

## **NO SECRET CLANDESTINE MEETING, NO KICKBACKS, NOTHING UNTOWARD, JUST NORMAL COMMERCIAL NEGOTIATION**

MultiChoice notes the disparaging publicity arising from the release of the minutes of a meeting it had with the SABC Board in 2013.

*“I attended that meeting – it was certainly not secret and there is nothing illegal or improper in those minutes”* said Nolo Letele.

The press statements make two simple mistakes:

- This was no clandestine meeting. The meeting was held at the request of the SABC, on their premises and like other SABC board meetings was recorded. Top management and board members of both parties were represented.
- One of our team said “we don’t normally pay for news channels” and some strange motive is imputed – that MultiChoice made corrupt payments to the SABC simply for their support on non-encryption of set top boxes. This, amongst other statements, is commercial discussion, mere sales talk to manage financial expectations. It is well known that we pay for many news channels. SABC wanted MultiChoice to pay as much as possible and MultiChoice wanted to pay as little as possible.

Selective reference is also made to the minutes. From the minutes it’s clear that the decision on encryption was not one the SABC could make. Ms L P Mokhobo, (the chairperson of that meeting) makes this clear: *“.... this decision is really a government decision. The SABC has no power over it.”*

At the time there were two popular views on encryption. Our view was well known. The contestation was fierce and both sides lobbied hard for their respective positions. The decision on encryption was made by government in policy. The Minister’s policy decision was that of no encryption and led to extensive litigation ultimately ending in the Constitutional Court. Noteworthy the constitutional court said:

*“It must be said that M-Net, unlike etv, does not at all depend or seek to rely on government resources or set top boxes in the furtherance of its private commercial interests. It funds its chosen business model. And so must e.tv fund its preferred new business plan. It is concerning that it seeks to ride on the back of a government project to realise its entrepreneurial vision”*

MultiChoice has a long standing relationship with the SABC dating back to the early 1980’s. The parties have bought and sold content from and to each other for many years, and will continue to do so.