

Dear Mr Myburgh

MutliChoice rejects your insinuations in the strongest possible terms. They are based on three assumptions, none of which is correct.

Firstly, on the submission that was sent to the then-Minister of Communications, Ms Faith Muthambi, in 2014:

MultiChoice, like other companies in the sector, regularly engages the industry regulator and government on matters that affect the broadcasting sector. This includes making proposals that may take a specific regulatory or legislative form.

It is common practice in the sector to make submissions, and there is nothing wrong with that.

On 25 May 2014, the President announced the creation of two new Ministries – the Ministry of Communications and the Ministry of Telecommunications & Postal Services. In July 2014, the President later published a proclamation that defined the powers of each Minister:

- The Minister of Communications was given control of broadcasting; and
- The Minister of Telecommunications and Postal Services was given control over telecommunications.

However, there was a problem with the legal wording of the proclamation, as the SABC would fall under the Minister of Communications and commercial broadcasters like MultiChoice and eTV would fall under telecommunications.

This didn't make sense to a number of stakeholders in the sector, as it seemed to be an obvious error, and several of these stakeholders made submissions to the Minister suggesting it be corrected. Multichoice was one of these.

Our submission – which was sent directly to the Minister -- included detailed proposals on the wording of the proclamation. In the end, many of our proposals were rejected.

MultiChoice has absolutely no knowledge of the Minister sending our proposals to any other person, and can in no way be held responsible for that.

Secondly, on the contractual relationship between MultiChoice and ANN7:

There is nothing unusual in the fact that MultiChoice pays ANN7 to carry its channel. We have similar channel agreements with other news channels. ANN7 is definitely not the highest-paid of these local channels.

MultiChoice decided to include ANN7 on its platform because we wanted to encourage diversity of choice for our customers by assisting with the development of a new South African news channel. The only other local news

channel on the DStv platform at that stage was eNCA. The eNCA contract was up for renewal, and there were signs that it was not going to be renewed.

It must be borne in mind that there was nothing in the public domain at that stage about alleged state capture controversies involving the Gupta family, and the launch of the new channel was widely supported and encouraged.

After several rounds of negotiations over a period of 3 years, during which we developed an understanding of the channel's operating costs and the need for improvements in production quality over time, the final fee was set. We believe the fee represented fair value at the time, particularly considering that ANN7 was a start-up channel requiring significant initial investment to get off the ground – as opposed to others, who could leverage existing infrastructure and content.

To someone who is not familiar with the broadcasting industry and what it costs to run a news channel, the fee increases may appear significant. But they are not, particularly when one considers the scale of resources and capital required to run a 24-hour news channel.

In relation to the timing of payments for our contracts, this is a product of negotiation between the parties.

Thirdly, on the interaction between Mr Intiaz Patel and the owners of Infinity Media:

Mr Patel was **NOT** involved in any business partnership with the Guptas and Duduzane Zuma, including Islandsite Investments 255.

He states the following: “My appointment as a director of Islandsite Investments 255 was done without my permission and, as you will see from the attached CIPC records (addendum 1), I ensured that I was removed as director as soon as this was brought to my attention. The CIPC records reflect that I was appointed and resigned as a director on the very same day. In no way can I be considered to have been a business partner.

“It is also completely untrue that I flew to India at the Guptas’ expense. The trip you refer to was arranged at the invitation of the President of India. In my capacity as CEO of SuperSport, I participated as one of 200 business leaders who accompanied President Zuma in a delegation convened by Business Unity South Africa (see addendum 2). You will see from media reports that the companies that participated included FirstRand, Sasol, Standard Bank and SAA.

“And, as you will see from the attached documentation (addendum 3), my travel costs were covered by SuperSport.

“There is nothing untoward in my past social interaction with the Gupta family, and most of my contact with them was when I was an employee at SuperSport.”

Drawing links between these three issues is therefore incorrect.

We deny that there is any relationship between our submission on the proclamation, the channel supply agreement for ANN7, and any fees or increase in fees paid for that channel.

If you proceed with the story despite this response (which we believe would not be justified given the facts), we require that you include our entire response.

Addendums:

1. CIPC documents
2. BUSA invitation
3. Travel payments



LIST OF ADDENDA

1. **ADDENDUM 1** - CIPC's director's report for Imtiaz Patel in respect of Islandsite Investments 255 (Pty) Ltd
2. **ADDENDUM 2** - Invitation from the Business Unity of South Africa to a Delegate Briefing on the India State Visit of 25 May 2010
3. **ADDENDUM 3.1** - SuperSport International (Pty) Ltd ("**SuperSport**") remittance advice
4. **ADDENDUM 3.2** - Proof payment by SuperSport to Flywell Travel (Fordsburg) (Pty) Ltd ("**Flywell Travel**")
5. **ADDENDUM 3.3** - Invoice of Flywell Travel addressed to SuperSport

ADDENDUM 1

Company Name	ISLANDSITE INVESTMENTS 255
Company Registration Number	2007/035324/07
First Name	MOHAMMED IMTIAZ AHMED
Initials	-
Surname	PATEL
Surname Particular	-
Maiden Name	PATEL
ID Number	6405265127089
Birth Date	1964/05/26
Appointment Date	2009/11/01
Designation	-
RSA Resident	True
Details Withdrawn from Public	-
Country	South Africa
Director Type	Director
Status	Resigned
Status Date	-
Registration Number	-
Executor Name	-
Executor Appointment Date	-
Trustee Name	-
Date Form Lodged (CM29_DATE)	2010/03/31
Date Form Received	-
Founding Statement Date (CK1_2_DATE)	-
Member's Percentage (Size)	0
Member's Contribution	0
Contribution Type	-
EXCL_CON	-
Occupation	-
Fine Expiry Date	-
Nature of Change	REMOVED: 01/11/
Nationality Code	-
Profession	BUSINESSMAN
Resignation Date	2009/11/01
Estate	-
Registered Address	-
	-
	-
	-
	-
	-
Residential Address	125 KOMATIE STREET EMMERENTIA
	-
	-
Business Address	2195 125 KOMATIE STREET EMMERENTIA
	-
	-
Postal Address	2195 125 KPMATIE STREET EMMEREMTIA
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	2195



FIRSTRAND

Invitation to a Delegate Briefing on the India State visit: 25 May 2010

BUSA in conjunction with First Rand will be hosting a delegate briefing ahead of the India State visit scheduled for 02 – 04 June 2010.

The briefing will be held as detailed below:

Date: Tuesday, 25 May 2010
Time: 17:30 for 18:00 – 19:00
Venue: FNB Conference Centre, 114 Grayston Drive, Sandown, Sandton
(Map and directions attached for ease of reference)

The purpose of the briefing is to provide delegates with updated information regarding the visit i.e. programme and logistical details. Delegates will also have the opportunity to make input into issues to be raised by business during the event.

Agenda

- 1 Welcome – Catherine Grant, Director: Trade Policy, BUSA
- 2 Introductions
- 3 Opening remarks – First Rand representative
- 4 Briefing on opportunities and challenges in the India Market
- 5 Overview of logistics –
 - (a) Visas
 - (b) Flights
 - (c) Accommodation
 - (d) Transport
 - (e) Programme
 - (f) B2B meetings – profiles, photos
- 6 Closing

Kindly RSVP by Monday, 24th May to Carmen Thomas:

Carmen.thomas@fnbcommercial.co.za



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REMITTANCE ADVICE

FLYWELL TRAVEL (FORDSBURG)
PO BOX 1456
JOHANNESBURG
GAUTENG
RSA
2000

Account No:	03558
Payment Date:	30/08/10
Payment Reference:	500380
Page:	Page 1 of 1

Invoice No.	Date	Reference	Amount	Discount	Nett Amount
HOF 00H9603	30/06/10	SAP14501	27,831.00	0.00	27,831.00

Amount Paid: 27,831.00

Standard Bank of South Africa

Computer Generated Copy

The Standard Bank of South Africa Limited Registered Bank Reg. No. 1962/000738/06

CUSTOMER ALL PAYMENTS FINAL AUDIT REPORT

Customer No	970410807		
User ID	SUP99		
User Name	SUPERSPORT INTERNATIONAL HOLDI		
Sub Module	SSVS		
Reference	2010242003	Description	SUPPLIER PAYMENTS 000408
Action date	20100830	Final releasing operator	PG823
Sub-batch	001	From Account no	0000420283625
		From Account Name	SUPERSPORT INTERNAT-
Trans No	78		
Account No	4053036571		
Branch No	630143		
Statement Ref	SUPERSPORT		
Account Name	FLYWELL TRAVEL		
Creditor Code	03558		
Amount	27,831.00		
Status Description	FINAL AUDIT TO BE DOWNLOADED		
RTGS/RTC			
ISN/Bus Ref	0		
Pay Alert	N		

Flywell Travel (Fordsburg) (Pty) Ltd

171 7th Avenue Mayfair 2092 South Africa
 P O Box 1456 Johannesburg 2000 South Africa
 Tel: +27 11 830 1500 Fax: +27 11 830 0266 Contact: Jitu Email: jnb4@flywell.co.za Web: www.flywell.com



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TAX INVOICE

Super Sports

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Document No	Hof.00H9603
Date	30/06/2010
Account No	L42205
Order No	
Consultant	Sn
Your Vat No	N/A

AIR TICKETS

Prn	Ticket No	Passenger/DepDate/Route/Class	Excl Amt	Vat	Incl Amt
589	9786529834	Patel Mohamedimtiaza 01/06/2010-05/06/2010 Jnb/Bom/Del/Bom/Jnb Cls PCZP	26,030.00	0.00	26,030.00
		Airport Taxes	1,801.00	0.00	1,801.00
		Ticket Totals	27,831.00	0.00	27,831.00

Invoice Totals

R 27,831.00 R 0.00 R 27,831.00

Handwritten marks: a circled '0', a large '6', and a signature with the date '4/9/10'.

