



ICASA

**Public Hearing for Individual
Commercial Free-To-Air
Broadcast Services**

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INFINITY MEDIA

QUALITY: Good

Session 1

Mzanele Manyi: Apologies for not bringing printed versions. I think I must also warn the audience, Chairperson, that obviously things have not been static when we started the engagement [0:00:23:3 ANN 7] so because of a whole range of market conditions we have graded from ANN 7 to Afro Worldview and so on so but those are just cosmetic changes. The fundamental presentation has not changed but in here I would've maybe just changed the tense I mean for instance it's public knowledge that we have closed basically on the 20th of August so I can't then say that we are operational. So I will be in the presentation making those kind of adjustments just to be more truthful.

Just by way of a mission and vision, our group really intends to connect and inform communities across the country. We want to establish a quality television presence that is affordable, relevant, easy to view and to the point. Want to present a wide range of news, entertainment, lifestyle programming in a bold, accurate and a balanced manner. Want to be critical but fair and constructive in our news. Want to raise a level of awareness and loquaciousness on issues affecting the people of South Africa through innovative programming. Want to celebrate the achievements of a united South Africa. Want to deliver and to exceed the expectations of all the stakeholders. Want to increase the audience and promote the culture of patriotism. So where do we come from? Since inception, the guiding principles of our media group has been that one of projecting a positive image of the country and sometimes this gets confused with being biased and so on. But it is our view that our approach in terms of talking to a glass that is half full is better than the half empty which in our view the mainstream media is really all about. So for us because we are patriots of this country, we would like to ensure that as we project a balanced view that even the things that are good they also reflected as part of the mix. Key to the plan is to reflect all the view of ordinary South Africans and to ensure that everybody has got access to the media and not just the elite as it were. Critical is the need to narrow the urban-rural divide and to ensure a footprint and coverage not only Johannesburg, Pretoria, Durban and Cape Town but to ensure that the entire country is properly covered. And for this reason, we needed to break the shackle of being a satellite service only but that has been fast tracked for us. We no longer have that satellite connection by way of Multichoice so we're hoping that this presentation will allow South Africa to get a sense of what real television should really be.

‘In terms of the media context in the country, our view is that the business models in the country are seriously under pressure, life is not the same as it used to be anymore in this space, the newspaper business is in trouble and in fact even our own one we had to shut down. The outlook in that space because of all the what you call it fourth industrial revolution has created a lot of uncertainties as to how to adapt to those kind of things, advertising models are under pressure, relevance and credibility are under pressure, digital revolution is taking over and progressive forces are asserting themselves. It is our view, chairperson that DDT will alter the current landscape and introduce more diversity. We note that the 1998 licencing led to a lot of successful media business, however, it is our view that media diversity is still not being addressed. We still get a monologue, chairperson. So, the coming in of Infinity Media will really break that monologue. Over the last two decades, we’ve seen ad-spend increasing significantly but diversity has not followed. The urban-rural divide is still marked. You know when you watch our TVs today you will not realize that there is a big, vast lands on this country that talks to the rural but nobody worries about that, everything is about in the cities and so on as if we don’t have our people in the rural areas. So, it is our view, that if we become successful here, we’ll give a lot of attention to that. Even the news, issues of diversity in the news, we just get a monologue everywhere and our approach is the one to bring the alternative views. The entertainment as well, it’s largely for the elite and so on. Even the kinds of dramas that you see, are dramas that are generally for the elite, they don’t talk to the general population of the country which is poor. They don’t see themselves in the television, it is almost like television is for the [upheeled 0:06:23.2] as it were. If one just looks by example in terms of news coverage with the channel that was operating with, we were drawing a lot of positive accolades even now with what is happening people are expressing a lot of anguish that Afro Worldview is no longer there.

What makes us unique? We’ve got at least just under five years in operation and soon, so we are not just some people that are green as it were. The only thing left now because we are operating on a satellite is to raise just a Sentech lag to make sure that we go live through the DTT and so on to a much bigger crowd. We had submitted, chairperson, last time that we’ve got 300 skilled staff members. I’ve just added now that they’re on standby at home because of what happened, but chairperson, this is actually quite a serious thing. We’ve got very skilled people that were running the operations that are just sitting folding their arms. You have SABC on the other side that is also threatening to retrench. So, I know sitting here, that if we don’t get this channel, it means that those 300 people and so on will stay forever at home, because the media space

is not employing as it were, so, as well-equipped people that are just at home but they are ready. They are waiting, they are waiting for the call. All equipment is in place, in running condition, so even if you could visit, chairperson, our studio is there, everything is ready to switch on. Go there, everything works and so on. So, we might need just a week or two to get back to action and so on, but otherwise we are on a ready-to-deliver state because we were delivering in any event. I've got a full shareholder support base with BBBEE funding credentials. We think that getting a license here will make our proposals to funding institutions bankable, without the license, we are not bankable. So, it is always a chicken and an egg situation, where you say where's the funding and so on but if you've got a license then you've got a bankable proposition.

We really offer the alternative views, entertainment. We are actually unapologetically African in our posture and we are also committed to cover all nine provinces. What has been the journey so far? Our channel is really known for innovative programming. If you really want to break away from the monologue, you know where to come. This has been and so also what we've got in store in terms of the thinking to meet the 11 channels that we're talking about, South Africa's really going to be taken to the next level. We've got some pioneering shows that we had just by way of example so that we are not just talking theory. We had *SA Decides* that was covering the elections, we had *Election Tracker*, we had the Awards that drew in a big tv coverage and all that. We covered the Grayston bridge collapse better than anybody would have covered it and the reason is because our posture of transformation, our posture of saying when there are problems in the country it can't just be because of black incompetence, that we do have established white firms that also make mistakes as it were. So, we covered it with that agenda as well, that look now because if it was black people that done that bridge, a lot would have been covered about their families, the cars they drive and everything and so on, but because it was largely companies that are white-owned, it was just, you know, high-level coverage as it were, so we bring that kind of diversity ourselves. Our channel is seen as progressive and transformative in the media platforms. Why actually we think of ourselves as new sales to mainstream media and we have no problem with kind of characterisation because we want to be different. We had run a successful training school with over 200 graduates that are now out there, some of them actually are even in the mainstream now, I can give you names and so on of people who came green into the operation. You know the new thing what government is beginning to adopt today of 'no experience required' is what we've been practicing and so on and the group paid the price for that training culture. People were making jokes about people not reading news properly and all that,

not understanding that we're not get born with experience, we have to learn experience, young people that if they don't get these opportunities no one is going to give them. So this is what we've been doing. So this is the difference we bring into this space. So if we come back, we'll do exactly that. Young people will know that to get a job from us, you don't have to be a know-it-all from day one, we know that we don't get born with skills and so on. We had [videos 12.31] that were set up in Durban and Cape Town, we're planning to extend them to the rest of the nine provinces.

This chart, chairperson, just show just at high-level some of the highlights way back then, just by way of saying what have you achieved, just a quick highlight just to show with the SATI Awards that we had, we had the biggest tv live coverage, everybody was just watching that, it was almost like a first in the country to be doing those kinds of things. You look at the, we trended at that point for over 72 hours and so on you know, and 571 million impressions and so on and social media was just abuzz and so on. So, this is the innovation that is imbedded in the culture of the group. I can list a whole lot of other celebrity things that we've covered and even with, this is an old presentation because we're trying to keep it as it was when we submitted so that there are not fundamental changes, but we can give even later examples. We're the first group to, in fact the only group that cover as of by way of example that [Maskande 0:13.52.3] funeral and so on and the coverage that we got there was just amazing and people at that level of Maskande, people that loved Maskande, by the way some people confuse they think that Maskande is only for the unsophisticated and that it actually cuts across, but it's got a huge base at the lower LSMs as it were, so that also created a lot of affinity for the group.

In terms of training and development, this is really embedded in our culture in terms of training and developing people. We have a full-time training facility, even as we speak, we have that. And all the people at the top team, they know that their responsibility is to find time to go and teach the young ones the real skills of the game and all that. So, we have a mix of theory and practical before you get on to the job. So, we've got almost like internship kind of approach that we adopt and so on. As I said, chairperson, these people I am talking about they are not sitting there now, but they are at home, and I know that they haven't been absorbed and so on and so they are really, some of them I told then today that I am coming here, they are praying that everything should go well so that they can get back and do what they are trained for.

Basis for the business plan. We know that right now there's only really major two players - SABC and e-TV, so bringing Infinity will really be a

most welcome development. Both of them are full-spectrum broadcasters, focused on entertainment, some news forecasts and so on. And you know the competition is really between those two and so on. So we are, we want to be, want diversity to be brought in and our getting into the game will really achieve that. It is our view that, the fact that we already have a very strong news and current affairs program, that is a plus, because that will anchor the viewership as well, our channel will be known for the up-to-date news coverage. Proceeding from there, we want to actually change the media landscape from sound byte journalism to deep and qualitative journalism, characterised by a diversity of views and all that; to enable the citizens to be better informed, to also have entertainment programs, live broadcasts, we've got sixteen live sources into homes including Skype and all that; provincial coverage bridging urban-rural divide, keen to look at language diversity in the medium-term, we want to have a channel that will be in Isizulu, another channel that will also have the Sotho group's languages as it were; in the medium-term, we are also looking also at having presence in key African locations to ensure that the coverage of the continent we don't depend only on the wire services that we also have a point of presence on the ground. This research that I am reflecting here is research that was done then, there is later research as well. But even if you look what was done there, you see that the 24 hour news channel is one of the things that is also, was reflected high in terms of the need, people just want to know what is happening over and above entertainment, lifestyle and all other things.

The terms Television Audience Measurement suggest that news is valued as a distinctive factor of programming, so everything revolves around news. When you get tired of news, then you go to entertainment and all that. So I've got a whole mix in the offering that you have an omnibus: you want news, you come here; you want entertainment, you come here; you want education, you come here. We've got kids programs lined up, we've got music, we've got movies and all that, everything in one shop that is planned. Part of the core findings from the research is that the nature of the South African media, it's actually less a competition at the bottom of the pyramid and also, we have a news space or rather a media space that favours the elite as it were. So those are the things we want to change. There is great demand for more free-to-air channels across a spectrum from entertainment to sports to news. Evident in the data that the various race groups have got disproportionate large number of paid tv subscribers, in other words, the Africans are actually the ones that have got least in terms of paid subscriptions, therefore they are the ones that seriously need this rather than the others and we are ready for that. Middle income group in terms of news

content, 80.9% approval rate and they are looking for better news content as it were. Social groups they are also covered in content.

Chairperson: Beg your pardon, ten minutes into your presentation Mr Manyi, you've got ten more minutes to go.

Mzanele Manyi: That's fine. Okay. Consumer insights. People have been frustrated due to limited number of options and all that. So, bringing in Infinity Media will really respond positively to what the researchers said. Potential audience. A 24 hour channel has agreed to update stories and stay with breaking news, unlike incumbents; audience flow in and out of news on the basis of live coverage, current affairs programming so incumbents will need to compete with high quality movies which we will bring and entertainment programs, but obviously their costs are a factor on these matters. Provincial news, I mean already started with the newspaper. We had already begun to understand that you can't just have a blunt tool, different provinces have got different nuances. So, when we had the New Age, we did that very successfully. So, this is the kind of thing that will be very apparent here. Start up and investment costs. Unlike others, we have a fully equipped 24-hour channel infrastructure, it is a walk-in, we are ready, we just need to bring people from home as it were; effectively, a flick of a switch will open a channel to 12 million or so households just now. The channel was indeed fully functional until August as I've said before, so the restart costs will be far less than starting anything from afresh, literally what we would be faced with is people's salaries more than anything else. In terms of production and all that, we can have all kind of structured arrangements with the content providers that we may need. So, therefore, it will be a profitable venture and all that. I think we are already a step of the way there, so us getting a license will not be some license that will sit there and get some dust because people can't take things to the next level.

Last but one slide, dear Chairperson, our implementation strategy. As I said, we are ideally poised because the start-up costs have already been incurred, we have passed the teething stage and the new people still have to go through teething stages. This business has got serious IT connectivity problems and all that, but with us, the operations are already smoothed out and all that, so we are ready and will run quicker than most of our competitors in this bidding process. Others might need 6 – 9 months to be ready, we can be ready in a week. Tweaking up programming and introducing more lifestyle, even with the current programming that we've had, it's got elements that we just need to develop further. I mean we already have motor spor ... motoring, we've

had health, lifestyle and all that. So, even within the news channel that we had, there's many elements that talk to the broad section that we've applied for. So, we already have foundational elements in the current programming and we want to emphasize that we are proudly South African and understand our dynamics and all that. So, in terms of people that understand this market, we think we are unparalleled. We have also interacted with this market, we know this market, we have roots in this country, so, we are well-placed to be able to service this country. Talent is on standby, as I said, to meet the requirements of the FTA. Very qualified people, Chair, it is actually quite a shame to see what happened in our group. People, highly qualified, we've got engineers that sitting at home, we've got the best people that you can find in terms of anchoring and all that, so we really have talent ready and waiting. So, chances of failure for us is little to zero. Thank you very much.

Chairperson:

Thank you very much, Mr Manyi. I'm sure as we may have seen how the programme has been structured, we'll allow then Kwese to then come and make their representations towards the Infinity Media application. Thank you and, indeed you did stick to time. Thanks for that and, just by the way of caution, I did not make this announcement earlier, we will keep reminding presenters of their time limitations, so I'll make an interjection at half time and at five to. Kwese over to you.