

**MEDIA RELEASE**

Under embargo until 14h00 on 29 April 2010

Slug. NEF & TopTV

29 April 2010

# NEF INVESTS R100 million in TOP TV

Leading empowerment funder, the National Empowerment Fund (NEF), the agency of **the dti** mandated to grow Black economic participation in South Africa, has continued to meet its mandate with merit, and has invested R100 million in the second national pay television channel, TOP TV, which launches on 1<sup>st</sup> May 2010.

Established by the National Empowerment Fund Act No 105 of 1998, the NEF is a driver and a thought-leader in promoting and facilitating Black economic participation through the provision of financial and non-financial support to Black empowered businesses, as well as by promoting a culture of savings and investment among Black people.

Since 2004 to date the NEF has approved funding to a total of 221 black businesses amounting to R1,7 billion, having disbursed R1, 4 billion during the same period.

The NEF has concluded a R100 million equity investment in On Digital Media (ODM). The NEF will warehouse its stake on behalf of First Aone Trade and Investment 12 (Pty) Ltd, a special-purpose vehicle representing the interests of a Broad-Based Black Economic Empowerment consortium comprising Lereko Investment (Pty) Ltd, a Black women's group and designated broad based trusts. The NEF is classified as a BEE facilitator in terms of the Codes of Good Practice and consequently the NEF stake will be regarded as Black-owned during the warehousing period. The NEF's equity funding will unlock funding from other Development Finance Institutions ("DFI"s) as well as from strategic technical partner, SES Astra.

The investment secures the NEF shareholding in the R1 billion ODM green-fields project to operate under the Top-TV brand as the second pay-TV provider in South Africa with plans to expand and cover the rest of the continent. The company will operate direct-to-home (DTH) subscription broadcasting services providing both international and local multichannel subscription television services. These will be delivered through an encrypted digital signal into the subscriber's home via a satellite dish and a digital set-top-box.

"The ODM project creates new capacity in our economy and will contribute directly to the liberalisation of the pay TV sector, thereby offering choice to consumers. The project also leverages local and international best practice and allows the NEF to be at the centre of cutting-edge digital innovation. The project is aligned to the investment mandate of the NEF in that ODM will be Black-owned and managed, providing for meaningful participation by Black women and designated groups," says NEF Chief Investment Officer, Mr Frenzel Gillion.

He further states that the ODM investment secures the NEF a substantial Empowerment Dividend by ensuring;

- Media Industry transformation and introduction of competition to the benefit of the entire nation;
- 153 new jobs will be directly created upon the full implementation the project and many more downstream job opportunities will be created;
- ODM will maintain at least 51% effective Black ownership, a Black controlled board of directors and at least 50% Black executive control at all times.
- 22% effective Black-women shareholding and over 30% Black-women executive management participation;

- An allocation of equity to an Educational Trust for the benefit of Black deserving students throughout the country;
- Access to affordable multi-channel television to the majority of the nation including currently under-served remote and rural areas;
- Foreign direct investment by strategic technical partner, SES Astra;
- Transfer of skills from SES Astra to local engineers;
- Enterprise development in the form of new entities to provide services to ODM such as First Call (Pty)Ltd, a new call centre company;
- Preferential procurement opportunities through prioritisation of Black-owned suppliers to ODM.

The NEF's participation in the project highlights the organization's commitment to Broad Based Black Economic Empowerment and to supporting technology enhancement and digital innovation as led by the Department of Trade and Industry and the Department of Communications.

### Notes to Editors

#### **About the National Empowerment Fund:**

- The NEF was established by the National Empowerment Fund Act No 105 of 1998 in order to promote and facilitate black economic equality and transformation. Its mandate and mission is to be a catalyst for Broad-Based Black Economic Empowerment (BB-BEE) in South Africa.
- The objectives of the NEF are to finance and support business enterprises owned and managed by black entrepreneurs, as well as to promote savings and investment schemes for black people and, in so doing, to develop an understanding of equity ownership and a culture of savings amongst its beneficiaries.
- Until the Asonge Share Scheme was launched in June 2007, the activities of the NEF centred principally on providing financing and support for black empowered business and entrepreneurs.
- The establishment and promotion of a savings and investment culture amongst all black people, supported by clear and accessible savings and investment products, is key to assisting South Africans to move to full participation in the first economy.

#### **About On Digital Media:**

In 2007 ODM was one of four new consortia to be awarded a subscription broadcasting licence by ICASA, enabling the company to launch its unique Pay TV offering. ICASA's decision to issue ODM with a broadcasting licence was based on ODM's ownership profile, BBEE credentials, funding credentials and its product offering. This in turn was founded on thorough market research that indicated a significant demand for ODM's bouquet of channels.

On Digital Media (ODM), holding company for TopTV, is a proudly South African incorporated company with effective BEE shareholding of 68%. The company was awarded an ICASA Pay TV License on 12 September 2007 and issued the license on 9 July 2008

ODM's investors include the Industrial Development Corporation, the National Empowerment Fund, SES Astra, First Aone Trade & Investments, Red Gold Investments and First National Media Investments Holdings. ODM provides multi-channel television subscription services via a direct-to-home service using digital satellite technology to South African audiences based on maximum choice and affordability.

### **For Media Enquiries**

<b>NEF</b>	<b>TOP TV</b>
Moemise Motsepe Corporate Communications Manager 083 533 4114 / 011 305-8127 <a href="mailto:motsepem@nefcorp.co.za">motsepem@nefcorp.co.za</a> / <a href="http://www.nefcorp.co.za">www.nefcorp.co.za</a>	Melinda Connor Publicity Manager +27 83 254 1004 +27 11 582 8432 (Direct Line) <a href="mailto:mconnor@toptv.co.za">mconnor@toptv.co.za</a>