MultiChoice

Commentary

The reviewed results of MultiChoice for the six months ended 30 September 2011 are summarised as follows:

- The group increased consolidated revenues by 16% compared to the same period in the prior year. Trading profit grew by 18% to R3,2bn.
- The pay-television subscriber base grew by 209,000 over the six-month period and now totals 3,7m households. The mid-price compact bouquet delivered the bulk of the growth with 142,000 households being added over the period.
- The popular personal video recorder (PVR) decoder recorded growth of 91,000 to end on 571,000.
- Operating margins remain stable despite cost pressures from growing the subscriber base, increased decoder subsidies and sports content costs. The net result is core headline earnings of R2,2bn - an increase of 10% on the prior period.
- This earnings performance delivered positive free cash flows of R1,7bn.

The group paid a normal dividend of R1,5bn and a special dividend of R4,5bn to ordinary shareholders on 5 September 2011.

MultiChoice recently launched BoxOffice, a video-on-demand service that allows PVR customers to view the latest blockbuster movies instantaneously on their PVR decoders. The service is proving popular with subscribers and more than 30% of our PVR homes have already registered for the service.

Several new channels, improving our viewers’ experience, were added to the DSTv bouquets. These include Disney XD, Disney Junior, Discovery TLC, Investigation Discovery and Studio Universal.

The Mzansi Magic channel, which was launched to provide a vehicle to showcase local South African talent, is steadily growing in popularity.

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the current year. This is South Africa’s first soap opera to be produced in high-definition (HD).

SuperSport’s production of the 2011 Rugby World Cup (RWC) in New Zealand was extensive.

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