entertainment market, but is expensive compared to internationally procured content.	➜ Significant investments in local content. ➜ Development and growth of local production industries across Africa, stimulating economies and creating jobs. ➜ Maximise the sustainability of local production and local content through focused CSI initiatives. ➜ M-Net's local-content productions compete vigorously with free-to-air platforms for viewership in prime-time viewing slots.	➜ Customers ➜ Suppliers	➜ Renewal of key sport rights and increased hours of produced local content.

Operate responsibly in a challenging environment (continued)

MATERIAL ISSUE	RISK TYPE	RISK DESCRIPTION	MITIGATION OF RISK	STAKEHOLDER IMPACTED	STRATEGIC OBJECTIVE IMPACTED
COMPETITION/ DISRUPTION	**Strategic**	Competition/disruption ➜ The proliferation of competitors – local, elsewhere on the continent and international via internet-delivered services – continues. ➜ Linear ratings are affected by online streaming and services, such as our own DStv Catch Up.	➜ ShowMax launched successfully as the group's entry to the over-the-top market. ➜ Launch Explora 2. ➜ Strengthen connected and online experiences (DStv anywhere, anytime). ➜ 24-month decoder payment plan products launched. ➜ Focus on value-added services.	➜ Industry ➜ Customers	➜ Improved PVR penetration. ➜ Maintain high level of customer satisfaction ratings.
MARKET FACTORS	**Strategic**	Economic risk ➜ SA customers are under increasing economic pressure, affecting both the size of the potential customer base and retention. ➜ The dramatic and unexpected deterioration in the South African rand exchange rate against the US dollar and euro (base currencies for most content deals) increases the cost base.	➜ Continued focus on reducing costs and improving process efficiencies. ➜ Hedging policy in place, with compliance monitored.	➜ Shareholders ➜ Customers	➜ Customer growth. ➜ Ensure compliance with legislation and governance frameworks.
	Compliance	Tax complexities and compliance ➜ The complexity of tax matters and an increase in tax enquiries from SARS present an increasing risk to the business.	➜ Expert advisers are continually used to support internal structures. ➜ Expanded internal tax resources.	➜ Shareholders ➜ Regulators	➜ Ensure compliance with legislation and governance frameworks.

Operational review (continued)

Operate responsibly in a challenging environment (continued)

MATERIAL ISSUE	RISK TYPE	RISK DESCRIPTION	MITIGATION OF RISK	STAKEHOLDER IMPACTED	STRATEGIC OBJECTIVE IMPACTED
TECHNOLOGY	**Operational**	Technology → Technology failures in customer service or value-added services may affect customer retention and acquisition, and present ongoing operational risks to the group.	→ COBIT 5 is being implemented throughout the group. Key business processes are reviewed regularly and potential technology risks identified and mitigated.	→ Customers → Shareholders	→ Limit customer churn. → Improved PVR penetration in the premium and middle market. → Ensure compliance with governance frameworks.
BUSINESS CONTINUITY	**Strategic/ operational**	Satellite interruption → Transponder failure on the satellite could interrupt viewing as full redundancy is not available. Broadcasting interruption → Software problems in decoders, including upgrades and head-end equipment affecting the entire base, could interrupt viewing. IT systems failure → Failure of key IT systems may cause business interruptions.	→ Backup satellite replaced with one with more capacity and power, effective 1 January 2016. → Rigorous testing programmes are implemented for all software rollouts. → Proper change-management process including ongoing quality assurance processes for all changes to broadcast technology. → Policies on redundancy in key equipment in place in disaster-recovery site. → Offsite hot broadcast site operational.	→ Customers → Shareholders	→ Limit customer churn. → Ensure compliance with governance frameworks.
INFORMATION SECURITY	**Strategic/ operational**	Cyber security → Exposure of the group's information assets may cause financial and reputational damage.	→ Security of information assets is continually improved. → Regular reviews and mitigation of potential vulnerabilities.	→ Content providers → Customers → Employees	→ Compliance with legislation and governance frameworks.

Corporate governance

Corporate governance

Our approach to governance

The group is focused on sound corporate governance and effective leadership

The board of directors conducts the group's business with integrity by applying appropriate corporate governance policies and practices.

MultiChoice South Africa Holdings Proprietary Limited (MultiChoice) is a subsidiary of Naspers Limited, which is listed on the JSE Limited's stock exchange (JSE) and London Stock Exchange (LSE). MultiChoice complies with the Listings Requirements of the JSE, as well as legislation applicable to publicly listed companies in South Africa (where applicable to a subsidiary of a company listed on the JSE) and the guidelines in the King Code and Report on Corporate Governance for South Africa 2009 (King III). Compliance with the applicable JSE and LSE listings requirements is monitored by the audit committee of the board.

MultiChoice has an independent board of directors, which has its own governance practices and committees that comply with applicable governance and regulatory requirements. The board's audit, risk and remuneration and equity committees fulfil key roles in ensuring good corporate governance in the group. We use independent external advisers to monitor regulatory developments, locally and internationally, to enable management to make recommendations to the board on matters of corporate governance.

Application of and approach to King III

A disciplined reporting structure ensures the MultiChoice board is fully apprised of subsidiary activities, risks and opportunities. All controlled entities are required to subscribe to the relevant principles of King III. Business and governance structures have clear approval frameworks. Compliance, as well as progress, is monitored by the MultiChoice audit and risk committees and reported to the MultiChoice board. For a review of MultiChoice's application of King III, click here.

Business ethics statement

The code of business ethics and conduct is available on our website (**www.multichoice.co.za**) under the information tab in the about us section.

This code applies to all directors and employees in the group. Ensuring group companies adopt appropriate processes and establish supporting policies and procedures is an ongoing process. Management focuses on policies and procedures that address key ethical risks, such as potential conflicts of interest, accepting and giving of inappropriate gifts (including entertainment) and unacceptable business conduct.

The remuneration and equity committee is the overall custodian of business ethics. The disciplinary codes and procedures of the various companies are used to ensure compliance with policies and practices that underpin the overall code of business ethics and conduct.

Corporate governance (continued)

Our approach to governance (continued)

Unethical business behaviour by senior staff members, as well as the manner in which the company's disciplinary code was applied in such instances, is reported to this committee. The group is committed to conducting its business on the basis of complying with the law, with integrity and with proper regard for ethical business practices. Whistle-blowing facilities enable employees to anonymously report unethical business conduct.

Compliance framework

The group has a legal compliance programme that involves preparing and maintaining inventories of material laws and regulations applicable to each business unit, implementing policies and procedures based on these laws and regulations, establishing processes to control and supervise compliance and mitigate risks, monitoring compliance, implementing effective training and awareness programmes, and reporting to the board and management on the effectiveness of compliance efforts.

The compliance programme is under the control of legal counsel Chimane Lelaka, acting as compliance officer, and a compliance committee. This committee reports on its activities to the compliance officer who, in turn, reports to the risk committee.

The board

Composition

Details of directors at 31 March 2016 are on pages 62 and 63. MultiChoice has a unitary board that fulfils oversight and controlling functions. The board charter shows a clear division of responsibilities. The majority of board members are non-executive directors and operate independently of management. To ensure no one individual has unfettered powers of decision-making and authority, the roles of chair and chief executive are separate.

At 31 March 2016 the board comprised five independent non-executive directors, three non-executive directors and three executive directors. Seven directors (64%) were from previously disadvantaged groups and two directors (18%) were female. Uvashni Raman was appointed as the MultiChoice South Africa Holdings group chief financial officer on 1 May 2016 in the place of Nazeer Wadee and the director responsible for the finance function with effect from 1 June 2016.

The chair

The chair, Nolo Letele, is an executive director. Khulu Sibiya, an independent non-executive director, fulfils the role of lead independent director in all matters not dealt with by the executive chair, including managing potential conflicts of interest.

Corporate governance (continued)

Our approach to governance (continued)

The chief executive

The chief executive reports to the board. He is responsible for the day-to-day business of the group and implementing policies and strategies approved by the board. Board authority conferred on management is delegated through the chief executive, in line with approved authority levels. Imtiaz Patel was the MultiChoice group chief executive until 11 September 2015 when he was promoted to chief executive of video entertainment of the Naspers Limited group. Imtiaz is acting chief executive of the MultiChoice group until a new chief executive is appointed.

Orientation and development

An induction programme for new members of the board and key committees is specifically tailored to the needs of individuals. The company secretary assists the chair with the induction and orientation of directors, and arranges specific training if required.

Conflicts of interest

Potential conflicts are appropriately managed to ensure that candidate and existing directors have no conflicting interests between their obligations to the company and their personal interests. Any interest in contracts with the company must be formally disclosed and documented. Directors and employees must also adhere to a policy on trading securities of MultiChoice's ultimate holding company, Naspers Limited.

Independent advice

Individual directors may, after consulting with the chair or chief executive, seek independent professional advice at the expense of the company, on any matter connected with discharging their responsibilities as directors.

Board meetings and attendance

The board meets at least four times a year and when specific circumstances require. Non-executive directors meet at least once annually without the chief executive, chief financial officer and chair present, to discuss the performance of these individuals. Details of attendance at board and committee meetings are provided on page 64.

Evaluation

The remuneration and equity committee conducts an annual evaluation process. The performance of the board and its committees, as well as the chair of the board, is appraised against their respective mandates in the board and committee charters. Committees perform self-evaluations against their charters for consideration by the board. In addition, the performance of each director is evaluated by other board members using a questionnaire.

The chair of the remuneration and equity committee discusses the results of the evaluation with each director. A consolidated summary of the evaluation is discussed by the board. The chair of the remuneration and equity committee leads the discussion on the performance of the chair of the board.

Corporate governance (continued)

Our approach to governance (continued)

The annual board-effectiveness evaluation process showed that the board and its committees had functioned well and discharged their duties in line with their mandates. In addition, the independence of each director was evaluated. The board determined that although some directors had served as members for nine years or longer, they all demonstrated that they were independent in character and judgement and there were no relationships or circumstances that were likely to affect or would appear to affect their independence.

Board committees

While the board remains accountable for the performance and affairs of the company, it delegates certain functions to board committees and management to assist in discharging its duties. Appropriate structures for these delegations are in place, accompanied by monitoring and reporting systems.

Each committee acts within agreed, written terms of reference. The chairs of each committee, all independent non-executive directors, report at each scheduled board meeting. The chair of each committee is required to attend the annual general meeting (AGM) to answer shareholders' questions. The board is satisfied that the committees properly discharged their responsibilities over the past year.

Internal control systems

MultiChoice has mature systems of internal controls based on the group's policies and guidelines. As part of overall risk management, internal control measures aim to prevent significant risks from materialising and to detect these expediently if they arise to mitigate potential adverse consequences. Internal audit reviews systems of internal control and reports identified concerns to management and the audit and risk committees. The external auditor considers elements of internal control systems as they relate to financial reporting as part of their audit and communicates deficiencies where identified.

The possibility of human error or deliberately bypassing control measures always exists. The group's system of internal controls is designed to provide reasonable assurance on the integrity and reliability of internal controls; to safeguard, verify and maintain accountability of its assets; and to detect fraud, potential liability, loss and material misstatement while complying with regulations.

Corporate governance (continued)

Our approach to governance (continued)

The board reviewed the effectiveness of the system of internal control for the year ended 31 March 2016 by confirming the board-approved combined assurance model. This confirmation is based on the annual management self-assessment in the form of a formal confirmation per representation letters by executive management. Consideration was also given to input from internal audit, external audit, compliance, risk management and other assurance providers. Where necessary, programmes for corrective actions have been initiated. Nothing has come to the attention of the board of directors to indicate that any material breakdown in the functioning of internal controls occurred during the year.

Internal audit

An internal audit function is in place throughout the group. The head of internal audit reports to the chair of the Naspers audit committee, with administrative reporting to the chief financial officer.

Non-audit services

The group's revised policy on services provided by the independent external auditor provides guidelines on dealing with audit, audit-related, tax and other non-audit services that may be provided by the independent external auditor. It also sets out services that may not be performed by the independent external auditor.

IT governance

Information technology (IT) governance is integrated in the operations and risk-management processes of the MultiChoice businesses. Management of each subsidiary/business unit is responsible for ensuring effective processes for IT governance are in place. Internal audit provides assurance to management and the audit committee on the effectiveness of IT governance.

Company secretary

The company secretary, Lurica Klink, is responsible for guiding the board on discharging its responsibilities in terms of legislation and regulatory requirements. Directors have unlimited access to the advice and services of the company secretary. She plays a role in the company's corporate governance and ensures that, in accordance with pertinent laws, the proceedings and affairs of the board, the company itself and, where appropriate, shareholders are properly administered. She is also the company's delegated information officer. She attends all board and committee meetings.

Corporate governance (continued)

Our board

Nolo Letele (66)

Joined M-Net in 1990 and pioneered MultiChoice's expansion outside South Africa. In 1999 he was appointed chief executive of MultiChoice South Africa, and later served as MultiChoice group chief executive until 2010, when he was appointed executive chair of the MultiChoice South Africa Holdings board. Nolo has won several awards, including Media Man of the Year in 2001 (Saturday Star Business Report); Media Owner of the Year in 2003 (Financial Mail Adfocus); and the lifetime achievement prize for media development in Africa (Millennium Excellence Foundation). He holds an honours degree in electronic engineering (UK).

Don Eriksson (70)

Is a chartered accountant (SA) and honorary life member of the Institute of Directors of Southern Africa (IoDSA). He is currently chair of Oakleaf Insurance Company Limited, Insurance Group Managers Limited, NMS Insurance Services Limited, and a director of Naspers Limited and Coface Insurance Company Limited. He was a partner at PricewaterhouseCoopers Inc.

Kgomotso Moroka (62)

Has a BProc (University of the North) and LLB (Wits). She is a senior advocate of the High Court of South Africa and has been in practice at the Johannesburg Bar since 1989. She is a director of Standard Bank Group Limited, South African Breweries Limited and Network Healthcare Holdings Limited. She is chair of Royal Bafokeng Platinum and Gobodo Forensic and Investigative Accounting. Kgomotso is a trustee of the Nelson Mandela Children's Fund, Project Literacy and The Apartheid Museum.

Imtiaz Patel (52)

Is the chief executive of video entertainment, Naspers, and holds a higher diploma in education from the University of the Witwatersrand. He was previously chief executive of SuperSport International. In 1998 Imtiaz was appointed director of professional cricket for the United Cricket Board of South Africa. In 2009 he received the Phil Weber Award, the highest accolade to an employee in the Naspers group. He is a board member of the Sunshine Tour and the Sharks, as well as a member of the global agenda council on media for the World Economic Forum. Imtiaz is currently the acting chief executive of MultiChoice South Africa Holdings group.

Khulu Sibiya (68)

Was a senior reporter for the Detroit News in Michigan, where he obtained a diploma in journalism and management. He is chair of the SuperSport United Football Club and a council member of the University of Johannesburg. He was editor-in-chief of the City Press newspaper, senior general manager (consulting) of Media24, former chair of M-Net and SuperSport International Holdings and director of MIH Holdings. He serves on the boards of a number of listed and unlisted companies.

Bob van Dijk (43)

Was appointed chief executive of Naspers Limited in April 2014. He has over a decade of general management experience in the online growth business, as a founder and entrepreneur and later with eBay and Schibsted, spanning the online marketplaces, online classifieds and etail segments. He was vice-president and general manager of eBay Germany and Europe Emerging Markets. He started his career in McKinsey with a focus on mergers and acquisitions and media. Bob has an MBA Hons from INSEAD and an MSc (cum laude) in econometrics from Erasmus University Rotterdam.

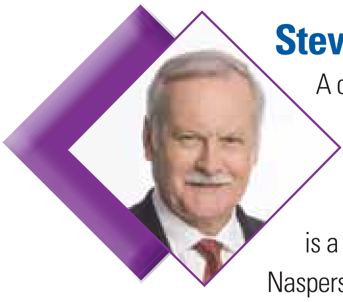
Corporate governance (continued)

Our board (continued)

Salukazi Dakile-Hlongwane (65)

Is the chair of Nozala Investments Proprietary Limited, a broad-based women-owned and -led investment company representing over 500 000 direct/indirect women beneficiaries, which she cofounded in 1996. She holds a BA in economics and statistics from the National University of Lesotho and a master's degree (development economics) from Williams College (Massachusetts, USA). Her career includes 13 years with Lesotho National Development Corporation, African Development Bank and the Development Bank of Southern Africa.

Steve Pacak (61)



A chartered accountant (SA), began his career with Naspers at M-Net in 1988 and has held various executive positions in that group. He is a non-executive director on the Naspers board and a director of MultiChoice South Africa Holdings and other companies in the wider Naspers group. He was appointed an executive director of Naspers in 1998. He retired as Naspers's financial director in June 2014, but remained on the board as a non-executive director.

Elias Masilela (52)

Holds a BA degree in social sciences (economics and statistics) from the University of Swaziland and MSc in economic policy and analysis specialising in money, banking and international economics, from Addis Ababa University. Elias is the executive chair of DNA Economics and commissioner of the first national planning commission in South Africa. He is also chairman of the V&A Waterfront and Economic Research Southern Africa. Elias is a former board member of the South African Reserve Bank, Government Employee Pension Fund, UN Global Compact and CEO of the Public Investment Corporation.

Jim Volkwyn (58)

Is a chartered accountant (SA). He joined the group in 1990 and was chief executive officer of the group's global video-entertainment platforms from 2001 to 2009. He returned and resumed this role for 18 months from April 2014 to September 2015. Jim has been a director of MultiChoice South Africa since March 2007.

Uvashni Raman (43)

Is a chartered accountant (SA). She was appointed MultiChoice South Africa Holdings chief financial officer on 1 May 2016 in the place of Nazeer Wadee and the director responsible for the finance function with effect from 1 June 2016. Her previous positions include vice president finance/chief financial officer for BHP Billiton's Global Manganese and Iron Ore Divisions 2008 to 2015, and vice president finance/chief financial officer for South32's (Demerger from BHP Billiton) Australian Region since February 2015.

Directors who stepped down from the board after year-end

Nazeer Wadee (41)

Joined SuperSport in 2011 as chief financial officer. He was appointed as the chief financial officer of MultiChoice South Africa Holdings in 2014 and as the director responsible for the finance function of the board in 2015. He is a chartered accountant (SA) and completed his articles at PricewaterhouseCoopers Inc. He was appointed chief strategy officer of the Naspers Limited video-entertainment segment from 1 May 2016, and resigned as MultiChoice's director responsible for the finance function on 1 June 2016.

Corporate governance (continued)

Our board (continued)

Directors and attendance at meetings

	Date first appointed in current position	Date re-elected	Four board meetings held in the year: attendance	Category
S Dakile-Hlongwane	8 March 2007	4 September 2015	4	Independent non-executive
D G Eriksson	8 March 2007	4 September 2015	4	Independent non-executive
F L N Letele	14 September 2006	5 September 2012	4	Executive
K D Moroka	8 March 2007	3 September 2014	3	Independent non-executive
S J Z Pacak	14 September 2006	4 September 2015	4	Non-executive
M I Patel	1 October 2010	1 October 2010	3	Executive
K B Sibiya	8 March 2007	4 September 2015	4	Independent non-executive
J J Volkwyn	8 March 2007	3 September 2014	4	Executive
B van Dijk	2 April 2014	3 September 2014	4	Non-executive
E Masilela	1 April 2015	1 April 2015	4	Independent non-executive
N A Wadee[(1)]	15 June 2015	15 June 2015	3	Executive

[(1)] *Appointed on 15 June 2015.*

Committees and attendance at meetings

	Audit committee	Risk committee	Remuneration and equity committee	
	Four meetings: attendance	Four meetings: attendance	Three meetings: attendance	Category
S Dakile-Hlongwane	2	2		Independent non-executive
D G Eriksson	4	4		Independent non-executive
K D Moroka			3	Independent non-executive
M I Patel		2		Executive
S J Z Pacak		4	3	Non-executive
B van Dijk			3	Non-executive
E Masilela	4	4		Independent non-executive
N A Wadee[(1)]		3		Executive

[(1)] *Appointed on 15 June 2015.*

Corporate governance (continued)

Remuneration report

FOR THE YEAR ENDED 31 MARCH 2016

Remuneration and equity committee and its role

The remuneration and equity committee comprised only non-executive directors on 31 March 2016. Executive directors and certain members of management attend meetings by invitation as appropriate. This committee met three times during the period with attendance detailed on page 64.

Its main responsibilities are to:

- Determine and approve general policy on strategic compensation issues, which must be tabled at each annual general meeting for a non-binding advisory vote by shareholders.
- Prepare an annual remuneration report for inclusion in the company's integrated report.
- Annually review and approve the remuneration packages of the most senior executives, including incentive schemes and increases, ensuring they are appropriate and in line with the remuneration policy.
- Annually appraise the performance of the chief executive.
- Review the remuneration of non-executive directors of the board and its committees annually.
- Fulfil delegated responsibilities on share-based incentive plans, for example appointing trustees and compliance officers.
- Review incidents of unethical behaviour by senior managers and the chief executive.
- Review the company's code of business ethics and conduct annually.
- Annually review the committee's charter and, if appropriate, recommend amendments for approval by the board.
- Perform an annual self-assessment of its effectiveness, reporting these findings to the board of directors.

The committee fulfilled its remit during the year.

Remuneration strategy and policy

The group's remuneration strategy aims to attract, motivate and retain competent leaders in its drive to create sustainable shareholder value. We aim to recognise top performance and to attract entrepreneurs and the best creative engineers and employees to grow the value of the group. Our policy and practices align the remuneration and incentives of executives and employees to the group's long-term business strategy.

Primary objectives include the need to promote superior performance; direct employees' energies towards key business goals; achieve the most effective returns for employee spend; address diverse needs across differing cultures; and have a credible remuneration policy. MultiChoice has an integrated approach to reward strategy, encompassing a balanced design, in which reward components are aligned to the strategic direction and business-specific value drivers of MultiChoice.

Overview of remuneration

Non-executive directors of MultiChoice South Africa receive annual remuneration as opposed to a fee per meeting. This recognises their ongoing responsibility for the efficient control of the company. This remuneration is augmented by compensation for services on committees of the

Corporate governance (continued)

Remuneration report (continued)

FOR THE YEAR ENDED 31 MARCH 2016

board and boards of subsidiaries. A premium is payable to the chair of the board and to the chairs of committees.

Remuneration is reviewed annually, with reference to competitors and companies of similar size. Independent advice is acquired to assist the committee. This remuneration is not linked to the company's performance. Non-executive directors do not qualify for shares in terms of the group's incentive schemes. No remuneration is paid to directors of MultiChoice South Africa Holdings. The board annually recommends remuneration of non-executive directors for approval by shareholders in advance.

In remunerating executives, the group aims to attract, motivate and retain competent and committed leaders in its drive to create sustainable shareholder value. We aim to recognise top performance and attract entrepreneurs and the best creative engineers and employees to grow the value of the group.

The remuneration policy strives to meet this objective. Accordingly, the focus is not primarily on the guaranteed annual remuneration package, but on individual incentive plans linked to creating shareholder value.

MultiChoice usually structures packages on a total cost-to-company basis (which incorporates base pay, car allowance, pension, medical aid and other optional benefits). In addition, most executives qualify for individual and/or team performance incentives. At senior level we avoid standardised packages and aim to tailor compensation structures to the needs of the specific business. Remuneration packages are reviewed annually and are monitored and compared with reported figures for similar positions to ensure they are sensible. In some cases, independent consultants provide benchmarks.

Annual bonus

Most executives have an annual cash bonus scheme that may comprise a variable component based on surpassing financial and operational objectives, as well as fixed amounts for achieving specific, discrete objectives. The incentive for each executive is agreed annually in advance. Incentives are based on targets that are verifiable and aligned to the business plan, risk management policy and strategy. If targets are not met, no bonus is paid.

Long-term incentives

Long-term incentives are generally share-based incentive schemes. These awards normally vest over five years and must be exercised within 10 years from date of grant. The shares/appreciation rights are not free. The employee is offered the share/appreciation right at market value on the day of the award. Employees benefit only if they, together with colleagues in that unit, can create additional value above the value on the date of issue.

The remuneration and equity committee annually reviews share awards. In addition, if the company employs people during the year, the committee may decide to make awards to those individuals. No awards of shares/appreciation rights are made in a closed period for trading, backdating of awards is prohibited, and there is

Corporate governance (continued)

Remuneration report (continued)

FOR THE YEAR ENDED 31 MARCH 2016

no repricing and automatic regranting of underwater shares/appreciation rights.

There is no automatic entitlement to bonuses or early vesting of share-based incentives if an executive leaves the employ of the company. A maximum number of shares/appreciation rights may be awarded in aggregate and to any individual for each share-based incentive scheme.

Service contracts

Executive contracts are subject to standard terms and conditions of employment. Executive and non-executive directors' contracts do not contain golden-parachute clauses. None is linked to any restraint payment by the company.

Non-executive directors are subject to the regulations on appointment and rotation in terms of the company's memorandum of incorporation and the Companies Act of South Africa.

No executive director has a notice period of more than one year. No executive director's service contract includes predetermined compensation as a result of termination that would exceed one year's salary and benefits.

Share-based incentive plans

Details of the group's share-based incentive schemes appear in the annual financial statements on **www.multichoice.co.za**. There is no dilution as these are share appreciation rights.

Key management remuneration

Key management comprises individuals with authority and responsibility for planning, directing and controlling the activities of the group. Comparatives have not been restated for changes in the composition of key management remuneration.

	2016 R'm	2015 R'm
Key management remuneration	**102,9**	115,5
Short-term employee benefits	**86,6**	101,5
Other long-term benefits	**3,1**	3,3
Share-based payment charge	**13,2**	10,7
Non-executive directors		
Directors' fees	**3,59**	2,54

Corporate governance (continued)

Remuneration report (continued)

FOR THE YEAR ENDED 31 MARCH 2016

All amounts are paid by companies in the group other than MultiChoice South Africa Holdings.

Non-executive directors' terms of appointment

Appointments to the board

The board has adopted a policy on procedures for the appointment and orientation of directors. The remuneration and equity committee periodically assesses skills represented on the board by non-executive directors to determine whether these meet the company's needs. Annual self-evaluations conducted by the board and its committees assist in this regard. Directors are invited to provide input in identifying potential candidates. Members of the committee propose suitable candidates for consideration by the board, with a fit-and-proper evaluation performed for each candidate.

Retirement and re-election of directors

One third of directors retire annually, but are available for re-election. Brief biographical details appear on pages 62 and 63. The reappointment of directors is not automatic.

Discharge of responsibilities

For the review period, the committee determined that it had discharged its responsibilities as outlined in its charter, details of which are on page 65. The board concurred with this assessment.

K D Moroka
Chair: Remuneration and equity committee

10 June 2016

Corporate governance (continued)

Statement of directors' responsibility

The audit committee has reviewed and recommended the integrated report for approval. The report was approved by the board on 10 June 2016. The integrated annual report and financial statements fairly reflect, in our opinion, the true financial position of the group at 31 March 2016, and that of its operations during this period as described in the report.

On behalf of the board

F L N Letele
Executive chair

10 June 2016

Corporate governance (continued)

Report of the audit committee

FOR THE YEAR ENDED 31 MARCH 2016

The audit committee submits this report, as required by section 94 of the Companies Act of South Africa No 71 of 2008, as amended (the Act).

Functions of the audit committee

The committee has adopted formal terms of reference, delegated by the board of directors, as its charter. The committee has discharged the functions in terms of its charter and ascribed to it by the Act as follows:

- Reviewed the year-end financial statements, culminating in a recommendation to the board to adopt these. In the course of its review, the committee:
  - took appropriate steps to ensure the financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and as required by the Act
  - considered and, when appropriate, made recommendations on internal financial controls
  - dealt with concerns or complaints on accounting policies, internal audit, the auditing or content of annual financial statements and internal financial controls
  - reviewed legal matters that could have a significant impact on the organisation's financial statements.
- Reviewed external audit reports on the annual financial statements.
- Approved the internal audit charter.
- Approved the internal audit plan and budget.
- Reviewed internal audit and risk management reports and, where relevant, made recommendations to the board.
- Evaluated the effectiveness of risk management, controls and governance processes.
- Verified the independence of the external auditor, nominated PricewaterhouseCoopers Inc. as auditor for 2016 and noted the appointment of Ms S N Madikane as the designated auditor.
- Approved audit fees and engagement terms for the external auditor.
- Determined the nature and extent of allowable non-audit services and approved contract terms for non-audit services by the external auditor.

Members of the audit committee and attendance at meetings

The audit committee comprises the non-executive directors listed below and meets at least three times per year in line with its charter. All members act independently as described in section 94 of the Act. During the year four meetings were held, with attendance shown on page 64 of this report.

Corporate governance (continued)

Report of the audit committee (continued)

FOR THE YEAR ENDED 31 MARCH 2016

Member	Qualifications
D G Eriksson	Chartered accountant (SA)
S Dakile-Hlongwane	Bachelor of economics and statistics, master's degree in development economics
E Masilela	Bachelor of arts in social sciences (economics and statistics)

Internal audit

The committee has oversight of the group's financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring the independence of the internal audit function and that it has the necessary resources, standing and authority in the organisation to discharge its duties. The committee also oversees cooperation between the internal and external auditors and serves as a link between the board and these functions.

Attendance

The internal and external auditors, in their capacity as auditors to the group, attended and reported at all meetings of the audit committee. The risk management function was also represented. Executive directors and relevant senior managers attended meetings by invitation.

Confidential meetings

Audit committee agendas provide for confidential meetings between members and the internal and external auditors.

Independence of the external auditor

In the review period the committee received a representation by the external auditor and, after conducting its own review, confirmed the independence of the auditor.

Expertise and experience of the chief financial officer and finance function

The committee satisfied itself that the composition, experience and skills set of the chief financial officer and the broader finance function met the group's requirements.

Discharge of responsibilities

The committee determined that, in the current financial year, it had discharged its legal and other responsibilities as outlined by its remit, details of which are included in the integrated report. The board concurred with this assessment.

D G Eriksson
Chair: Audit committee

10 June 2016

Financial review

Financial review

MultiChoice South Africa Holdings Proprietary Limited

This review sets out a summary of our financial performance for the past year.

Preparation of results and accounting policies

The financial results for the year ended 31 March 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa No 71 of 2008, as amended. Except as noted in the summarised annual financial statements and the full annual financial statements, accounting policies are consistent with those applied in the previous period and IFRS.

Summarised and full annual financial statements

The summarised annual financial statements appear on pages 76 to 80 of this integrated annual report. The summarised annual financial statements are not the statutory accounts of the group and do not contain all the disclosures required by IFRS. The summarised financial statements are also not a substitute for and should be read together with the full annual consolidated financial statements to obtain a complete understanding of the group's results.

The summarised and full annual financial statements have been prepared under the supervision of the chief financial officer, Nazeer Wadee CA(SA), and have been audited by the company's independent external auditor, PricewaterhouseCoopers Inc., whose unqualified report is available for inspection at the registered office of the company – address details are on page 107 of this report.

The full annual financial statements for the year to 31 March 2016 are published on our website (**www.multichoice.co.za**). Printed copies are available from the company's secretarial department (contact details on page 107).

Financial review (continued)

Report of the independent auditor on the summarised group financial statements

To the shareholders of MultiChoice South Africa Holdings Proprietary Limited

The summarised consolidated annual financial statements of MultiChoice South Africa Holdings Proprietary Limited, set out on pages 76 to 80 of the integrated annual report, which comprise the summarised consolidated statement of financial position as at 31 March 2016, and the summarised consolidated income statement and summarised consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated annual financial statements of MultiChoice South Africa Holdings Proprietary Limited for the year ended 31 March 2016. We expressed an unmodified audit opinion on those consolidated annual financial statements in our report dated 10 June 2016. Our auditor's report on the audited consolidated annual financial statements contained an Other Matter paragraph: "Other Reports Required by the Companies Act" (refer below).

The summarised consolidated annual financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa as applicable to consolidated annual financial statements. Reading the summarised consolidated annual financial statements, therefore, is not a substitute for reading the audited consolidated annual financial statements of MultiChoice South Africa Holdings Proprietary Limited.

Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of a summary of the audited consolidated annual financial statements of MultiChoice South Africa Holdings Proprietary Limited, and the requirements of the Companies Act of South Africa as applicable to summary financial statements and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation of summarised consolidated annual financial statements that are free from material misstatement, whether due to fraud or error.

Report of the independent auditor on the summarised group financial statements (continued)

Auditor's responsibility

Our responsibility is to express an opinion on the summarised consolidated annual financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summarised consolidated annual financial statements derived from the audited consolidated annual financial statements of MultiChoice South Africa Holdings Proprietary Limited for the year ended 31 March 2016 are consistent, in all material respects, with those consolidated annual financial statements, on the basis described in the notes to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements. The "Other Reports Required by the Companies Act" paragraph in our audit report dated 10 June 2016 states that as part of our audit of the consolidated annual financial statements for the year ended 31 March 2016, we have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated annual financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated annual financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summarised consolidated annual financial statements or our opinion thereon.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: S N Madikane
Registered auditor

10 June 2016

Financial review (continued)

Summarised consolidated statements of financial position

AS AT 31 MARCH

	Group		Company	
	2016 R'000	2015 R'000	**2016 R'000**	2015 R'000
Assets				
Non-current assets	**12 787 990**	12 359 673	**16 875 000**	16 875 000
Current assets	**10 674 900**	8 628 579	**–**	–
Assets classified as held for sale	**139 624**	108 662	**–**	–
Total assets	**23 602 514**	21 096 914	**16 875 000**	16 875 000
Equity and liabilities				
Total equity	**8 282 439**	8 346 360	**16 875 000**	16 875 000
Attributable to equity holders of the group	**8 282 439**	8 346 360	**16 875 000**	16 875 000
Total liabilities	**15 320 075**	12 750 554	**–**	–
Non-current liabilities	**5 616 303**	4 612 964	**–**	–
Current liabilities	**9 689 145**	8 121 689	**–**	–
Liabilities classified as held for sale	**14 627**	15 901	**–**	–
Total equity and liabilities	**23 602 514**	21 096 914	**16 875 000**	16 875 000

Financial review (continued)

Summarised consolidated statements of profit or loss

FOR THE YEAR ENDED 31 MARCH

	Group		Company	
	2016 R'000	2015 R'000	**2016 R'000**	2015 R'000
Revenue	**35 703 691**	31 580 077	**–**	–
Cost of providing services and sale of goods	**(19 187 216)**	(16 646 308)	**–**	–
Selling, general and administration expenses	**(7 178 981)**	(6 116 828)	**–**	–
Operating profit	**9 337 494**	8 816 941	**–**	–
Finance income	**153 054**	143 752	**–**	–
Finance costs	**(546 556)**	(442 955)	**–**	–
Foreign exchange losses	**(544 132)**	(408 802)	**–**	–
Dividends received	**–**	2	**6 200 000**	5 500 000
Share of equity-accounted results	**(43 579)**	(27 696)	**–**	–
Reversal/(impairment) of equity-accounted investment	**(36 835)**	8 378	**–**	–
(Loss)/profit on disposal of investments	**–**	(213 082)	**–**	–
Profit before taxation	**8 319 446**	7 876 538	**6 200 000**	5 500 000
Taxation	**(2 314 569)**	(2 237 503)	**–**	–
Net profit	**6 004 877**	5 639 035	**6 200 000**	5 500 000
Net profit attributable to equity holders of the group	**6 004 877**	5 639 035	**6 200 000**	5 500 000

Financial review (continued)

Summarised consolidated statements of comprehensive income and changes in equity

FOR THE YEAR ENDED 31 MARCH

	Group		Company	
	2016 R'000	2015 R'000	**2016 R'000**	2015 R'000
Balance at beginning of the year	**8 346 360**	7 967 690	**16 875 000**	16 875 000
Profit for the year	**6 004 877**	5 639 035	**6 200 000**	5 500 000
Total other comprehensive income, net of tax, for the year	**111 170**	194 906	**–**	–
Translation of foreign operations	**(9 309)**	2 381	**–**	–
Cash flow hedges	**(83 873)**	267 437	**–**	–
Revaluation of investments	**158 400**	–	**–**	–
Tax on other comprehensive income	**45 952**	(74 912)	**–**	–
Share-based comprehensive movement	**20 032**	32 653	**–**	–
Movement in existing control business combination reserve	**–**	68 130	**–**	–
Dividends paid to shareholders	**(6 200 000)**	(5 500 000)	**(6 200 000)**	(5 500 000)
Translation of foreign operations	**–**	(55 996)	**–**	–
Movement in hedging reserves	**–**	(58)	**–**	–
Changes in non-controlling interest				
Total comprehensive income for the year	**–**	–	**–**	–
Movement in non-controlling interest in reserves	**–**	–	**–**	–
Balance at the end of the year	**8 282 439**	8 346 360	**16 875 000**	16 875 000
Comprising:				
Share capital and premium	**17 216 270**	17 216 270	**16 875 000**	16 875 000
Retained earnings	**5 659 544**	5 859 209	**–**	–
Share-based compensation reserve	**199 350**	179 318	**–**	–
Existing control business combination reserve*	**(15 088 135)**	(15 088 135)	**–**	–
Hedging reserve	**119 791**	157 712	**–**	–
Fair value reserve	**175 381**	16 981	**–**	–
Foreign currency translation reserve	**238**	5 005	**–**	–
Total	**8 282 439**	8 346 360	**16 875 000**	16 875 000

**May be recycled.*

Financial review (continued)

Summarised consolidated statements of cash flows

FOR THE YEAR ENDED 31 MARCH

	Group		Company	
	2016 R'000	2015 R'000	**2016 R'000**	2015 R'000
Cash flow from operating activities	**6 731 191**	7 658 616	**–**	–
Cash flow utilised in investing activities	**(1 237 121)**	(1 251 088)	**–**	–
Cash flow utilised in financing activities	**(6 056 768)**	(6 512 053)	**–**	–
Changes in cash and cash equivalents for the year	**(562 698)**	(104 525)	**–**	–
Cash and cash equivalents at beginning of the period	**2 493 062**	2 593 513	**–**	–
Foreign exchange translation adjustments	**351 870**	24 957	**–**	–
Reclassification of cash to held for sale	**3 726**	(20 883)	**–**	–
Cash and cash equivalents at end of the period	**2 285 960**	2 493 062	**–**	–

The principal non-cash transactions are the acquisition of equipment using finance leases, equity-settled share-based payment transactions and impairment of assets.

Summarised notes to the annual financial statements

FOR THE YEAR ENDED 31 MARCH

Basis of preparation

These summarised consolidated financial statements for the year ended 31 March 2016 have been extracted from the full set of audited consolidated annual financial statements for the year ended 31 March 2016, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting* and in the manner required by the Companies Act of South Africa. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived, are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The group has adopted all new and amended accounting pronouncements as issued by the International Accounting Standards Board (IASB), which were effective for financial years commencing on 1 April 2015.

MultiChoice
ENRICHING LIVES

PHUTHUMA NATHI
SHARE THE FUTURE

Phuthuma Nathi 2

Corporate governance review

Board of directors

Mandla Langa

(66)

Was chair of MultiChoice South Africa from 2007 to 2010 and chair of Icasa from 1999 to 2005. In 1991 he was awarded the Arts Council of Great Britain bursary for creative writing. A number of his works have been published. In 2007 he received South Africa's national order of Ikhamanga (silver) for literary, journalistic and cultural achievements and, in 2009, a Living Legends Award from eThekwini municipality. Mandla received a Lifetime Achievement Award at the South African Literature Awards in 2010. His directorships include Business and Arts South Africa, Foundation for Global Dialogue, the Institute for the Advancement of Journalism, Rhodes University School for Economic Journalism, Koketso Holdings Proprietary Limited, the Phuthuma Nathi Investments companies and South African Screenwriters' Laboratory (Scrawl).

Clarissa Mack

(48)

MIH's group executive for regulatory and policy affairs, has an LLB from the University of Cape Town, a master's degree in law from Georgetown University in Washington, DC and a postgraduate diploma in economics for competition law from King's College, London. After completing her legal articles at Cheadle, Thompson & Haysom Attorneys, she joined M-Net, then moved to MultiChoice before taking up her current position at MIH. She is a director of M-Net, SuperSport and other companies in the wider MultiChoice group. She was intimately involved in the launch of the current Phuthuma Nathi schemes.

Peter Goldhawk

(69)

Is a chartered accountant and retired partner of PricewaterhouseCoopers Inc. He is the director of Goldhawk Corporate Advisory. He was responsible for the development and management of the Phuthuma and Phuthuma Futhi BEE schemes implemented in M-Net and SuperSport in the late 1990s and has been integrally involved in launching the current MultiChoice and Media24 BEE schemes through Phuthuma Nathi and Welkom Yizani respectively. He is a non-executive director of Right to Care NPC and a trustee of The Sports Trust. He is a member of the South African Institute of Chartered Accountants, the Issuer Regulatory Advisory Committee of the JSE, and a director of the Directorate of Market Abuse of the Financial Services Board.

Corporate governance review (continued)

Report of the audit committee

FOR THE YEAR ENDED 31 MARCH 2016

As the company's only assets are the investments in MultiChoice South Africa Holdings Proprietary Limited, the board deems it appropriate that all its members be appointed to the audit committee. The audit committee has pleasure in submitting this report, as required by section 94 of the Companies Act of South Africa No 71 of 2008, as amended (the Act).

Functions of the audit committee

The committee has discharged the following functions:

- Reviewed the year-end financial statements, culminating in a recommendation to the board to adopt these. In the course of its review, the committee:
  - took appropriate steps to ensure the annual financial statements are prepared in line with International Financial Reporting Standards (IFRS) and as required by the Act
  - considered and, when appropriate, made recommendations on internal financial controls
  - dealt with concerns or complaints on accounting policies, the auditing or content of annual financial statements, and internal financial controls
  - reviewed legal matters that could have a significant impact on the organisation's annual financial statements.
- Reviewed external audit reports on the annual financial statements.
- Verified the independence of the external auditor and nominated PricewaterhouseCoopers Inc. as the auditor for 2016 and noted the appointment of Ms S N Madikane as the designated auditor.
- Approved audit fees and engagement terms of the external auditor.

No non-audit services were provided by the external auditor.

Members of the audit committee

The committee comprises the non-executive directors of the company. All members act independently as described in section 94 of the Act, and served for the full financial year.

Corporate governance review (continued)

Report of the audit committee (continued)

FOR THE YEAR ENDED 31 MARCH 2016

Member	Qualifications
P O Goldhawk	Chartered accountant (SA)
M Langa	Diploma in offset litho printing (London College of Printing), certificate in periodical journalism (University of London)
C P Mack	LLB (University of Cape Town)

Attendance

The external auditor, in her capacity as auditor to the company, attended and reported at the meeting of the board and audit committee. Relevant senior managers attended meetings by invitation.

Confidential meetings

Audit committee agendas provide for confidential meetings between members and the external auditor.

Independence of external auditor

In the current financial year the audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the independence of the auditor.

Expertise and experience of finance function

The committee satisfied itself that the composition, experience and skills set of the chief financial officer and the finance function met the company's requirements.

Discharge of responsibilities

For the review period, the committee determined it had discharged its legal and other responsibilities as outlined by the Act. The board concurred with this assessment.

Signed on behalf of the audit committee of the board

P O Goldhawk
Director

10 June 2016

Corporate governance review (continued)

Directors' report

FOR THE YEAR ENDED 31 MARCH 2016

Nature of operations

Phuthuma Nathi Investments 2 (RF) Limited (PN2) was incorporated on 21 November 2006 under the laws of the Republic of South Africa. Its principal activities are to:

- Carry on the main business of holding only MultiChoice South Africa Holdings Proprietary Limited ordinary shares, cash and such assets as are received and acquired solely by virtue of or in relation to holding these shares.
- Receive and distribute dividends and other distributions in terms of its holding in MultiChoice South Africa Holdings Proprietary Limited.

Shareholder data

	PN2	
As at 31 March	**2016**	2015
Number of shareholders:	**3 235**	3 125
Closing share price:	**R142,00**	R140,50

For the financial year to 31 March 2016 the total value of share trades was R311m, with 1,9m PN2 shares traded in 1 384 transactions.

Share trading data

	PN2	
As at 31 March	**2016**	2015
Total transaction value	**R311m**	R230m
Number of shares traded	**1 938 515**	1 709 939
Number of transactions	**1 384**	1 472

Corporate governance review (continued)

Directors' report (continued)

FOR THE YEAR ENDED 31 MARCH 2016

Almost 67% (2015: 69%) of PN2 shareholders have retained their holdings since the inception of the scheme. In PN2 the number of participants with holdings increased from 3 125 to 3 235.

A total of 157 (2015: 179) PN2 participants sold their entire holdings during the year, while 178 (2015: 126) PN2 participants sold part of their holdings. A total of 110 (2015: 40) PN2 participants bought additional shares during the year, while 267 (2015: 262) participants bought shares for the first time. A total of 2 680 (2015: 2 344) PN2 participants chose to retain their holdings with no purchase or sale activity.

The income tax reference number for PN2 is 9379963151.

Operating and financial review

The financial results of the company are set out on pages 90 to 95.

PN2 continues to engage proactively with the Registrar of Securities Services (the Registrar) on applying the Financial Markets Act 2012 to its trading platforms. It will continue to build on the positive engagement it has had with the Registrar so far and remains committed to complying with any directives and/or conditions issued by the Registrar.

Dividends

The board recommends an ordinary dividend of 1 925,93 cents per share (2015: 1 837,04 cents per share).

As at 31 March	**2016 Cents**	2015 Cents
Total gross dividend declared per share	**1 925,93**	1 837,04
Total dividend tax per share	**(288,89)**	(275,56)
Total net dividend received per share	**1 637,04**	1 561,48

Corporate governance review (continued)

Directors' report (continued)

FOR THE YEAR ENDED 31 MARCH 2016

Directors, secretary and auditor

The directors of the company are listed below and the company secretary is Lurica Klink, who was appointed on 1 February 2013. The registered address and postal address for the secretary are the same as those of the company as detailed on page 107.

Director	Date last appointed	Category
C P Mack	3 September 2014	Independent non-executive
M Langa	4 September 2013	Independent non-executive
P O Goldhawk	2 September 2015	Independent non-executive

PricewaterhouseCoopers Inc. will continue in office as auditor in accordance with section 90(6) of the Companies Act of South Africa.

Subsequent events

No other events have occurred subsequent to 31 March 2016 that required the company to disclose or adjust the results as presented in these annual financial statements.

Signed on behalf of the board

M Langa
Chair

10 June 2016

Financial review

Preparation of results and accounting policies

The financial results for the year ended 31 March 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa No 71 of 2008 (the Act), as amended. Except as noted in the summarised annual financial statements and the full annual financial statements, accounting policies are consistent with those applied in the previous period and IFRS.

Summarised and full annual financial statements

The summarised annual financial statements appear on pages 90 to 95 of this integrated report. The summarised annual financial statements are not the statutory accounts of Phuthuma Nathi Investments 2 (RF) Limited (PN2) and do not contain all the disclosures required by IFRS. The summarised financial statements are also not a substitute for and should be read together with the full annual financial statements to obtain a complete understanding of the results.

The summarised and full annual financial statements have been prepared under the supervision of the chief financial officer, Nazeer Wadee CA(SA), and have been audited by the independent external auditor, PricewaterhouseCoopers Inc., whose unqualified report is available for inspection at the registered office of the company. Address details are on page 107 of this report.

The full annual financial statements for the year ended 31 March 2016 are on our website (**www.phuthumanathi.co.za**). Printed copies are available from the company secretarial department (details on page 107).

Financial review (continued)

Report of the independent auditor on the summarised financial statements

To the shareholders of Phuthuma Nathi Investments 2 (RF) Limited

The summarised annual financial statements of Phuthuma Nathi Investments 2 (RF) Limited, set out on pages 90 to 95 of the integrated annual report, which comprise the summarised statement of financial position as at 31 March 2016, and the summarised income statement and summarised statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited annual financial statements of Phuthuma Nathi Investments 2 (RF) Limited for the year ended 31 March 2016. We expressed an unmodified audit opinion on those annual financial statements in our report dated 10 June 2016. Our auditor's report on the audited annual financial statements contained an Other Matter paragraph: "Other Reports Required by the Companies Act" (refer below).

The summarised annual financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised annual financial statements, therefore, is not a substitute for reading the audited annual financial statements of Phuthuma Nathi Investments 2 (RF) Limited.

Directors' responsibility for the summarised financial statements

The directors are responsible for the preparation of a summary of the audited annual financial statements of Phuthuma Nathi Investments 2 (RF) Limited, and the requirements of the Companies Act of South Africa as applicable to summary financial statements and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation of summarised annual financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the summarised annual financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summarised annual financial statements derived from the audited annual financial statements of Phuthuma Nathi Investments 2 (RF) Limited for the year ended 31 March 2016 are consistent, in all material respects, with those annual financial statements, on the basis described in the notes to the summarised financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements. The "Other Reports Required by the Companies Act" paragraph in our audit report dated 10 June 2016 states that as part of our audit of the annual financial statements for the year ended 31 March 2016, we have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited annual financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summarised annual financial statements or our opinion thereon.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: S N Madikane
Registered auditor

10 June 2016

Financial review (continued)

Summarised statements of financial position

AS AT 31 MARCH

	2016 R'000	2015 R'000
Assets		
Non-current assets	**1 507 076**	1 511 338
Investment in associate	**1 507 076**	1 511 338
Current assets	**14 092**	10 313
Other receivables	**969**	297
Current tax asset	**963**	837
Cash and cash equivalents	**12 160**	9 179
Total assets	**1 521 168**	1 521 651
Equity and liabilities		
Capital and reserves	**1 508 185**	1 512 533
Share capital and premium	**225 000**	225 000
Other reserves	**166 940**	157 891
Accumulated profit	**1 116 245**	1 129 642
Non-current liabilities	**68**	68
Long-term liabilities	**68**	68
Current liabilities	**12 915**	9 050
Other payables	**12 915**	9 050
Total equity and liabilities	**1 521 168**	1 521 651

The accompanying notes form an integral part of these financial statements.

Financial review (continued)

Summarised statements of profit or loss

FOR THE YEAR ENDED 31 MARCH

	2016 R'000	2015 R'000
Operating expenses	**(86)**	(83)
Operating loss	**(86)**	(83)
Finance costs	**–**	(4 436)
Finance income	**–**	912
Share of equity-accounted results of associate	**400 023**	375 936
Profit before taxation	**399 937**	372 329
Taxation	**–**	(232)
Net profit for the year	**399 937**	372 097
Earnings per share based on 22 500 000 issued shares	**R17,78**	R16,54

The accompanying notes form an integral part of these financial statements.

Summarised statements of comprehensive income

FOR THE YEAR ENDED 31 MARCH

	2016 R'000	2015 R'000
Net profit for the year	**399 937**	372 097
Items that may be reclassified subsequently to profit or loss		
Share of changes in associate's other equity items	**9 049**	15 977
Total comprehensive income	**408 986**	388 074

The accompanying notes form an integral part of these financial statements.

Financial review (continued)

Summarised statements of changes in equity

FOR THE YEAR ENDED 31 MARCH

	Share capital and premium R'000	Other reserves* R'000	Accumulated profit R'000	Total R'000
Balance at 1 April 2014	225 000	141 914	975 167	1 342 081
Net profit for the year	–	–	372 097	372 097
Other comprehensive income for the year	–	15 977	–	15 977
Dividend paid	–	–	(217 622)	(217 622)
Balance at 31 March 2015	225 000	157 891	1 129 642	1 512 533
Balance at 1 April 2015	225 000	157 891	1 129 642	1 512 533
Net profit for the year	–	–	399 937	399 937
Other comprehensive income for the year	–	9 049	–	9 049
Dividend paid	–	–	(413 334)	(413 334)
Balance at 31 March 2016	**225 000**	**166 940**	**1 116 245**	**1 508 185**

**Other reserves comprise the company's share of its associate's existing control business combination reserve, fair-value reserve, foreign currency translation reserve, hedging reserve and share-based payment reserve.*

The accompanying notes form an integral part of these financial statements.

Financial review (continued)

Summarised statements of cash flows

FOR THE YEAR ENDED 31 MARCH

	2016 R'000	2015 R'000
Cash flow from operating activities	**413 696**	361 197
Cash generated/(utilised in) from operations	**362**	(6 382)
Dividends received from associate	**413 334**	366 667
Interest received – bank	**–**	912
Cash utilised in financing activities	**(410 715)**	(366 841)
Dividends paid to ordinary shareholders	**(410 715)**	(217 622)
Dividends paid on cumulative redeemable preference shares – capital	**–**	(144 783)
Dividends paid on cumulative redeemable preference shares – interest	**–**	(4 436)
Movement in cash for the year	**2 981**	(5 644)
Cash and cash equivalents at the beginning of the year	**9 179**	14 823
Cash and cash equivalents at the end of the year	**12 160**	9 179

The accompanying notes form an integral part of these financial statements.

Financial review (continued)

Notes to the summarised annual financial statements

FOR THE YEAR ENDED 31 MARCH

Basis of preparation

These summarised financial statements for the year ended 31 March 2016 have been extracted from the full set of audited annual financial statements for the year ended 31 March 2016, which have been prepared in accordance with IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting* and in the manner required by the Companies Act of South Africa. The accounting policies applied in the preparation of the financial statements from which the summary financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous annual financial statements.

The company has adopted all new and amended accounting pronouncements as issued by the International Accounting Standards Board (IASB), which were effective for financial years commencing on 1 April 2015.

Investment in associate

The company has a 6,67% interest in MultiChoice South Africa Holdings Proprietary Limited (MultiChoice), a company incorporated and with its principal place of business in South Africa. This is an unlisted investment.

	2016 R'000	2015 R'000
Movement in carrying amount		
At the beginning of the year	**1 511 338**	1 486 092
Share of net profit	**400 023**	375 936
Share of changes in other reserves	**9 049**	15 977
Dividends received	**(413 334)**	(366 667)
At the end of the year	**1 507 076**	1 511 338
Analysis of carrying amount		
Cost	**1 125 000**	1 125 000
Share of post-acquisition reserves	**382 076**	386 338
	1 507 076	1 511 338

The cost of the investment in associate includes goodwill of R1,0bn.

Although the company holds less than 20% of the equity shares in MultiChoice, it exercises significant influence by virtue of its contractual right to appoint directors to the board of directors of that company and has the power to participate in the financial and operating policy decisions of MultiChoice.

There has been no objective evidence of impairment of the associate in the current or prior years.

Financial review (continued)

Notes to the summarised annual financial statements (continued)

FOR THE YEAR ENDED 31 MARCH

Summarised financial information of unlisted associate as per its annual financial statements

	2016 R'000	2015 R'000
Total assets	**23 602 514**	21 096 914
Total liabilities	**15 320 075**	12 750 554
Revenue	**35 703 691**	31 580 077
Net profit	**6 004 877**	5 639 035

As at 31 March 2016 the company's associate had a contingent liability of R340m (2015: Rnil) as an estimate of potential liabilities.

Long-term liabilities

	2016 R'000	2015 R'000
Variable rate, cumulative redeemable preference shares with issue price of R10 each	**68**	68
Current portion of long-term liabilities	**–**	–
Balance at 31 March	**68**	68
At 31 March 2016 6 751 (2015: 6 751) preference shares were in issue		
Preference share liability reconciliation		
Opening balance at 1 April	**68**	144 851
Interest on preference share liability	**–**	4 436
Repayment	**–**	(149 219)
Closing balance at 31 March	**68**	68

In accordance with the preference share subscription agreement, these preference shares bore interest at 75% of the prime rate, compounded monthly, until such a time that the preference shares remaining are less than or equal to the preference threshold, which was reached at 3 September 2014. Once the threshold has been met, the preference shares do not bear interest. Further to this, the term of the remaining preference shares was extended at the discretion of the preference shareholders. These preference shares are held by MIH Holdings Proprietary Limited. The carrying amount at amortised cost approximates the fair value of these instruments.

Shareholder information

Notice of annual general meeting

Notice is hereby given in terms of the Companies Act of South Africa No 71 of 2008, as amended (the Act), that the tenth annual general meeting (AGM) of **MultiChoice South Africa Holdings Proprietary Limited** (the company or MCSA) will be held at the Walter Sisulu Auditorium, corner Malibongwe and Hans Schoeman drives, Malanshof, Randburg on Wednesday 31 August 2016 at 11:00.

Please note that the registration counter for purposes of registering to vote at this meeting on Wednesday 31 August 2016 will close at 10:45.

Record date, attendance and voting

The record date for the meeting is Wednesday 17 August 2016, being the date on which a person must be registered as a shareholder of the company to be entitled to attend and vote at the AGM.

Subject to the proxies given by Phuthuma Nathi Investments (RF) Limited (Phuthuma Nathi) and Phuthuma Nathi Investments 2 (RF) Limited (Phuthuma Nathi 2) to their respective members to vote at the AGM of the company in their stead, the ordinary shareholders of the company are entitled to attend, speak and vote at the AGM (with each ordinary share in the company entitling its holder to one vote).

Votes at the AGM will be taken by way of a poll and not on a show of hands. Each ordinary shareholder present or represented by proxy will be entitled to that number of votes equal to the number of ordinary shares held by that shareholder.

Forms of proxy must be deposited at the transfer secretaries, Equity Express, a division of Singular Systems Proprietary Limited, 71 Corlett Drive, Birnam 2196 or PO Box 1266, Bramley 2018, to reach them not less than forty-eight (48) hours before the AGM (not including Saturdays, Sundays and public holidays) to allow for processing of such proxies. All other proxies must be handed in at the registration desks at the Walter Sisulu Auditorium on 31 August 2016 prior to the commencement of the meeting. A form of proxy is enclosed with this notice. The form of proxy may also be obtained from the registered office of the company.

In line with the provisions of the company's memorandum of incorporation, each shareholder of Phuthuma Nathi has been irrevocably appointed as a proxy for Phuthuma Nathi and is entitled, at the AGM of the company, to exercise one vote for each share that shareholder holds in Phuthuma Nathi.

Shareholder information (continued)

Notice of annual general meeting (continued)

In line with the provisions of the company's memorandum of incorporation, each shareholder of Phuthuma Nathi 2 has been irrevocably appointed as a proxy for Phuthuma Nathi 2 and is entitled, at the AGM of the company, to exercise one vote for each share that shareholder holds in Phuthuma Nathi 2.

Identification of meeting participants

Before any person may attend or participate in a shareholders' meeting, that person must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder or as a proxy for a shareholder, has been reasonably verified. Forms of identification include valid identity documents, driver's licences and passports.

Purpose of meeting

The purpose of the meeting is: (i) to present the directors' report and audited annual financial statements of the company for the prior financial year and an audit committee report; (ii) to consider and, if approved, to adopt with or without amendment, the resolutions set out below; and (iii) to consider any matters raised by the shareholders of the company, with or without advance notice to the company.

Electronic participation

Shareholders entitled to attend and vote at the meeting or their proxies will be entitled to participate in the meeting (but not vote) by electronic communication. Should a shareholder wish to participate in the meeting electronically, the shareholder should advise the company by no later than 09:00 on Friday 19 August 2016 by submitting via registered mail addressed to the company (for the attention of Ms L J Klink) relevant contact details, as well as full details of the shareholder's title to securities issued by the company and proof of identity, in the form of certified copies of identity documents and written confirmation from the transfer secretary confirming the shareholder's title to the shares. On receipt of the required information, the shareholder will be given a secure code and instructions to access electronic communication during the AGM. Shareholders must note that access to the electronic communication will be for their expense.

Ordinary resolutions

Each of the following ordinary resolutions requires the support of a majority (more than 50%) of the votes exercised by shareholders present or represented by proxy at this meeting to be adopted:

1. To consider and accept the annual financial statements of the company and the group for the twelve (12) months ended 31 March 2016 and the reports of the directors, the auditor and the audit committee.

Shareholder information (continued)

Notice of annual general meeting (continued)

The summarised form of the annual financial statements is included in this integrated annual report.

A copy of the complete annual financial statements of the company for the preceding financial year can be obtained at **www.multichoice.co.za** or at the company's registered office (details are included in this integrated annual report).

2. After the board applied the solvency and liquidity tests contemplated in the Act, in terms of which it has concluded that MCSA will satisfy such tests immediately after completing the proposed distribution, the board has authorised and now proposes that the following dividends be approved:
   - a dividend of 1 925,93 cents per ordinary share.

3. To reappoint, on the recommendation of the company's audit committee, the firm PricewaterhouseCoopers Inc. as independent registered auditor of the company (noting that Ms S N Madikane is the individual registered auditor of that firm who will undertake the audit) for the period until the next AGM of the company.

4. To elect Messrs B van Dijk and J J Volkwyn, and Adv K D Moroka, who retire by rotation and, being eligible, offer themselves for re-election as directors of the company. Their brief biographical details are included in this integrated annual report.

   The board unanimously recommends that the re-election of directors in terms of resolution number 4 be approved by shareholders of the company. The re-election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised may be exercised once.

5. To confirm the appointment of Ms U Raman as a director of the company. Her brief biographical details are included in this integrated annual report.

   The board unanimously recommends that the appointment of the director in terms of resolution number 5 be confirmed by shareholders of the company.

6. To appoint audit committee members as required in terms of the Act and recommended by the King Code on Corporate Governance for South Africa 2009 (King III) (chapter 3).

Shareholder information (continued)

Notice of annual general meeting (continued)

The board and the remuneration and equity committee are satisfied that the company's audit committee members are suitably skilled and experienced independent non-executive directors. Collectively, they have sufficient qualifications and experience to fulfil their duties, as contemplated in regulation 42 of the Companies Regulations 2011. They have a comprehensive understanding of financial reporting, internal financial controls, risk management and governance processes in the company, as well as International Financial Reporting Standards (IFRS) and other regulations and guidelines applicable to the company. They keep up to date with developments affecting their required skills set.

The board and the remuneration and equity committee therefore unanimously recommend Messrs D Eriksson and E Masilela, and Ms S Dakile-Hlongwane for appointment to the audit committee. Their brief biographical details are included in this integrated annual report.

The appointment of members of the audit committee will be conducted by way of a separate vote for each individual.

7. To endorse the company's remuneration policy, as set out in the remuneration report in this integrated annual report, by way of a non-binding advisory vote.

Special resolutions

Each of the special resolutions below requires the support of at least 75% of the votes exercised by shareholders present or represented by proxy at this meeting to be adopted.

1. That the company or any of its subsidiaries be and are hereby authorised to acquire ordinary shares issued by the company from any person (including any director or prescribed officer of the company or any person related to any director or prescribed officer of the company), in terms of and subject to the Act.

   The reason for and effect of special resolution number 1 is to grant the company or a subsidiary of the company the authority in terms of the Act to acquire its own ordinary shares.

2. That the company, as authorised by the board, may generally provide, in terms of and subject to the requirements of section 44 of the Act, any financial assistance by way of a loan, guarantee, the provision of security or otherwise to a related or inter-related company or corporation, or to a member of a related or inter-related corporation for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, pursuant to the authority hereby conferred on the board for these purposes.

Shareholder information (continued)

Notice of annual general meeting (continued)

The reason for and effect of special resolution number 2 is to approve the provision of financial assistance to the potential recipients as set out in the resolution.

3. That the company, as authorised by the board, may generally provide, in terms of and subject to the requirements of section 45 of the Act, any direct or indirect financial assistance to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, pursuant to the authority hereby conferred on the board for these purposes.

   The reason for and effect of special resolution number 3 is to approve generally the provision of financial assistance to the potential recipients as set out in the resolution.

Ordinary resolution

8. Each of the directors of the company is hereby authorised to do all things, perform all acts and sign all documentation necessary to effect the implementation of the ordinary and special resolutions adopted at this AGM.

Other business

To transact such other business as may be transacted at an AGM.

By order of the board

L J Klink
Company secretary

29 July 2016

Shareholder information (continued)

Form of proxy

MULTICHOICE SOUTH AFRICA HOLDINGS PROPRIETARY LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2006/015293/07)
(the company)

For use by shareholders at the annual general meeting (AGM) to be held on Wednesday 31 August 2016 at the Walter Sisulu Auditorium.

I/We

(Name in block letters)

Identity number/registration number

of

(Address)

being the holder(s) of ordinary shares

in the company, hereby appoint (see note 1)

1. or failing him/her
2. or failing him/her
3. the chair of the company, or failing him/her, the chair of the AGM

as my/our proxy to vote for me/us on my/our behalf at the AGM of the company to be held on Wednesday 31 August 2016 at the Walter Sisulu Auditorium, or at any adjournment, and generally to act as my/our proxy at this meeting.

I/We desire to vote as follows (see note 8):

		For	Against	Abstain
Ordinary resolution 1	Acceptance of annual financial statements			
Ordinary resolution 2	Confirmation and approval of payment of ordinary dividend			
Ordinary resolution 3	Reappointment of PricewaterhouseCoopers Inc. as auditor			
Ordinary resolution 4	Appointment of directors retiring by rotation:			
	B van Dijk			
	J J Volkwyn			
	K D Moroka			
Ordinary resolution 5	Confirmation of the appointment of the following director:			
	U Raman			
Ordinary resolution 6	Appointment of the following audit committee members:			
	D G Eriksson			
	E Masilela			
	S Dakile-Hlongwane			
Ordinary resolution 7	To endorse the company's remuneration policy			
Special resolution 1	General authority for the company or any of its subsidiaries to acquire its own shares			
Special resolution 2	Approve the provision of financial assistance in terms of section 44 of the Companies Act of South Africa, 2008			
Special resolution 3	Approve the provision of financial assistance in terms of section 45 of the Companies Act of South Africa, 2008			
Ordinary resolution 8	Authorisation to implement all resolutions adopted at the AGM			

Signed at on this day of 2016

Signature Assisted (where applicable)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company).

Please see notes on page 102

Shareholder information (continued)

Notes to the form of proxy

The following provisions shall apply in relation to proxies:

1. A shareholder of the company may appoint any individual (including one who is not a shareholder of the company) as a proxy to participate in, speak and vote at the annual general meeting (AGM) of the company. A shareholder may therefore insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chair of the company, or failing him/her, the chair of the AGM". The person whose name is first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

2. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.

3. A proxy instrument must be in writing, dated and signed by the shareholder.

4. A proxy may delegate his/her authority to act on behalf of the shareholder to another person subject to any restrictions set out in the instrument appointing the proxy.

5. A copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at the AGM.

6. Irrespective of the form of instrument used to appoint the proxy: (i) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in exercising any rights as a shareholder; (ii) the appointment is revocable unless the proxy appointment expressly states otherwise; and (iii) if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and the company.

7. The proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction except as otherwise provided by the memorandum of incorporation of the company, or the instrument appointing the proxy.

8. A shareholder's instructions to the proxy must be indicated by inserting an X in the appropriate box. Failure to comply with this will be deemed to authorise the chair of the annual general meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the AGM, or any other proxy to vote or abstain from voting at the AGM as he/she deems fit, in respect of the shareholder's total holding.

9. Every shareholder present in person or by proxy and entitled to vote, will on a show of hands have only one vote and, on a poll, every shareholder will have one vote for every ordinary share held.

10. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the company or waived by the chair of the AGM.

11. Forms of proxy must be lodged with the transfer secretaries, Equity Express, a division of Singular Systems Proprietary Limited, 71 Corlett Drive, Birnam 2196 or PO Box 1266, Bramley 2018, to reach them not less than forty-eight (48) hours (not including Saturdays, Sundays and public holidays) before the AGM to allow for processing of such proxies. All other proxies must be handed in at the registration desks at the Walter Sisulu Auditorium on 31 August 2016 prior to the commencement of the meeting.

Shareholder information

Notice of annual general meeting

Notice is hereby given in terms of the Companies Act of South Africa No 71 of 2008, as amended (the Act), that the tenth annual general meeting (AGM) of **Phuthuma Nathi Investments 2 (RF) Limited** (the company or PN2) will be held at the Walter Sisulu Auditorium, corner Malibongwe and Hans Schoeman drives, Malanshof, Randburg on Wednesday 31 August 2016 immediately after the Phuthuma Nathi Investments (RF) Limited AGM. The latter is scheduled to be held immediately after the conclusion of the MultiChoice South Africa Holdings Proprietary Limited AGM, which is scheduled to be held at 11:00 on this day.

Please note that the registration counter to register to vote at this meeting on Wednesday 31 August 2016 will close at 10:45.

Record date, attendance and voting

The record date for the meeting is Wednesday 17 August 2016, being the date on which a person must be registered as a shareholder of the company to be entitled to attend and vote at the AGM.

A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more person(s) as proxy or proxies to attend, speak and vote at the AGM in their stead.

Votes at the AGM will be taken by way of a poll and not on a show of hands. Each ordinary shareholder present or represented by proxy will be entitled to that number of votes equal to the number of ordinary shares held by that shareholder.

Forms of proxy must be deposited at the transfer secretaries, Equity Express, a division of Singular Systems Proprietary Limited, 71 Corlett Drive, Birnam 2196 or PO Box 1266, Bramley 2018 to reach them not less than forty-eight (48) hours before the AGM (not including Saturdays, Sundays and public holidays) to allow for processing of such proxies. All other proxies must be handed in at the registration desks at the Walter Sisulu Auditorium on 31 August 2016 prior to the commencement of the meeting.

A form of proxy is enclosed with this notice. The form of proxy may also be obtained from the registered office of the company.

Identification of meeting participants

Before any person may attend or participate in a shareholders' meeting, that person must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder or as a proxy for a shareholder, has been reasonably verified. Forms of identification include valid identity documents, driver's licences and passports.

Purpose of meeting

The purpose of the meeting is: (i) to present the directors' report and audited annual financial statements of the company for the prior financial year and an audit committee report; (ii) to consider and, if approved, to adopt with or without amendment, the resolutions set out below; and (iii) to consider any matters raised by shareholders of the company, with or without advance notice to the company.

Electronic participation

Shareholders entitled to attend and vote at the meeting or their proxies will be entitled to participate in the meeting (but not vote) by electronic communication. Should a shareholder wish to participate in the meeting electronically, the shareholder should advise the company by no later than 09:00 on Friday 19 August 2016 by submitting via registered mail addressed to the company (for the attention of Ms L J Klink) relevant contact details, as well as full details of the shareholder's title to securities issued by the company and proof of identity, in the form of certified copies of identity documents and written confirmation from the transfer secretary confirming the shareholder's title to the shares. On receipt of the required information, the shareholder will be given a secure code and instructions to access electronic communication during the AGM. Shareholders must note that access to the electronic communication will be for their own expense.

Shareholder information (continued)

Notice of annual general meeting (continued)

Ordinary resolutions

Each of the following ordinary resolutions requires the support of a majority (more than 50%) of the votes exercised by shareholders present or represented by proxy at this meeting to be adopted.

1. The consideration and acceptance of the annual financial statements of the company for the twelve (12) months ended 31 March 2016 as well as the reports of the directors, auditor and audit committee.

   The summarised form of the annual financial statements is included in this integrated annual report.

   A copy of the complete annual financial statements of the company for the preceding financial year can be obtained at **www.phuthumanathi.co.za** or at the company's registered office (details are included in this integrated annual report).

2. After the board applied the solvency and liquidity tests contemplated in the Act, in terms of which it has concluded that PN2 will satisfy such tests immediately after completing the proposed distribution, the board has authorised and proposes that the following dividends be declared:
   - an ordinary dividend of 1 925,93 cents per ordinary share be declared.

3. To reappoint, on the recommendation of the company's audit committee, PricewaterhouseCoopers Inc. as independent registered auditor of the company (noting that Ms S N Madikane is the individual registered auditor of that firm who will undertake the audit) for the period until the next AGM of the company.

4. To elect Mr M Langa, who retires by rotation and, being eligible, offers himself for re-election as a director of the company. His brief biographical details are included in this integrated annual report.

   The board unanimously recommends that the re-election of the director in terms of resolution number 4 be approved by the shareholders of the company.

5. To appoint the audit committee members as required in terms of the Act and recommended by the King Code on Corporate Governance for South Africa 2009 (King III) (chapter 3).

   The board is satisfied that the company's audit committee members are suitably skilled and experienced independent non-executive directors. Collectively they have sufficient qualifications and experience to fulfil their duties. They have a comprehensive understanding of financial reporting, internal financial controls, risk management and governance processes in the company, as well as International Financial Reporting Standards (IFRS) and other regulations and guidelines applicable to the company. They keep up to date with developments affecting their required skills set.

   The board therefore unanimously recommends Messrs M Langa and P O Goldhawk, and Ms C P Mack for appointment to the audit committee. Their brief biographical details are included in this integrated annual report.

6. Each of the directors of the company is hereby authorised to do all things, perform all acts and sign all documentation necessary to effect the implementation of the ordinary resolutions adopted at this annual general meeting.

Other business

To transact such other business as may be transacted at an annual general meeting.

By order of the board

L J Klink
Company secretary

29 July 2016

Shareholder information (continued)

Form of proxy

PHUTHUMA NATHI INVESTMENTS 2 (RF) LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2006/036320/06)
(the company)

For use by shareholders at the annual general meeting (AGM) to be held on Wednesday 31 August 2016 immediately after the Phuthuma Nathi Investments (RF) Limited AGM. The latter is scheduled to be held immediately after the conclusion of the MultiChoice South Africa Holdings Proprietary Limited AGM, which is scheduled to be held at 11:00 on this day.

I/We

(Name in block letters)

Identity number/registration number

of

(Address)

being the holder(s) of ordinary shares

in the company, hereby appoint (see note 1)

1. or failing him/her

2. or failing him/her

3. the chair of the company, or failing him/her, the chair of the AGM

as my/our proxy to vote for me/us on my/our behalf at the AGM of the company to be held on Wednesday 31 August 2016 at the Walter Sisulu Auditorium, immediately after the Phuthuma Nathi Investments (RF) Limited AGM, which is scheduled to be held immediately after the conclusion of the MultiChoice South Africa Holdings Proprietary Limited AGM, which is to be held at 11:00 on that day, or at any adjournment, and generally to act as my/our proxy at this AGM.

I/We desire to vote as follows (see note 8):

		For	Against	Abstain
Ordinary resolution 1	Acceptance of annual financial statements			
Ordinary resolution 2	Confirmation and approval of payment of ordinary dividend			
Ordinary resolution 3	Reappointment of PricewaterhouseCoopers Inc. as auditor			
Ordinary resolution 4	Election of M Langa as a director			
Ordinary resolution 5	Appointment of the following audit committee members:			
	M Langa			
	P O Goldhawk			
	C P Mack			
Ordinary resolution 6	Authorisation to implement all resolutions adopted at the AGM			

Signed at on this day of 2016

Signature Assisted (where applicable)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company).

Please see notes on page 106.

Shareholder information (continued)

Notes to the form of proxy

The following provisions shall apply in relation to proxies:

1. A shareholder of the company may appoint any individual (including one who is not a shareholder of the company) as a proxy to participate in, speak and vote at the annual general meeting (AGM) of the company. A shareholder may therefore insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chair of the company, or failing him/her, the chair of the AGM". The person whose name is first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

2. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.

3. A proxy instrument must be in writing, dated and signed by the shareholder.

4. A proxy may delegate his/her authority to act on behalf of the shareholder to another person subject to any restrictions set out in the instrument appointing the proxy.

5. A copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at the AGM.

6. Irrespective of the form of instrument used to appoint the proxy: (i) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in exercising any rights as a shareholder; (ii) the appointment is revocable unless the proxy appointment expressly states otherwise; and (iii) if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and the company.

7. The proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction except as otherwise provided by the memorandum of incorporation of the company, or the instrument appointing the proxy.

8. A shareholder's instructions to the proxy must be indicated by inserting an X in the appropriate box. Failure to comply with this will be deemed to authorise the chair of the annual general meeting, if he/she is the authorised proxy, to vote in favour of the resolutions at the AGM, or any other proxy to vote or abstain from voting at the AGM as he/she deems fit, in respect of the shareholder's total holding.

9. Every shareholder present in person or by proxy and entitled to vote, will on a show of hands have only one vote and, on a poll, every shareholder will have one vote for every ordinary share held.

10. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the company or waived by the chair of the AGM.

11. Forms of proxy must be lodged with the transfer secretaries, Equity Express, a division of Singular Systems Proprietary Limited, 71 Corlett Drive, Birnam 2196 or PO Box 1266, Bramley 2018, to reach them not less than forty-eight (48) hours (not including Saturdays, Sundays and public holidays) before the AGM to allow for processing of such proxies. All other proxies must be handed in at the registration desks at the Walter Sisulu Auditorium on 31 August 2016 prior to the commencement of the meeting.

Administration and corporate information

Registration number
2006/015293/07

Registered office
MultiChoice City
144 Bram Fischer Drive, Randburg 2194
(PO Box 1502, Randburg 2125)

Company secretary
Lurica Klink
MultiChoice City
144 Bram Fischer Drive, Randburg 2194
(PO Box 1502, Randburg 2125)

Attorneys and tax advisers
Webber Wentzel
10 Fricker Road, Illovo Boulevard
Johannesburg 2196
(PO Box 61771, Marshalltown 2107)

Independent auditor
PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
2 Eglin Road, Sunninghill 2157
(Private Bag X36, Sunninghill 2157)

PHUTHUMA NATHI
SHARE THE FUTURE

Registration number
2006/036320/06

Registered office
MultiChoice City
144 Bram Fischer Drive, Randburg 2194
(PO Box 1502, Randburg 2125)

Company secretary
Lurica Klink
MultiChoice City
144 Bram Fischer Drive, Randburg 2194
(PO Box 1502, Randburg 2125)

Trading helpdesk
Equity Express, a division of
Singular Systems Proprietary Limited
(Registration number 2002/001492/07)
71 Corlett Drive, Birnam 2196
(PO Box 1266, Bramley 2018)

Transfer secretaries
Equity Express, a division of
Singular Systems Proprietary Limited
(Registration number 2002/001492/07)
71 Corlett Drive, Birnam 2196
(PO Box 1266, Bramley 2018)

Independent auditor
PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
2 Eglin Road, Sunninghill 2157
(Private Bag X36, Sunninghill 2157)

Call centre helpline: 0860 116 226
www.phuthumanathi.co.za

BASTION GRAPHICS

MultiChoice
ENRICHING LIVES

www.multichoice.co.za