



CORPORATE PLAN:

MTEF 2013 – 2016

Portfolio Committee On Communications

26 March 2013



SENTECH
connecting You

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- SENTECH hereby presents the Company’s Corporate Plan for the Medium Term Expenditure Framework (MTEF) for 2013 – 2016 to:
 - The Executive Authority, the Minister of Communications;
 - The Parliamentary Portfolio on Communications as provided for in terms of the Money Bills Amendment Procedure and Related Matters Act of 2009; and
 - National Treasury as required in terms of Section 52 of the PFMA and Treasury Regulation 29.

- In terms of the Electronic Communications Act 36 of 2005, the company’s main object is *“...to provide electronic communications services and electronic communications network services in accordance with the Electronic Communications Act.”*

- **Mr Thabo Mongake** Chairperson
- **Dr Setumo Mohapi** Chief Executive Officer
- **Mr Kganki Matabane** Chief Operating Officer
- **Ms Leah Khumalo** Non-Executive Director
- **Mr Paris Mashile** Non-Executive Director
- **Mr Siphon Johannes Mjwara** Non-Executive Director
- **Mr Stephen Molala** Non-Executive Director

- In our presentation today, the Board will provide the Committee and the South Africa the assurance that SENTECH is committed to its Public Service Mandate and that the Company remains one of Government's enablers in for the communications and broadcasting sector in general; and for providing Communications infrastructure Networks to rural and underserved areas of the country.
- Accordingly, the Board has adopted a strategy roadmap for the 2013 – 2016 Corporate Plan that focuses on accelerating the implementation of Government ICT infrastructure interventions within the context of the National Development Plan, and in particular the Strategic Infrastructure Programme 15 (SIP15) framework.
- Furthermore, the Board believes that Government's Medium Term Strategic Focus priorities are instructive in guiding SENTECH towards fulfilling its public service mandate as a State Owned Company.

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VISION

To be a world-class provider of sustainable communications network infrastructure and services in South Africa.

MISSION

To enable affordable universal access to communication services in the context of South Africa's socio-political imperatives as a developmental state.

VALUES

- **Integrity:** *We act with honesty, fairness and openness;*
- **Quality Customer Service:** *We are committed to proactively ensuring high values of customer satisfaction and building a relationship based on trust;*
- **Innovation:** *We endeavour to develop and support creativity and responsible risk-taking;*
- **Accountability:** *We deliver on our promises and take responsibility for our actions; and*
- **Social Responsibility:** *We endeavour to fulfill our mandate in a manner that benefits our employees, customers, suppliers, communities and the environment in all the areas that the Company operates in.*

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- In the 2012 – 2015 Corporate Plan, SENTECH took a firm decision to position the Company as a strategic SOC enabler of Government Interventions in the ICT sector – guided by the country’s National Development Plan and the Department of Communications Vision 2020 Strategy for the ICT sector.
- The 2013 – 2016 Corporate Plan continues on the same path, with particular focus on accelerating implementation of Government ICT infrastructure interventions within the NDP and SIP15 frameworks.
- Accordingly, SENTECH’s interventions remain focused on the following priority areas:
 - *Enabling Universal Access to communications infrastructure network services, prioritising underserved and underserviced areas;*
 - *Ensuring that SENTECH’s communications infrastructure network and platforms are operated on Open Access and Interoperable principles; and*
 - *Enabling affordable and diverse content and information distribution platforms.*

- **UNIVERSAL ACCESS:**

- In 2013 financial year, the SENTECH Radio and Television Signal Distribution Network enabled additional 22,231 Citizens to receive public broadcasting services for the first time.
- SENTECH believes that the new Low Power Transmitter sites installed for the expansion of public broadcasting services also provides an opportunity for expanding coverage of incumbent Private and Community Radio services or the licensing of additional Community Radio Broadcasting services.
- SENTECH will continue to expand universal access to Public Broadcasting Services in pursuit of the 'universal broadcasting signal distribution masterplan' in collaboration with the SABC.
- During 2014 financial year, SENTECH, in support of the Department and in collaboration with the SABC and Universal Service and Access Agency of South Africa (USAASA) will ensure that a Comprehensive Broadcasting and Broadband communications network masterplan is formalised under the SIP 15 framework.

- **OPEN ACCESS AND INTEROPERABLE PLATFORMS:**

- In the 2013 financial year Strategic Plan, SENTECH submitted that it had drawn on the guiding principles of the Broadcasting Policy of 1998 for Broadcasting Signal Distribution to deepen the Company's understanding of its public service mandate. During the 2014 financial year, SENTECH will launch a Direct-To-Home Satellite (DTH-S) Open Access and Interoperable Content Distribution Platform. This platform will also fulfill the requirements for universal access to PSB FTA broadcasting services as stated in the BDM Policy of 2012.

- **AFFORDABLE PLATFORMS:**

- One of the provisions of Broadcasting Policy of 1998 is for an affordable Broadcasting Signal Distribution system that recognises the 3-Tiers of broadcasting service operators. SENTECH is awaiting conclusion of the ICASA inquiry on the Regulatory Framework for Broadcasting Transmission Services.

- These interventions are further aligned to Government’s Medium Term Strategic Focus (MTSF) priorities as provided for in the Department of Communication’s (DoC) strategic objectives:

SHAREHOLDER PRIORITIES		SENTECH STRATEGIC PLAN ALIGNMENT
STRATEGIC GOALS	STRATEGIC OBJECTIVES	
<p>SG 1: Enable the maximisation of investment in the ICT sector and create new competitive business opportunities for the growth of the ICT industry for socio-economic development.</p>	<p>SO 1.1: Contribute to creating conditions for inclusive economic growth through the development and implementation of ICT policies, legislations and strategies.</p>	<ul style="list-style-type: none"> • Provide input into the development of the Community Broadcasting Governance Strategy, the National Integrated ICT Policy and the Comprehensive Digital Content programme based on operational insight into various regulatory, technical and business interactions in the communications industry and strategic insights into the future of digital content systems.

SHAREHOLDER PRIORITIES		SENTECH STRATEGIC PLAN ALIGNMENT
STRATEGIC GOALS	STRATEGIC OBJECTIVES	
<p>SG 2: Ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure to meet the needs of the country and its people.</p>	<p>SO 2.1: Support and enable the provision of a multiplicity of ICT applications and services through facilitating the modernisation and deployment of the infrastructure.</p>	<ul style="list-style-type: none"> • Accelerate the deployment of the Digital Terrestrial Television Network as part of the Broadcasting digital migration and to enable both short and long term benefits for all citizens. • Establish Digital MultiMedia infrastructure that enables distribution of content and information services on Terrestrial, Satellite, Mobile and Online platforms, using the digital infrastructure currently being deployed for the Broadcasting digital migration project. • Ensure that SENTECH's entire communications infrastructure network is aligned to public policy objectives of universal access, open access and interoperability.

SHAREHOLDER PRIORITIES		SENTECH STRATEGIC PLAN ALIGNMENT
STRATEGIC GOALS	STRATEGIC OBJECTIVES	
<p>SG 2: Ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure to meet the needs of the country and its people.</p>	<p>SO 2.2: Contribute to rural development through increasing Universal Access and Services to ICTs.</p>	<ul style="list-style-type: none"> Prioritize the rollout of connectivity and broadcasting distribution infrastructure to underserved and underserved areas as a contribution to the implementation of the ICT Rural Development Strategy.
	<p>SO 2.3: Contribute towards the efficient management and usage of the National Radio Frequency Spectrum.</p>	<ul style="list-style-type: none"> Provide inputs into the development of an updated Radio Frequency Plan based on operational insight into the use of such spectrum in analogue and digital broadcast signal distribution.
		<ul style="list-style-type: none"> SENTECH will apply 'best-in-class' technology solutions to ensure efficient and effective utilization of spectrum, particular the Digital Dividend.

SHAREHOLDER PRIORITIES		SENTECH STRATEGIC PLAN ALIGNMENT
STRATEGIC GOALS	STRATEGIC OBJECTIVES	
<p>SG 2: Ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure to meet the needs of the country and its people.</p>	<p>SO 2.4: Improve cost, quality, availability and usage of ICTs.</p>	<ul style="list-style-type: none"> • Apply the Tariff Model that recognises the different tiers of broadcasting licensees. • Participate robustly in regulatory process, including market studies and related regulatory activities, on wholesale and retail prices for broadcasting services based on operational insight into sustainability and productivity drivers for wholesale broadcast signal distribution services.

SHAREHOLDER PRIORITIES		SENTECH STRATEGIC PLAN ALIGNMENT
STRATEGIC GOALS	STRATEGIC OBJECTIVES	
<p>SG 3: Accelerate the socio-economic development of South Africans and facilitate the building of an inclusive Information Society through partnerships with business and civil society and the three spheres of Government.</p>	<p>SO 3.1: Contribute to increasing the ICT skills base in South Africa and increase access to, and uptake and usage of ICTs.</p>	<ul style="list-style-type: none"> Contribute to an increase in the national technical and business skills base in content distribution through collaboration with tertiary institutions, including the single entity for e-Skills
	<p>SO 3.2: Facilitate the growth and development of SMME's as well as improve their sustainability through the use of ICTs</p>	<ul style="list-style-type: none"> Implement an Enterprise Development strategy that supports Local ICT SMME Procurement
	<p>SO 3.3: Improve evidence-based policy making through conducting ICT research and development for economic growth and global competitiveness.</p>	<ul style="list-style-type: none"> Ensure that SENTECH submissions on policy and regulatory development processes are informed by global benchmarks, with particular focus on Africa and developmental states.

SHAREHOLDER PRIORITIES		SENTECH STRATEGIC PLAN ALIGNMENT
STRATEGIC GOALS	STRATEGIC OBJECTIVES	
SG 4: Improve Departmental performance and enhance the role of ICT SOE's as the delivery arms of Government.	SO 4.1: Provide efficient and effective oversight to SOEs and other entities through effective monitoring and corporate governance mechanisms.	<ul style="list-style-type: none"> Ensure that SENTECH has the appropriate corporate governance structures and policies to enable effective Shareholder oversight.
	SO 4.2: Enhance departmental performance through improving institutional processes and mechanisms.	

SHAREHOLDER PRIORITIES		SENTECH STRATEGIC PLAN ALIGNMENT
STRATEGIC GOALS	STRATEGIC OBJECTIVES	
SG 5: Contribute to the global ICT Agenda prioritising Africa's development.	SO 5.1: Facilitate South Africa's active participation in Multilateral, Bilateral and other International Forums to advance the SA ICT agenda.	<ul style="list-style-type: none"> Ensure that SENTECH's stakeholder engagement model support Shareholder's African and Global initiatives.
	SO 5.2: Explore and exploit Trade and Investment opportunities for the ICT sector in South Africa.	

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- Radio Broadcasting remains the primary source of News, Information and Entertainment programming for the majority of South African citizens.
- According to the South African Advertising Research Foundation (SAARF) survey, Radio Broadcasting services had an average reach of 88,8% of the country's population in 2012. The survey also indicated that Public & Commercial Radio services had an average reach of 85,4% whilst Community Radio services had an average of 24,9% reach. *(Radio Audience Measurement Survey (RAMS) – Past 7 Days Listenership, June 2012)*
- During this MTEF period, SENTECH seeks to drive 'market interventions' that will ensure long-term relevance and viability of the Radio Broadcasting industry, particularly in the following areas:

- **REGULATORY:** The Regulatory regime for Radio Broadcasting services has remained static since the adoption of the Triple Inquiry Report in 2005. Whilst the industry continues to grow in terms of number of licensed broadcasting services, financial viability has proved to be a challenge as more licenses have been issued in the absence of a comprehensive ‘market study’ to determine the levels at which the South African market can sustain Radio Services.
- **DIVERSITY:** The Independent Communications Authority of South Africa (ICASA) has made significant strides in ensuring diversity of voice and programming in the Radio Broadcasting market – driven by new licensees in the Commercial and Community Radio sector. SENTECH submits that the Company has a significant role to play in enhancing the impact of ICASA’s regulatory interventions by implementing radio frequency network solutions that will enable expanded diversity in the converged digital ecosystem.

- **ACCESS:** In the past two years, SENTECH, the SABC, USAASA and ICASA, under the leadership of the Department of Communications have been developing a Broadcasting Signal Distribution Masterplan (BSDM) for Public Radio Broadcasting Services. Primarily, the BSDM is focused on ensuring that Citizens receive the widest number of Radio services possible in their region/locality within the confines of the optimal Radio Frequency Plan.

In August 2012, ICASA published Draft Frequency Migration Regulations And Plan that seeks to harmonise South Africa's Radio Frequency Spectrum Planning within the provisions of the International Telecommunications Union (ITU).

SENTECH is confident that promulgation of this Radio Frequency Plan will enable the provision of Universal Access to Public Broadcasting Radio Services during this MTEF period.

- **SUSTAINABILITY:** Despite the positive developments in the sector, financial sustainability remains a challenge for new operators, in particular ‘Secondary Market Private Operators’ and ‘Community Radio Operators’ – albeit for different reasons. The viability of Secondary Market Private Radio Broadcasting market requires ICASA’s intervention in the form of a Market Study, whilst Community Broadcasters require a stable funding/subsidy model.

FREQUENCY MODULATION (FM):

- The FM continues to show strong growth with a total of 13 applicants having responded to ICASA's Invitation-To-ApPLY (ITA) for private sound broadcasting licences in Primary Markets (7) and Secondary Markets (6) issued in February 2012. Nonetheless, considering the long lead-time in licensing of new services, SENTECH anticipates that these services will only come on stream in the 2015 financial year.
- For the 2014 financial year, SENTECH will focus on growing Community Broadcaster customer base and expansion of services on the Low-Power transmitter network to Community and Private Sound Commercial Broadcasters.
- An agreement for further Low Power expansion of SABC Radio services had not been concluded at the time of submitting the Corporate Plan. This agreement has now been concluded, and provides for rollout of 88 Low Power sites between 2014 and 2015 financial years.

MEDIUM WAVE (MW):

- There is a resurgence of interest in the MW radio market, which is somewhat driven by the lack of FM frequencies in major metropolitan areas.
- In February 2012, ICASA issued two ITA's for MW services. In terms of the Primary Markets, the Authority intends to award two licences to applicants in the geographical markets in Gauteng, two in the metropolitan areas of and around Durban and a further two licences in the metropolitan areas of and around Cape Town. In the Secondary Markets licensing process, the Authority intends to award one licence to the successful applicant in the Northern Cape, two in Free State and one in the Eastern Cape Provinces.
- Whilst SENTECH is hopeful that ICASA will conclude licensing of these services during the 2014 financial year, SENTECH submits that these services will only go on-air during the 3rd quarter of 2015 due to lead times in the building of transmitter sites, in particular for areas outside of Gauteng.

SHORT WAVE (SW):

- The SW radio distribution platform is in terminal decline, as it gets closer to the end of its lifecycle:
 - International Broadcasters, the primary customers of the SW service, are adopting new distribution technologies such as Internet and Satellite radio;
 - Whilst there is still a limited number of SW Radio Receiver manufactures, the cost of these receivers have tripled in the past ten years, making them unaffordable to the target citizens for SW services in Africa; and
 - The cost of maintaining the SW transmitter infrastructure at the Meyerton site is escalating at a much faster pace than the service can attract additional customers to sustain the service. To date, SW transmitter equipment suppliers have de-commissioned their production plants, but will re-commission them if a bulk order is placed for any spare parts. This procurement model further escalates the cost of maintaining the SW transmitter infrastructure.

SHORT WAVE (SW):

- Against this background, SENTECH will start a process of rationalising the SW signal distribution solution – focusing on reducing the number of transmitters in line with existing customer base to ensure its future viability.

As part of this rationalisation process, SENTECH will submit a business case to the Shareholder for funding the signal distribution of the SABC's Channel Africa to ensure that the SABC continues to fulfill its public service mandate for the radio service.

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- The Television market remains at a watershed period – awaiting the commercial launch of Digital Terrestrial Television (DTT) services. SENTECH anticipates that there will be no new services licensed in the Analogue Free-To-Air (FTA) market leading-up to Analogue Switch-Off (ASO) in 2015.
- However, the most significant trend is that Pay Television (PayTV) operators such as MultiChoice ('DStv'), On Digital Media ('TopTV') and MultiChoice ('MNet') are accelerating the pace at which they are driving uptake of their 'digital broadcasting services' to South African citizens.
- According to Statistics South Africa (SSA) Census 2011 Report, of the estimated 14,5 million South African households, 10,8 million (74,5%) own a television set, with 3.7 million (25.8%) having a Direct-To-Home Satellite (DTH-S) receiver. (*Source: Census 2011, page 57 – 58*)

- A report study published by PwC, estimated that by the end of 2012, there Subscription Television households stood at 4,25 million and are projected to grow to 77,8% of all Television households by 2016. *(Source: PwC, South African Media & Entertainment Outlook: 2012 – 2016)*
- Whilst acknowledging the different respondent base between SSA and PwC, SENTECH submits that the historical trend for uptake of Subscription Television services needs to be considered in developing the strategic roadmap for FTA DTT.
- In particular, SENTECH submits that at the current uptake trends for PayTV services, ICASA needs to provide Regulatory clarity on ‘Must Carry’ obligations for Public Service Broadcasting and Free-To-Air broadcasting services in the DTT environment.

- The current penetration trends of Subscription Television services are significant in considering the future sustainability of DTT.
- An article published on MoneyWeb states:

, ‘... as far as the numbers go, DStv is on the up. In its November interim results, parent company Naspers said 187 000 subscribers had been added to the SA base, with a total of 4.2 million households. The Compact bouquet, which has seen significant uptake in the black middle class market, accounted for 87% of growth.’ (Source: www.moneyweb.co.za, DStv price increase reaction shows consumer apathy, 7 March 2013)
- Based on these subscriber numbers from Naspers, 38.9% of all South African Television households are already receiving their television services through DStv’s digital multichannel platform – these numbers are close to the trended report from the PwC study.

- Beyond these developments, SENTECH will continue to participate in Policy and Regulatory processes that seek to establish a coherent Information Communication and Technology (ICT) ecosystem.
- On DTT Migration Regulations, SENTECH remains concerned that ICASA did not address two key issues that the Company made in its submissions to Regulator, that is:
 - the population coverage targets for e.tv and MNet on DTT Multiplex 2; and
 - the allocation of Multiplex 2 capacity for ‘test’ broadcasting services.
- Both these provisions have a material impact on SENTECH’s DTT Tariff Model.
- SENTECH continues to address these issues with ICASA and is confident that they will be resolved when the Regulator makes its final determination on the Broadcasting Signal Distribution Tariff Regulatory Framework.

TERRESTRIAL TELEVISION:

- The Terrestrial Television business is projected to remain stagnant, with minimal revenue growth realised through annual inflation-linked tariff increases for Analogue Terrestrial Television services. In the 2014 financial year, SENTECH will focus on managing the transition of the terrestrial television signal distribution solutions from analogue to digital.
- As previously noted, SENTECH's future sustainability is intricately linked to the launch of DTT commercial services in 2013. By the end of the 2014 financial year, Public Funds in excess of R1.728 billion (Capex and Opex) would have been invested in the rollout of the DTT Infrastructure Network.
- Beyond the 2014 financial year, SENTECH may have to self-fund the Capex Depreciation and Operating Costs of the DTT Network should the commercial launch of DTT services be delayed further as the Shareholder has not yet provided any funding for this project from the 2015 financial year.

DIRECT-TO-HOME SATELLITE PLATFORM:

- The Direct-To-Home Satellite (DTH-S) business continues to see steady growth, largely driven by Religion-themed Free Access Television channels.
- During the 2014 financial year, SENTECH will launch a DTH-S Open Access and Interoperable Content distribution platform. SENTECH recognises that the growth of MultiChannel broadcasting will in future be driven by single-channel and small network providers who will not have the financial resources to establish their own distribution platforms.
- Accordingly, SENTECH believes that providing an open access DTH-S platform will not only stimulate growth in the industry, but will ensure that the Company fulfills its public service mandate as Common Carrier for broadcasting services across all technology platforms.

MOBILE TELEVISION:

- In the 2012 - 2015 Corporate Plan, SENTECH submitted that improving socio-economic conditions of citizens and availability of affordable new technologies such as smartphones and tablets was rapidly changing consumption patterns of linear and recorded video content.
- In 2011, SENTECH enabled its first open access mobile signal distribution service to the Mobile Television Consortium (MTC) that operated a pilot service using the Digital MultiMedia Broadcasting (DMB) technology standard. SENTECH continues to provide this service to MTC pending approval of the consortium's commercial licence application by the Regulator. During the 2014 financial year, SENTECH will also pilot mobile television using the DVB-T2 Lite – which is a subset of the DVB-T2 profile adopted by South Africa for DTT migration.

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- The rapid deployment of new technologies, services and products continue to alter the traditional lines between broadcasting, telecommunications and internet services – further expanding the competitive landscape that each of these operators face from their traditional competitors.
- In the 2012 - 2015 Corporate Plan SENTECH provided as follows:

“SENTECH acknowledges that private enterprises have a critical role to play in enabling migration and adoption of new technologies in the Entertainment & Media sector. However, drawing from the White Paper on Broadcasting Policy, SENTECH submits that the Company has public interest obligation to enable deployment of open access public and interoperable communications platform services.”
- Accordingly, SENTECH aims to take the lead in ensuring that South Africa has an Open Access and Interoperable digital content management and distribution platform to enable ‘Digital Inclusiveness’ for all Citizens.

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- To date, the Very Small Aperture Terminal (VSAT) product is SENTECH's only Wireless Broadband solution provided to Government Departments and Public Entities – focused on providing broadband connectivity in underserved and underserved.
- Despite making significant inroads in enabling broadband connectivity to the key Government and Public Entities such as the Department of Home Affairs, the Department of Education (KwaZulu Natal and Free State) and the South African Post Office in line with the re-positioning strategy adopted in the 2012 financial year; sustainability of the VSAT solution remains precarious.
- In the 2014 financial year, SENTECH will further re-focus the VSAT solution to the requirements of the State Information Technology Agency (SITA) that holds the public service mandate for providing information technology services to Government Departments and Public Entities as provided for in the SITA Act of 2002.

- SENTECH has been engaged by USAASA to provide end-to-end VSAT connectivity and iLABS services to existing USAASA Telecentres. The entities are working towards a consolidated programme for the MTEF period, which upon conclusion will be presented to the Committee in the 1st Quarter Reports.
- During the 2014 financial year, SENTECH will enhance the partnership with Provincial Departments of Education towards ensuring that the VSAT connectivity enables the delivery of quality education to schools in rural and underserviced areas.
- Furthermore, SENTECH will continue to review the VSAT solution in the context of the National Broadband Network Policy and Implementation Strategy that is being developed by the Department of Communications.

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- SENTECH continues to offer an unequalled Facility Leasing solution, enabling quick and cost-effective expansion of communications services – primarily to Telecommunications operators.
- The facilities leasing solution is projected to remain profitable for this planning period as demand from mobile operators continue to grow. However, revenue margins will decline as the Company continues to align its tariffs to the provisions of the Electronic Communications Facilities Leasing Regulations.

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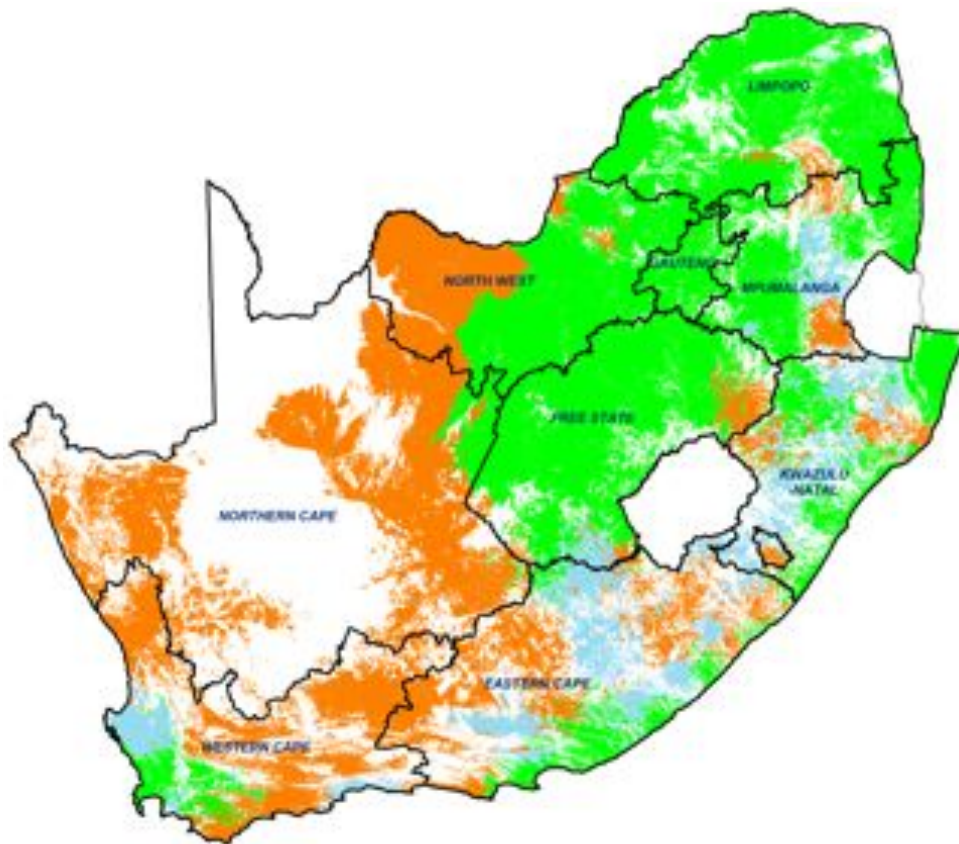
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- The DTT infrastructure rollout project will remain SENTECH's primary priority as South Africa moves towards Analogue Switch-Off (ASO) in June 2015.
- At the DTT Readiness Hearings held by the Portfolio Committee on Communications (PCC) in November 2012, SENTECH submitted that the Company will achieve 80% population coverage by end of March 2013, and SENTECH is confident that this target will be achieved.
- Based on the DTT Project Plan, SENTECH further submits that by March 2014, the DTT network will reach 88% of the country's citizens with the remaining 12% provided for through Direct-To-Home Satellite – ensuring 100% population and geographic coverage for the Nation.

- SENTECH will continue with the regional rollout of the DTT Network geared at providing balanced coverage between rural and urban areas within each region.



- The DTT Network rollout plan remains on target for achieving 88% population coverage by end of the 2014 financial year.
- By 31 March 2013, the DTT network will have reached 80% of the Population and 40% Geographic coverage.
- The Provincial rollout plan for 80% Population coverage is as follows:

Completed Sites (DTT Service on DVB-T2 in operation)

Work-In-Progress Sites (To be completed in March 2013)

Sites to be completed during FY2013/2014



Bez Valley

Heidelberg

Helderkruin

Johannesburg

Sunnyside

Welverdiend

Linmeyer

Menlo Park

Mondeor

Mulbarton

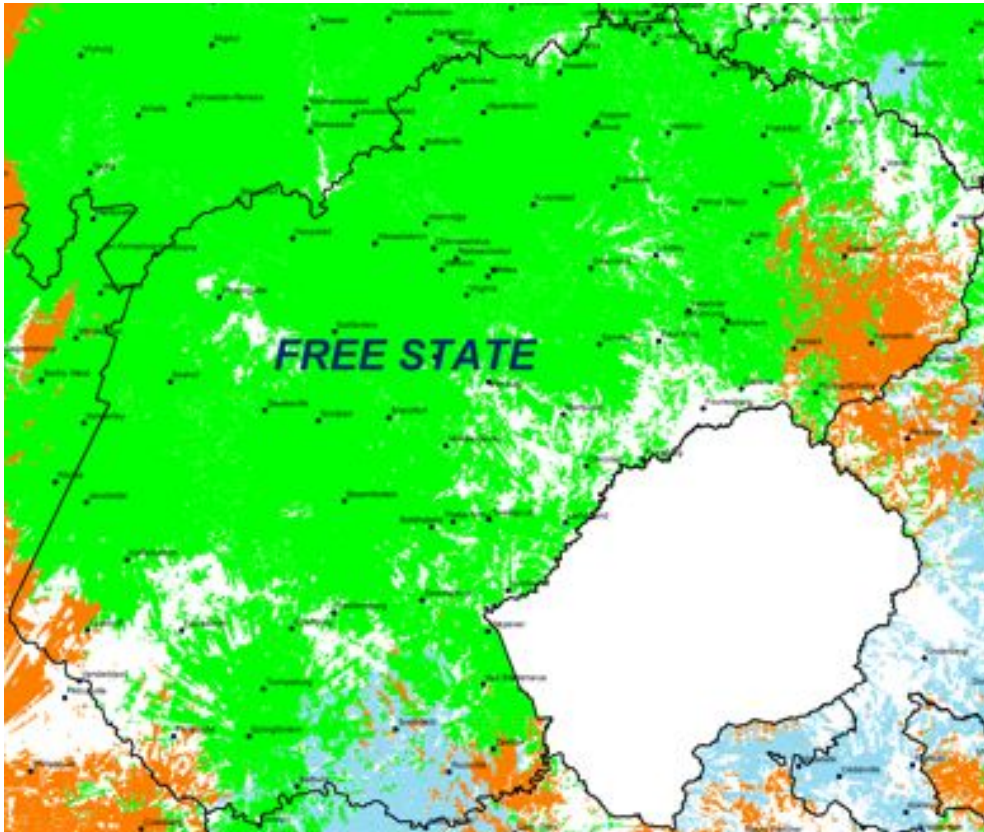
Pretoria

Pretoria North

Completed Sites (DTT Service on DVB-T2 in operation)

Work-In-Progress Sites (To be completed in March 2013)

Sites to be completed during FY2013/2014

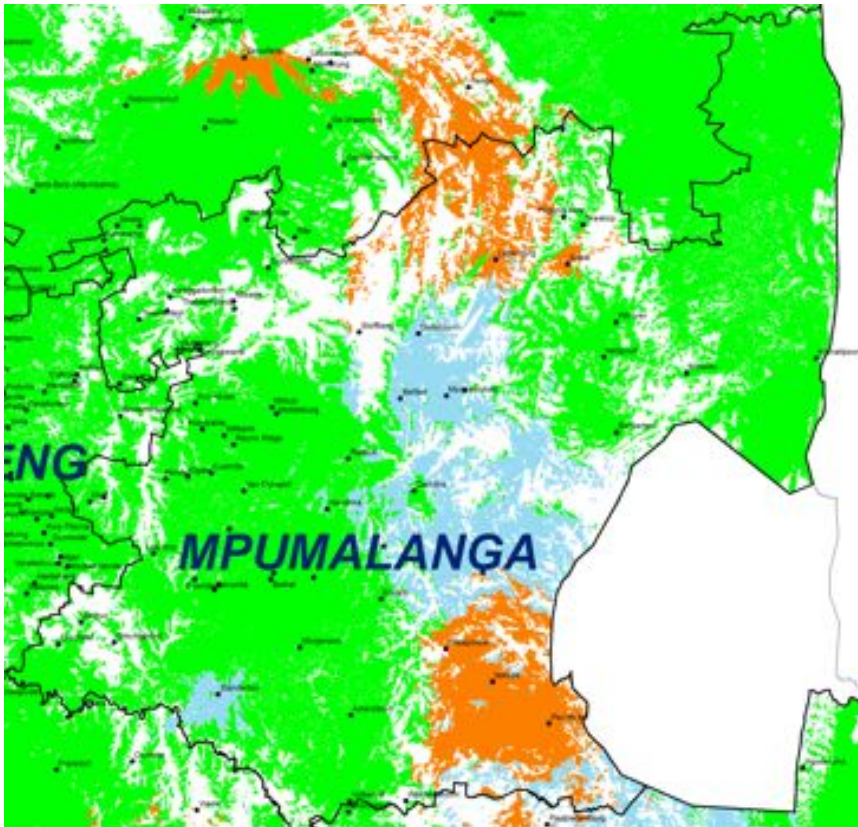


Bloemfontein
Theunissen
Kimberley
Kroonstad
Suidrand
Bethlehem
Senekal
Boesmanskop
Dewetsdorp
Ficksburg Town
Springfontein
Witsieshoek
Ladybrand
Petrus Steyn
Harrismith

Completed Sites (DTT Service on DVB-T2 in operation)

Work-In-Progress Sites (To be completed in March 2013)

Sites to be completed during FY2013/2014



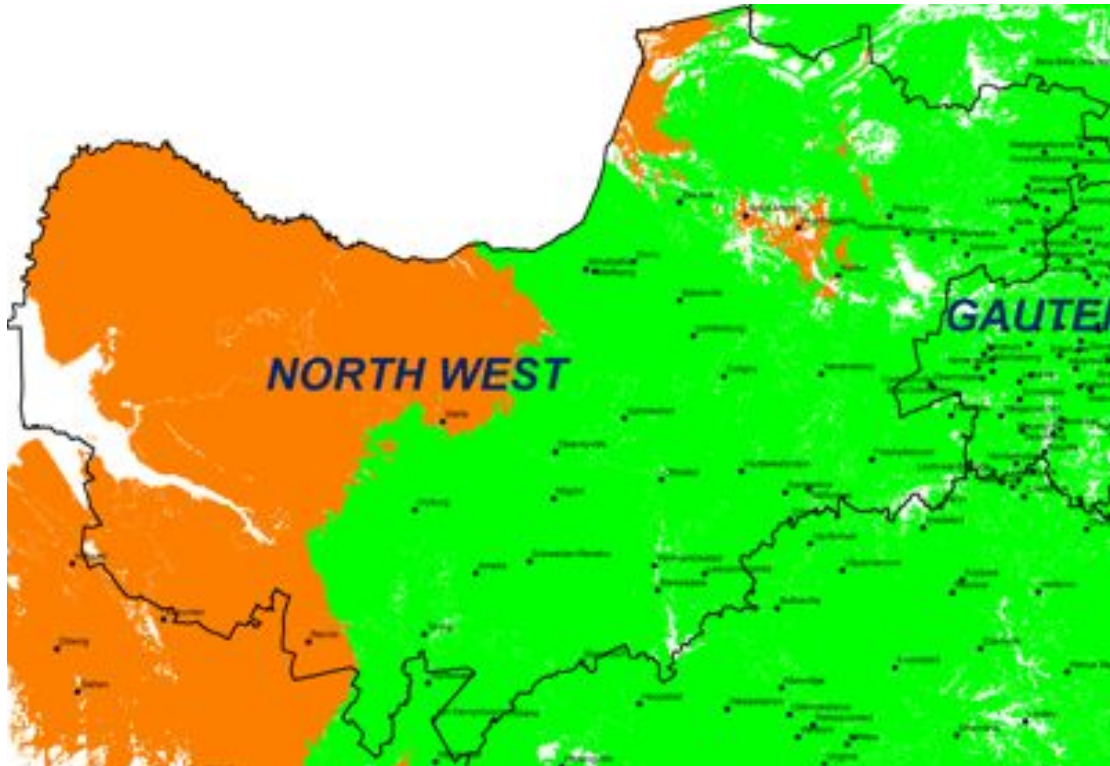
Hectorspruit
Middelburg
Nelspruit
Hoedspruit
Volkstrust
Carolina
Dullstroom
Standerton
Mbuzini
Piet Retief
Lydenburg
Sabie

DIGITAL TERRESTRIAL TELEVISION: Network Rollout Project Plan: NORTH WEST

Completed Sites (DTT Service on DVB-T2 in operation)

Work-In-Progress Sites (To be completed in March 2013)

Sites to be completed during FY2013/2014



Klerksdorp

Rustenburg

Zeerust

Schweizer Reineke

Christiana

Mabibogo

Taung

Enzelsberg (100W)

Groot Marico

Ganyesa

Swartruggens

Motswedi

Kuruman

Piet Plessis

Supingstad

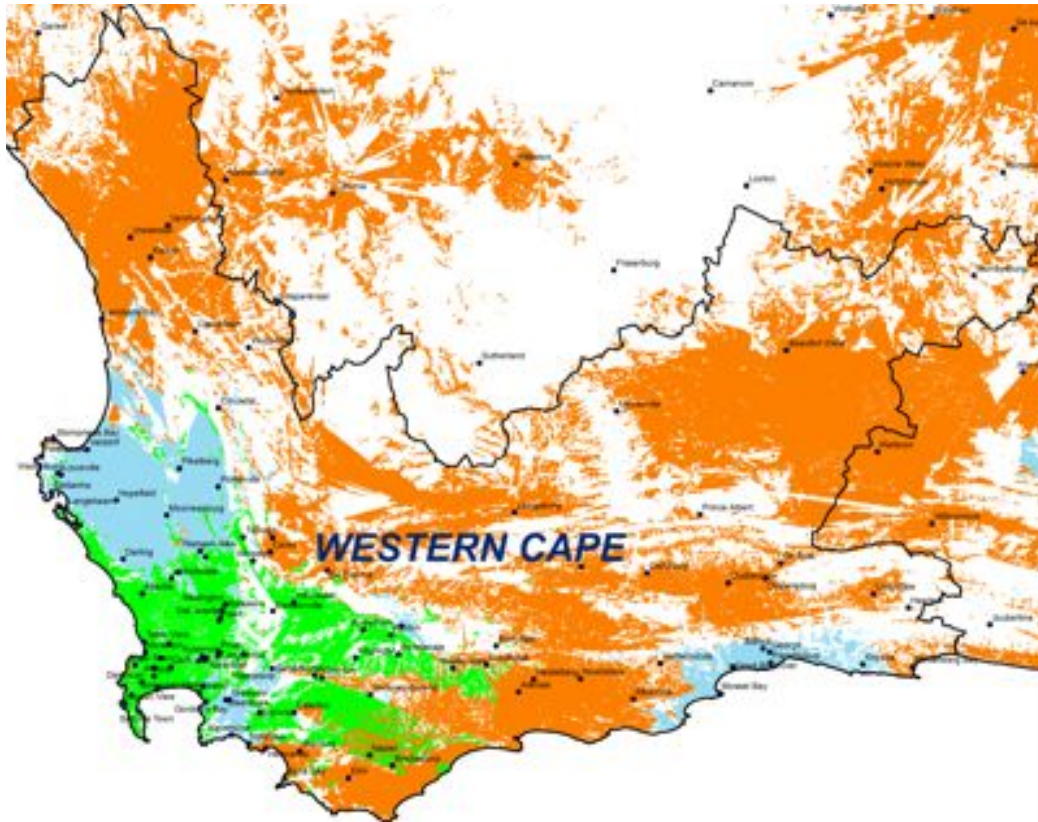
Pomfret

DIGITAL TERRESTRIAL TELEVISION: Network Rollout Project Plan: WESTERN CAPE

Completed Sites (DTT Service on DVB-T2 in operation)

Work-In-Progress Sites (To be completed in March 2013)

Sites to be completed during FY2013/2014

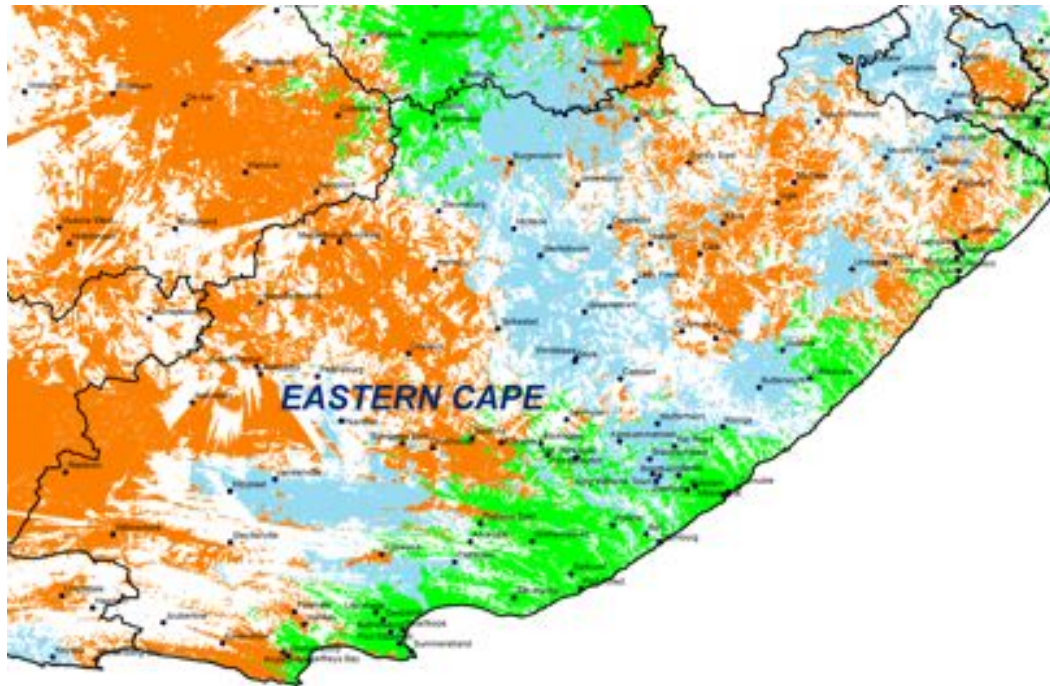


Aurora	Clifton
Cape Town	Amanda Glen
Fishhoek	Hermanus
Franschhoek	Uniondale Town
Hout Bay	Ceres
Paarl	Groot Brakrivier
Sea Point	Hexrivier
Simonstown	Ladismith (Cape)
Stellenbosch	Matjiesfontein
Table Mountain	Plettenberg Bay
Tygerberg	Touwsrivier
Villiersdorp	Uniondale
Grabouw	Oudtshoorn
George	Napier
Piketberg	Riversdale
Kleinmond	Vanrhynsdorp
Knysna	Beaufort West
Montagu	

Completed Sites (DTT Service on DVB-T2 in operation)

Work-In-Progress Sites (To be completed in March 2013)

Sites to be completed during FY2013/2014



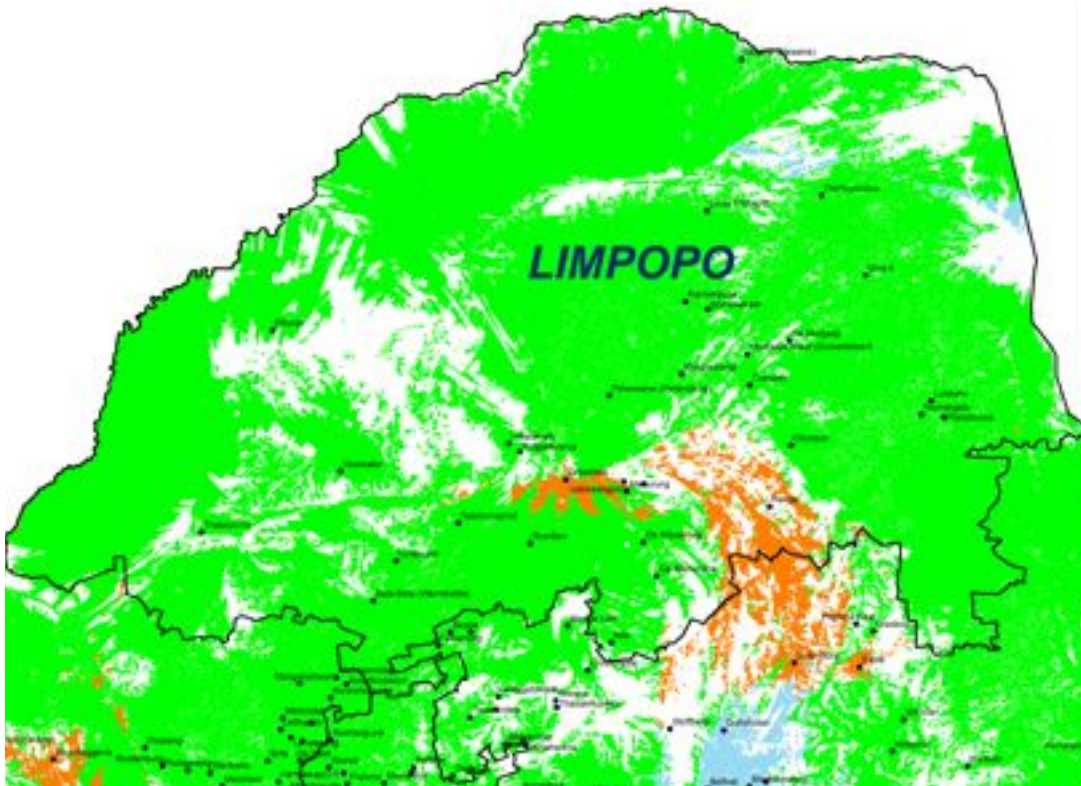
East London
Despatch
Port Elizabeth
Port Elizabeth City
Grahamstown
Port St Johns
Entshatshongo
Aliwal North
Butterworth
Suurberg
King Williams Town
Queenstown
Umtata
Mount Ayliff
Engcobo
Ugie
Straalhoek
Graaf Reinet
Holy Cross

Andrieskraal
Barkly East
Burgersdorp
Hankey
Kirkwood
Ngamgelizwe
Patensie
Bedford
Cradock
Cala
Paul Sauer Dam
Somerset East
Noupoort
Kareedouw
Sterkspruit
Ngceleni
Elands Heights
Willowmore

Completed Sites (DTT Service on DVB-T2 in operation)

Work-In-Progress Sites (To be completed in March 2013)

Sites to be completed during FY2013/2014

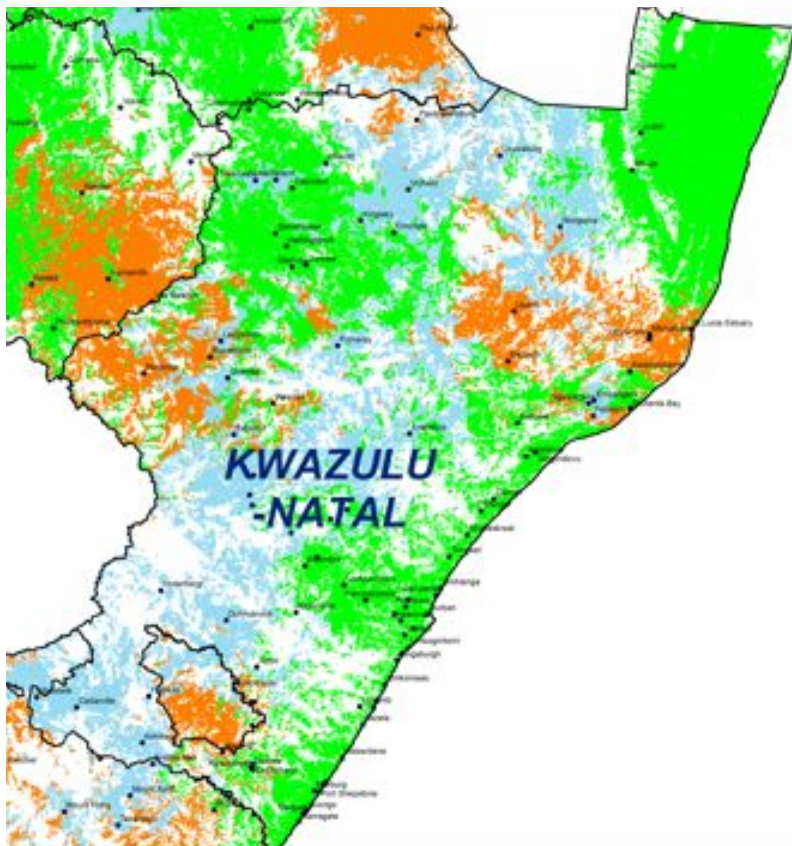


Nylstroom
Potgietersrus
Thabazimbi
Louis Trichardt
Tzaneen
Malamba (300W)
Gaba (100W)
Sibasa (100W)
Tolwe (100W)
Tshamavudzi (100W)
Dzamba
Burgersfort

Completed Sites (DTT Service on DVB-T2 in operation)

Work-In-Progress Sites (To be completed in March 2013)

Sites to be completed during FY2013/2014



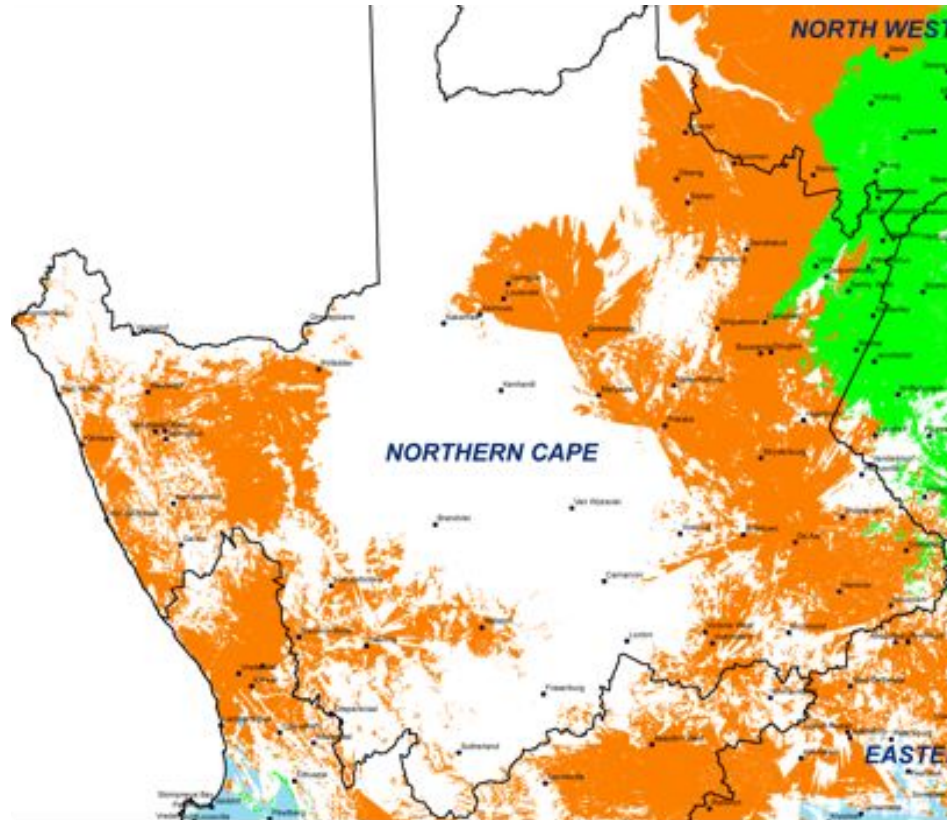
Durban
The Bluff
Port Shepstone
Glencoe
Verulam
Nqutu
Overport
Pietermaritzburg
Ubombo
Greytown
Eshowe
Estcourt
Matatiele
Newcastle
Kokstad

Louwsberg
Howick
Moorivier
Vryheid
Greytown
Nongoma
Pongola
Qudeni
Loskop
Ladysmith
Donnybrook
Loskop
Ulundi

Completed Sites (DTT Service on DVB-T2 in operation)

Work-In-Progress Sites (To be completed in March 2013)

Sites to be completed during FY2013/2014



Upington Town
Alexander Bay
Williston
Colesberg
Douglas
Calvinia
Kuruman Hills
Prieska
Victoria West
De Aar
Garies
Springbok
Upington
Pofadder

Province	March 2013 Status (excluding new transmitter stations)			Actual/Target Completion Date
	March 2013 Conversion	Population Coverage	Geographic Coverage	
Gauteng	Complete	99%	87%	March 2012
Free State	Complete	89%	77%	December 2012
Limpopo **	83%	70%	69%	July 2013
Mpumalanga *	75%	75%	68%	September 2013
North West	56%	92%	73%	November 2013
Western Cape	51%	87%	17%	December 2013
Eastern Cape	37%	67%	35%	December 2013
KwaZulu Natal	93%	70%	56%	March 2014
Northern Cape ***	0%	32%	3%	March 2014
New Transmitter Stations				
Harrismith – Free State	0%	0%	0%	March 2014
Burgersfort – Limpopo	0%	0%	0%	March 2014
Ngqeleni – Eastern Cape	0%	0%	0%	March 2014
Holy Cross – Eastern Cape	0%	0%	0%	March 2014

* Mpumalanga sites outstanding are Lydenburg, Piet Retief and Sabie

** Limpopo site outstanding is Dzamba

*** Coverage in the Northern Cape is a result of cross border coverage from the Free State

- In the MTEF 2012 – 2015 Corporate Plan, SENTECH submitted that the Analogue Switch-Off (ASO) date of June 2015 requires the Company to accelerate Network Infrastructure rollout.
- In order to meet this deadline, SENTECH will require all CAPEX funding for DTT to be allocated in the 2014 financial year to enable procurement of capital infrastructure.

- In December 2012, National Treasury confirmed that R172 million in CAPEX funds allocated to SENTECH for the 2015 financial year will now be made available in the 2014 financial year. The total CAPEX funds that have been allocated to the project to date are as follows:

DTT CAPEX FUNDING

(ZAR 000's)

FINANCIAL YEAR	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL
CAPEX:											
Capital Received	95	120	150	160	51	269	166	477	-	-	1 488
Vat On Funds Received	(12)	(15)	(18)	(20)	(6)	(33)	(20)	(59)	-	-	(183)
Interest Earned	-	-	-	-	-	32	-	-	-	-	32
Net Capital Funds Received	83	105	132	140	45	268	146	418	-	-	1 337
Capital Expenditure	(80)	(52)	(106)	(164)	(30)	(56)	(431)	(418)	-	-	(1 337)
Cumulative Capital Fund Balance	3	56	82	58	73	285	-	-	-	-	-

- In the MTEF 2012 – 2015 Corporate Plan, SENTECH further submitted that in terms of the rollout plan and the planned regional ASO's, the Company would require Dual Illumination funding for the 2014 and 2016 financial years. The projected Dual Illumination for the period is as follows:

DTT DUAL-ILLUMINATION FUNDING
(ZAR 000's)

FINANCIAL YEAR	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL
OPEX (DUAL ILLUMINATION):											
Opex Received	-	-	-	100	20	120	-	-	-	-	240
Vat On Funds Received	-	-	-	(12)	(2)	(15)	-	-	-	-	(29)
Interest Earned	-	-	-	-	-	-	8	-	-	-	8
Net Opex Funds Received	-	-	-	88	18	105	8	-	-	-	219
Opex Expenditure	-	-	(16)	(39)	(39)	(39)	(78)	(106)	(107)	(113)	(537)
Cumulative Opex Fund Balance	-	-	(16)	49	(21)	66	(70)	(106)	(107)	(113)	(318)

- Accordingly, SENTECH noted that would require an additional R318 million in Dual Illumination funding for the MTEF period.

- In conclusion, SENTECH noted that Vote 27 (Communications) of the 2014 Budget Speech provides that the Company has been allocated R599 million over the MTEF period, with R478 million allocated to the capital expenditure part of the project (inclusive of VAT) and R121 million allocated to dual illumination (inclusive of VAT) for the financial year 2013/2014.
- With a rollover of around R46 million (exclusive of VAT) envisaged for the financial year 2012/2013, the total funds that will be paid out over the financial year 2013/2014 for the capital expenditure part of the project is will be R464 million (exclusive of VAT). R61m (exclusive of VAT) will be paid out on the capital expenditure part of the project in 2014/2015.
- The dual illumination funds made available by National Treasury will also fully provide for the recovery of costs associated with running both the digital and analogue networks in 2013/2014.

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3.2 Television Signal Distribution Solutions

3.3 MultiMedia Content Distribution Network Solutions

3.4 Wireless Broadband Solutions

3.5 Facilities Leasing And Management Solutions

4 STRATEGIC INFRASTRUCTURE PROJECTS

4.1 Digital Terrestrial Television

4.2 National Wireless Broadband Network

5 FINANCIAL PLAN

6 KEY PERFORMANCE INDICATORS

- In the 2012 - 2015 Corporate Plan, SENTECH submitted that the Company had reviewed the NWBN Business Plan to ensure alignment with the Department of Communications (the Department) National Broadband Network (NBN) Policy, Strategy and Implementation Plan.
- On 5 November 2012, National Treasury (NT) advised SENTECH that public funds previously appropriated to SENTECH for the Company's NWBN project must be returned to the National Revenue Fund until such time that the Department's NBN policy and strategy have been approved by Parliament.
- SENTECH has since advised the Shareholder of the NT directive regarding NWBN funds – estimated at R584 million as at 31 November 2012.

- As a consequence of the NT directive, and pending the finalisation of the National Broadband Policy and Strategy; and confirmation of SENTECH's mandate, the Board further resolved to return to the Regulator, the Radio Frequency Spectrum currently held by the Company for the NWBN programme.
- Notwithstanding this development, SENTECH will continue to participate in the DoC's National Broadband Strategy development and providing strategic inputs into the development of the Broadband Implementation Plan with the SIP 15 strategic programme.

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4.1 Digital Terrestrial Television

4.2 National Wireless Broadband Network

5 FINANCIAL PLAN: MTEF 2013 - 2016

6 KEY PERFORMANCE INDICATORS

- SENTECH has adopted the concept of ‘Sustainable Shareholder Value Creation’ as the overarching driver for the Company’s business strategy and interventions.
- This approach involves pursuing a core business strategy focused on addressing fundamental societal issues by identifying new, scalable sources of competitive advantages that will generate measurable economic and social dividends.
- In addition to these interventions, SENTECH needs to ensure that its business model is geared to deliver sustainable economic value to the Shareholder.

- Between 2001 and 2007, SENTECH reported on a number of financial metrics that enable the Shareholder and the Board to qualitatively measure the financial viability and sustainability of the Company:

FINANCIAL MATRICES

	2001	2002	2003	2004	2005	2006	2007
	<i>Percentage (%)</i>						
Turnover Growth	-	(29,40)	6,46	21,20	15,05	9,07	8,68
Gross Profit Growth	-	(22,13)	(6,33)	21,60	6,73	39,09	1,54
Operating Profit Growth	-	(26,83)	(57,85)	(214,51)	(181,15)	(1,14)	98,24
Return On Equity	24,75	16,41	4,60	(5,70)	(13,85)	(16,49)	(0,24)
Return On Operating Assets	12,41	8,44	2,92	(2,79)	(6,24)	(7,61)	(0,11)
Gross Profit Growth	24,97	27,54	24,23	(24,21)	22,45	28,63	26,75
Operating Profit Margin	11,13	11,54	4,75	(4,32)	(10,55)	(9,78)	(0,16)

Source: SENTECH Annual Report - 2007

- Beginning this MTEF, SENTECH will return to using these financial matrices and key measures for measuring the Company's finances and thus its contribution to the economic dividend for the country.

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended/Ending

[ZAR 000's]

	2012	2013		2014	2015	2016	2013 vs 2014	
	Actual	Forecast	Budget	Budget	Forecast	Forecast	Variance	
Revenue	812 585	904 318	971 765	952 807	1 001 807	1 052 539	48 489	5,4%
Cost Of Sales	(463 023)	(495 441)	(582 468)	(574 390)	(624 794)	(666 977)	(78 949)	15,9%
Depreciation	(58 528)	(50 110)	(79 840)	(65 116)	(64 209)	(68 969)	(15 006)	29,9%
Energy Costs	(58 423)	(69 694)	(77 734)	(86 591)	(106 967)	(124 082)	(16 897)	24,2%
Satellite Rental	(95 022)	(110 468)	(101 325)	(130 796)	(138 150)	(145 421)	(20 328)	18,4%
Licences	(6 317)	(39 950)	(2 860)	(3 062)	(2 340)	(2 471)	36 887	(92,3%)
Line Rental	(10 425)	(8 918)	(13 739)	(10 991)	(12 036)	(13 240)	(2 074)	23,3%
Operations Maintenance	(62 370)	(29 985)	(72 292)	(55 138)	(44 135)	(35 308)	(25 153)	83,9%
Personnel Costs	(169 323)	(186 133)	(218 029)	(218 541)	(255 862)	(276 331)	(32 408)	17,4%
Other Cost Of Sales	(2 616)	(184)	(16 649)	(4 155)	(1 095)	(1 157)	(3 971)	2159,7%
Gross Margin	349 562	408 877	389 297	378 417	377 013	385 562	(30 460)	(7,4%)
Operating & Administrative Costs	(200 964)	(250 758)	(294 509)	(244 480)	(256 893)	(276 754)	6 278	(2,5%)
Legal Fees	(11 814)	(1 253)	(3 500)	(3 500)	(2 120)	(2 247)	(2 247)	179%
Leasing Charges	(12 192)	(16 066)	(20 742)	(18 251)	(16 846)	(17 857)	(2 184)	14%
Broadband Licence	(5 952)	(32 482)	(43 961)	-	-	-	32 482	(100%)
Professional & Consulting Charges	(16 936)	(27 676)	(24 034)	(20 313)	(15 995)	(16 955)	7 362	(27%)
Transport Costs	(17 816)	(20 726)	(20 773)	(18 897)	(24 189)	(26 608)	1 829	(9%)
Travel & Subsistence	(12 495)	(18 759)	(16 974)	(22 442)	(23 685)	(26 054)	(3 682)	20%
Selling Expenses	(6 750)	(10 422)	(11 284)	(13 123)	(15 987)	(16 467)	(2 701)	26%
Communication Costs	(5 260)	(6 124)	(7 730)	(8 254)	(8 912)	(9 446)	(2 130)	35%
Computer Services	(4 602)	(4 428)	(4 878)	(8 360)	(6 023)	(6 384)	(3 932)	89%
Financial & Write-Off Charges	5 511	1 491	(2 017)	(1 437)	(1 523)	(1 614)	(2 928)	(196%)
Insurance & Security Costs	(6 183)	(8 693)	(10 501)	(12 152)	(13 372)	(14 709)	(3 458)	40%
Other Office Costs	(469)	(337)	(638)	(741)	(731)	(775)	(404)	120%
Personnel Costs	(103 464)	(103 598)	(124 245)	(113 700)	(123 843)	(133 751)	(10 102)	10%
Servicee & Levies	(1 810)	(936)	(1 699)	(1 978)	(2 097)	(2 223)	(1 042)	111%
Stationery & Printing	(731)	(749)	(1 533)	(1 334)	(1 571)	(1 665)	(585)	78%
Earnings Before Interest & Tax (EBIT)	148 598	158 119	94 789	133 937	120 120	108 808	(24 182)	(15%)
Finance Income	62 127	41 613	27 000	34 924	32 634	37 549	(6 688)	(16%)
Finance Expenses	(18 466)	(5 823)	(4 469)	(2 038)	(950)	(500)	3 785	(65%)
	43 661	35 790	22 531	32 887	31 684	37 049	(2 903)	(8%)
Earnings Before Tax (EBT)	192 259	193 909	117 320	166 824	151 804	145 857	(27 085)	(14%)
Income Tax Expense	(57 984)	(64 293)	(58 564)	(60 911)	(56 452)	(56 119)	3 382	(5%)
Earnings After Tax	134 275	129 616	58 756	105 913	95 353	89 738	(23 703)	(18%)

Statement Of Financial Position
For The Period Ended/Ending
[ZAR 000's]

	2012	2013	2014	2015	2016
Assets					
Non-Current Assets					
Property, Plant & Equipment	484 636	455 781	649 295	661 247	606 776
Capital Work In Progress	22 172	18 497	60 145	19 040	3 624
Intangibles	-	-	-	-	-
Deferred Tax Asset	322	-	-	-	-
Employee Benefits	1 300	1 450	1 500	1 750	1 900
	508 430	475 728	710 940	682 037	612 300
Current Assets					
Inventories	7 492	11 675	11 372	8 529	6 823
Current Tax Receivable	-	-	-	-	-
Trade & Other Receivables	37 069	31 624	30 802	30 001	29 221
Prepayments & Deposits	4 166	28 115	5 623	2 811	1 406
Cash & Cash Equivalents	1 605 937	1 062 992	709 139	830 169	977 397
- unrestricted cash	565 516	854 165	694 139	827 669	976 897
- restricted cash	1 040 421	208 827	15 000	2 500	500
	1 654 663	1 134 406	756 935	871 510	1 014 847
Total Assets	2 163 093	1 610 134	1 467 875	1 553 547	1 627 147
Equity and Liabilities					
Capital and Reserves					
Share Capital & Premium	75 892	75 892	75 892	75 892	75 892
Reserves	482 554	489 792	538 771	544 159	549 601
Retained Earnings	350 629	480 245	586 158	681 511	771 249
	909 075	1 045 929	1 200 822	1 301 562	1 396 742
Non-Current Liabilities					
Loans & Borrowings	23 935	-	-	-	-
Employee Benefits	172 622	187 022	198 243	212 643	204 191
Deferred Taxation	-	-	-	-	-
	196 557	187 022	198 243	212 643	204 191
Current Liabilities					
Deferred Income (Government Grants)	889 294	236 029	7 634	2 600	575
Trade & Other Payables	105 014	94 773	56 232	33 739	23 245
Short-Term Portion of LTL	21 494	23 935	-	-	-
Tax Liability	2 653	2 572	2 436	2 258	2 245
Provisions	39 006	19 875	2 507	744	150
	1 057 461	377 182	68 811	39 342	26 215
Total Liabilities	1 254 018	564 204	267 054	251 985	230 405
Total Equity And Liabilities	2 163 093	1 610 134	1 467 875	1 553 547	1 627 147

STATEMENT OF CASH FLOW

For The Year Ended/Ending

[ZAR 000's]

	2012	2013	2014	2015	2016
Cash flow from operating activities (1)	267 229	238 967	239 082	197 420	160 863
Cash Generated from / (Utilised in) Operations	277 381	267 552	267 241	222 366	179 946
Finance Costs	(7 203)	(5 823)	(2 038)	(950)	(500)
Finance Income	62 127	41 613	34 924	32 634	37 549
Tax paid	(65 076)	(64 375)	(61 046)	(56 630)	(56 133)
Cash flow from investing activities	(82 946)	(668 696)	(913 182)	(68 890)	(12 135)
Property, Plant and Equipment Acquired	(82 956)	(668 766)	(913 182)	(68 890)	(12 135)
Proceeds on Disposal of Fixed Assets	10	70	-	-	-
Cash flow from financing activities	285 854	(113 216)	320 247	(7 500)	(1 500)
Government Grant Received	341 140	145 468	469 298	-	-
Government Grant capitalised (asset)	(40 449)	(241 690)	(125 116)	(7 500)	(1 500)
Repayment of interest bearing liability	(19 302)	(21 494)	(23 935)	-	-
Interest capitalised for the 2010 WCS	4 465	4 500	-	-	-
Net Increase/(Decrease) in cash	470 137	(542 945)	(353 853)	121 030	147 228
Opening Cash Balance	1 135 800	1 605 937	1 062 992	709 139	830 169
Cash at end of Period	1 605 937	1 062 992	709 139	830 169	977 397

STATEMENT OF CASH FLOW

For The Year Ended/Ending

[ZAR 000's]

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Opening Cash Balance	1 135 800	1 605 937	1 062 992	709 139	830 169
Cash at end of Period	1 605 937	1 062 992	709 139	830 169	977 397

- For the 2013 – 2016 MTEF period, SENTECH has budgeted for Capex of R878.4 million, with R414m funded from the Company's operations and R464m to be funded by the Shareholder.

SENTECH FUNDS

	EXPANSION			MAINTENANCE			PROVISION			MTEF
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	
Television	-	-	-	22 751	7 430	-	-	-	-	30 181
Radio	3 500	3 500	3 500	20 972	43 781	672	6 075	5 000	5 000	92 000
Satellite Facilities & Linking	-	-	-	-	-	-	30 601	-	-	30 601
Infrastructure	70 100	5 000	-	54 687	-	-	25 503	29 590	8 950	193 830
VSAT	-	-	-	650	-	-	8 970	-	-	9 620
Test Equipment & Spares	-	-	-	20 327	-	-	-	-	-	20 327
Information Services	-	-	-	16 320	100	-	17 155	800	-	34 375
Minor Capital & Furniture	-	-	-	3 115	-	-	-	-	-	3 115
TOTAL	73 600	8 500	3 500	138 822	51 311	672	88 304	35 390	13 950	414 048

EXTERNAL FUNDS

	EXPANSION			MAINTENANCE			PROVISION			MTEF
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	
Signal Distribution	-	-	-	-	-	-	-	-	-	-
Digital Migration Project	464 302	-	-	-	-	-	-	-	-	464 302
TOTAL	464 302									

TOTAL CAPITAL BUDGET

	EXPANSION			MAINTENANCE			PROVISION			MTEF
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	
2013/14	537 902	-	-	138 822	-	-	88 304	-	-	765 027
2014/15	-	8 500	-	-	51 311	-	-	35 390	-	95 201
2015/16	-	-	3 500	-	-	672	-	-	13 950	18 122
TOTAL	537 902	8 500	3 500	138 822	51 311	672	88 304	35 390	13 950	878 350

- In reviewing SENTECH’s projected financials for the 2013 – 2016 MTEF period, the Board has resolved that the Company should re-introduce these financial metrics, adapted to the operational challenges and opportunities that the Company will have to contend with during the MTEF period.
- Accordingly, during this MTEF period, SENTECH will measure the Company’s Shareholder value creation based on these metrics:

FINANCIAL PERFORMANCE METRICS

MTEF 2013 - 2016

	2012	2013		2014	2015	2016
	Actual	Forecast	Budget	Forecast	Forecast	Forecast
Return On Net Assets (RONA)	14,8%	12,4%	5,6%	8,8%	7,3%	6,4%
Gross Profit Margin	43,0%	45,2%	40,1%	39,7%	37,6%	36,6%
Personnel Costs on Revenue	33,6%	32,0%	35,2%	34,9%	37,9%	39,0%
Overhead Costs on Revenue	24,7%	27,7%	30,3%	25,7%	25,6%	26,3%
Asset Productivity	0,35	0,52	0,54	0,58	0,58	0,58
Cost of Sales Productivity	(1,75)	(1,83)	(1,67)	(1,66)	(1,60)	(1,58)
Overheads Productivity	(4,04)	(3,61)	(3,30)	(3,90)	(3,90)	(3,80)

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6 KEY PERFORMANCE INDICATORS

- The Board has adopted a set of Key Performance Indicators (KPI's) for the 2013 – 2016 MTEF planning period that will ensure that the Company achieves its public service mandate objectives, is aligned to Shareholder priorities and ensures financial sustainability.
- The KPI's have also been reduced into Quarterly measures for the 2013 – 2014 financial year.
- As indicated in Section 3.1 (Radio Signal Distribution Solutions), performance indicators for expansion of Low Power network for SABC services were not provided for at the time of submitting the Corporate Plan, pending the conclusion of an agreement between SENTECH and the SABC.
- These KPI's have now been added as part of the 2014 financial year deliverables.

STRATEGIC GOAL (What We Want To Achieve)	STRATEGIC OBJECTIVES (How We Will Achieve It)	KEY PERFORMANCE INDICATOR (How We Will Measure Performance)	PERFORMANCE TARGETS		
			FY13/14	FY14/15	FY15/16
SG 1: Ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure to meet the needs of the country and its people.	<ul style="list-style-type: none"> Ensure universal access of the Digital Broadcasting Signal Distribution network. 	<ul style="list-style-type: none"> Population covered through Digital Terrestrial Network. 	88%	88%	88%
		<ul style="list-style-type: none"> Population covered through Direct-To-Home Satellite gap-filler platform. 	100%	100%	100%
		<ul style="list-style-type: none"> Formal submission of the Broadcasting Signal Distribution Masterplan to the SIP15 Steering Committee. 	<ul style="list-style-type: none"> Complete Business Case - Quarter 2 Submit to Shareholder - Quarter 3 	-	-

STRATEGIC GOAL (What We Want To Achieve)	STRATEGIC OBJECTIVES (How We Will Achieve It)	KEY PERFORMANCE INDICATOR (How We Will Measure Performance)	PERFORMANCE TARGETS		
			FY13/14	FY14/15	FY15/16
SG 1: Ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure to meet the needs of the country and its people.	<ul style="list-style-type: none"> Establish an open access Direct-To-Home Satellite platform to Promote growth of the local content development industry 	<ul style="list-style-type: none"> Commercial Open Access DTH-S platform. 	Launch DTH-S platform	-	-
		<ul style="list-style-type: none"> Open Access Multimedia Content Distribution (MCD) platform. 	-	Launch MCD Platform	-
		<ul style="list-style-type: none"> Number of new DTH-S and MCD open access platform users 	5	15	20
	<ul style="list-style-type: none"> Ensure universal access connectivity to public institutions 	<ul style="list-style-type: none"> Number of VSAT terminals installed 	50	50	50

STRATEGIC GOAL (What We Want To Achieve)	STRATEGIC OBJECTIVES (How We Will Achieve It)	KEY PERFORMANCE INDICATOR (How We Will Measure Performance)	PERFORMANCE TARGETS		
			FY13/14	FY14/15	FY15/16
SG 2: Ensure high levels of Customer and Stakeholder satisfaction by meeting their needs at all times.	<ul style="list-style-type: none"> Ensure Network Availability meets SLA requirements across all platforms 	<ul style="list-style-type: none"> Weighted average availability based on product revenues 	99.8%	99.8%	99.8%
	<ul style="list-style-type: none"> Improve Customer and Stakeholder satisfaction 	<ul style="list-style-type: none"> Customer and Stakeholder service index 	Establish baseline customer and stakeholder service measure Improve by 10% on baseline	Improve by 10% on prior year baseline	Improve by 10% on prior year baseline

STRATEGIC GOAL (What We Want To Achieve)	STRATEGIC OBJECTIVES (How We Will Achieve It)	KEY PERFORMANCE INDICATOR (How We Will Measure Performance)	PERFORMANCE TARGETS		
			FY13/14	FY14/15	FY15/16
SG 3: Drive organizational performance in order to improve organizational effectiveness.	<ul style="list-style-type: none"> Improve employee engagement and satisfaction 	<ul style="list-style-type: none"> Employee engagement and satisfaction levels 	60%	65%	70%
	<ul style="list-style-type: none"> Improve employee performance 	<ul style="list-style-type: none"> Percentage of managers performing at different levels 	Establish baseline performance measure	Improve by 10% on baseline	Improve by 30% on baseline

STRATEGIC GOAL (What We Want To Achieve)	STRATEGIC OBJECTIVES (How We Will Achieve It)	KEY PERFORMANCE INDICATOR (How We Will Measure Performance)	PERFORMANCE TARGETS		
			FY13/14	FY14/15	FY15/16
SG 4: Ensure that the Company is financially sustainable.	<ul style="list-style-type: none"> Maintain sustainable Return on Net Assets (RONA) 	<ul style="list-style-type: none"> Return on Net Assets from continuing operations 	10.0%	11.0%	12%

STRATEGIC GOAL (What We Want To Achieve)	STRATEGIC OBJECTIVES (How We Will Achieve It)	KEY PERFORMANCE INDICATOR (How We Will Measure Performance)	PERFORMANCE TARGETS			
			QUARTER 1 (Apr – Jun)	QUARTER 2 (Jul – Sep)	QUARTER 3 (Oct – Dec)	QUARTER 4 (Jan – Mar)
SG 1: Ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure to meet the needs of the country and its people.	<ul style="list-style-type: none"> Ensure universal access of the Digital Broadcasting Signal Distribution network. 	<ul style="list-style-type: none"> Population covered through Digital Terrestrial Network. 	81%	82%	85%	88%
		<ul style="list-style-type: none"> Population covered through Direct-To-Home Satellite gap-filler platform. 	-	100%	100%	100%
		<ul style="list-style-type: none"> Formal submission of the Broadcasting Signal Distribution Masterplan to the SIP15 Steering Committee. 	-	Complete Business Case	Submit to Shareholder	-

STRATEGIC GOAL (What We Want To Achieve)	STRATEGIC OBJECTIVES (How We Will Achieve It)	KEY PERFORMANCE INDICATOR (How We Will Measure Performance)	PERFORMANCE TARGETS			
			QUARTER 1 (Apr – Jun)	QUARTER 2 (Jul – Sep)	QUARTER 3 (Oct – Dec)	QUARTER 4 (Jan – Mar)
SG 1: Ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure to meet the needs of the country and its people.	<ul style="list-style-type: none"> Establish an open access Direct-To-Home Satellite platform to Promote growth of the local content development industry 	<ul style="list-style-type: none"> Commercial open access DTH-S platform 	-	-	Launch DTH-S platform	-
		<ul style="list-style-type: none"> Number of open access platform users 			2	3
	<ul style="list-style-type: none"> Ensure universal access connectivity to public institutions 	<ul style="list-style-type: none"> Number of VSAT terminals installed (Cumulative) 	15	35	40	50

STRATEGIC GOAL (What We Want To Achieve)	STRATEGIC OBJECTIVES (How We Will Achieve It)	KEY PERFORMANCE INDICATOR (How We Will Measure Performance)	PERFORMANCE TARGETS			
			QUARTER 1 (Apr – Jun)	QUARTER 2 (Jul – Sep)	QUARTER 3 (Oct – Dec)	QUARTER 4 (Jan – Mar)
SG 2: Ensure high levels of Customer and Stakeholder satisfaction by meeting their needs all the time.	<ul style="list-style-type: none"> Ensure Network Availability meets SLA requirements across all platforms 	<ul style="list-style-type: none"> Weighted average availability based on product revenues 	99.8%	99.8%	99.8%	99.8%
	<ul style="list-style-type: none"> Improve Customer and Stakeholder satisfaction 	<ul style="list-style-type: none"> Customer and Stakeholder service index 	-	Establish baseline performance measure	Improve by 5% on baseline	Improve by 10% on baseline

STRATEGIC GOAL (What We Want To Achieve)	STRATEGIC OBJECTIVES (How We Will Achieve It)	KEY PERFORMANCE INDICATOR (How We Will Measure Performance)	PERFORMANCE TARGETS			
			QUARTER 1 (Apr – Jun)	QUARTER 2 (Jul – Sep)	QUARTER 3 (Oct – Dec)	QUARTER 4 (Jan – Mar)
SG 3: Drive organizational performance in order to improve organizational effectiveness.	<ul style="list-style-type: none"> Improve employee engagement and satisfaction 	<ul style="list-style-type: none"> Engagement and satisfaction levels 	-	-	60%	60%
	<ul style="list-style-type: none"> Improve employee performance 	<ul style="list-style-type: none"> Percentage of managers performing at different levels 	-	-	-	Establish baseline performance measure
SG 4: Ensure that the Company is financially sustainable.	<ul style="list-style-type: none"> Maintain sustainable Return on Net Assets (RONA) 	<ul style="list-style-type: none"> Return on Net Assets from continuing operations 	8.8%	8.8%	9.5%	10.0%

- In conclusion, the Board would like to take this opportunity to thank our Shareholder, the Minister of Communications for strategic guidance, our Customers and Stakeholders for their continued insights that enables the Company to enhance its interventions and operating model; and SENTECH Management and Employees for their resolute passion in enabling the Company to deliver on its public service mandate.

- Lastly, the SENTECH Board would also like to thank the Committee for exercising its political oversight on us to ensure that we remain true to Government priorities and action plan.

SENTECH SOC LIMITED