



## **QUARTERLY REPORT:** April – June 2011

PRESENTATION TO THE PORTFOLIO COMMITTEE ON COMMUNICATIONS

30 August 2011

# INTRODUCTION

- **Mr Logan Naidoo**                      Chairperson
- **Dr Setumo Mohapi**                      Chief Executive Officer
- **Mr Protas Phili**                      Chief Financial Officer
- **Mr Mesuli Dhlamini**                      Director
- **Ms Zanele Hlatshwayo**                      Director
- **Ms Leah Khumalo**                      Director
- **Mr Paris Mashile**                      Director

## **OVERVIEW**

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  - 3.2 National Wireless Broadband Network
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  - 3.4 Community Radio Broadcasting
  - 3.5 Community Television Broadcasting

# **1. QUARTERLY PERFORMANCE REVIEW:** April – June 2011

- The Sentech Corporate Plan (2011 – 2014) presented a comprehensive framework of corporate objectives and corresponding key outputs for the MTEF that form the basis for the corporate activities and interventions for the period. Four key objectives were identified, namely:
  - Stabilise the organization. This objective aims to focus the organization around improving internal co-ordination and capabilities as well as getting the organization back to financial stability.
  - Sustain Profitability. This objective highlighted the key responsibility to increase revenue and profitability from the services the company provides to its customers.
  - Customer satisfaction and retention. Through addressing customer needs and service.
  - Network Performance. By improving availability and network roll-out of key services such as DTT and Low Power Transmission.
- These corporate objectives have been detailed into corresponding Key Performance Indicators (KPIs) and arranged into a corporate scorecard, to enable objective measurement of the organisation's performance against these objectives.

- Looking at the contribution from continued products, this quarter's revenue increased by 4.6% from the previous quarter from R193m to R202m. Compared to the same period in the previous financial year, revenue increased by 6.3% from 190m. This was mainly driven by a 3.4% across the board increase in tariffs that was introduced at the beginning of the financial year, increases in DTT dual illumination recovery and some marginal growth in business performance.
- The overall revenue increase came through in spite of a 2.5% (R151k) and 23.6% (R1.2m) decrease in revenues from VSAT compared to the previous quarter and same period in the last financial year respectively.
- Operating costs decreased by 18.5% from R166m to R135m compared to the same period in the previous financial year. This was mainly driven by decreases in satellite rentals, personnel costs, license fees and professional and consulting fees.
- Comparison of operating costs to the previous quarter is currently complicated by a specific provision that was put in at the end of that quarter but that is being reviewed during the on going preparation of the annual financial statements

- Operating profit increased by 142% from R28m to R67m compared to the same period in the previous financial year, largely due to the discontinuation of the loss making products. EBITDA increased by 26% from R66m to R83m compared to the same period in the previous financial year. Net profit after tax increased from R14m to R52m when comparing the same periods.
- Against budget, revenues are lower by 2.4% (R202m against R207m), operating costs are lower by 19.5% (R135m against R168m), EBITDA is higher by 27% (R83m against R65m) and net profit after tax is higher by 21% (R53m against R43m).
- Sentech will continue working to re-align its structure in line with the service delivery model as well as drive the focus on improving performance management and the relevant skills base within the organization.



Objective (What We Want To Achieve)	Key Performance Area (How Do We Achieve It)	KPI (How Do We Measure Performance)	Target (Q1)	Performance (Q1)	Variance
Achieve Financial Stability	Improve Debt collection	Debt collection rate	90%	88%	-2%
		Debtor days (90+ days)	Not set	35%	
	Optimise OPEX	Opex	Not set	R52,254	
		Opex as a % of revenue	Not set	26%	
	Disburse only legitimate payments	Improper disbursements of Payments as % of total	0%	NA/EOS	
		Improper disbursements of Invoices as % of total	0%	NA/EOS	
		Improper disbursements of POs as % of total	0%	NA/EOS	
		Exception handling (System)		NA/EOS	
	Minimise fruitless and wasteful Expenditure	Value of Penalties (Interest & fines) incurred as % of OPEX	< 0.1%	0.01% (only interest due)	
		Value of legal liabilities incurred as % total	<0.1%	NA/EOS	
	Minimise irregular expenditure	Value of expenditure incurred in contravention of legislation	<0.5%	NA/EOS	
		Value of expenditure that falls outside the scope and mandate of Sentech	<0.5%	NA/EOS	
* NA/EOS = No Automated/Embedded Operational Systems [Manual measurement and Board oversight]					

Objective (What We Want To Achieve)	Key Performance Area (How Do We Achieve It)	KPI (How Do We Measure Performance)	Target (Q1)	Performance (Q1)	Variance
<b>Improve Customer Satisfaction and Retention</b>	Improved customer satisfaction index based on recognised CSAT survey and scorecard	Customer satisfaction index	60%	NA/EOS	
	Reduced Customer Complaints	Customer complaints		NA/EOS	
	Improved billing	Billing accuracy	95%	NA/EOS	
		Billing timing	95%	NA/EOS	
	Improved service delivery levels	Average Fault response TAT	Not set	NA/EOS	
		Average Installation response TAT	30 min	NA/EOS	
	Reduced Customer Churn	Customer churn rate	<1%	NA/EOS	
	Keeping customers informed	Customer visits and relationship management		NA/EOS	
* NA/EOS = No Automated/Embedded Operational Systems [Manual measurement and Board oversight]					

Objective (What We Want To Achieve)	Key Performance Area (How Do We Achieve It)	KPI (How Do We Measure Performance)	Target (Q1)	Performance (Q1)	Variance
Improve service uptime for all products	Terrestrial TV	Service uptime	99.7%	99.9%	0.2%
	FM	Service uptime	99.8%	99.9%	0.1%
	MW	Service uptime	99.5%	99.1%	-0.4%
	SW	Service uptime	99.5%	99.1%	-0.4%
	DTH	Service uptime	99.8%	99.9%	0.1%
	BTV	Service uptime	99.8%	99.9%	0.1%
	VSAT	Service uptime	99.8%	100%	0.2%
	DTT	Service uptime	99.8%	99.9%	0.1%
Improve network roll-out	Low Power transmitters rollout	Low power transmitters Ready For Service (RFS)	To be clarified	To be clarified	
		Low power transmitters switched on	40	39	-2.5%
	DTT rollout <sup>#</sup>	DTT sites Ready For Service (RFS)	0	0	
		DTT Population coverage	0	0	
		* NA/EOS = No Automated/Embedded Operational Systems [Manual measurement and Board oversight]			

<sup>#</sup> In terms of the conversion from DVB-T to DVB-T2, the Performance Indicators are:

- 60% (50 sites)                      Q3
- 74% (71 sites)                      Q4

Objective (What We Want To Achieve)	Key Performance Area (How Do We Achieve It)	KPI (How Do We Measure Performance)	Target (Q1)	Performance (Q1)	Variance
<b>Restructure in line with Service Delivery Model</b>	Develop Service Delivery Model with Adopted Competence Framework per level	Approval of Service Delivery Model with Adopted Competence Framework per level	End of Q1	Approved.	
		Conclusion of consultation process	Q2	Affected employees were consulted. To be completed in Q2.	
		Begin implementation	Q3	In progress. Due in Q3.	
		Complete implementation	Q4	In progress. Due in Q4.	
<b>Improve Performance Management Culture</b>	Develop individual KPAs for all staff	KPA signed	End of Q1	Divisional KPAs signed beginning of Q1. Individual KPAs for non-bargaining employees to be completed end of Q2.	
		KPA review	End of Q1	Divisional KPAs quality checked and adopted.	
		Align KPAs to Service Delivery Model (should be developed from SD model)	End of Q4	In progress. Due in Q4.	
	Develop Performance Incentive/ Recognition Scheme	Actionable Performance Incentive/ Recognition scheme	Approval by end of Q4	Issued tender for Consultancy to enhance IPMS.	

Objective (What We Want To Achieve)	Key Performance Area (How Do We Achieve It)	KPI (How Do We Measure Performance)	Target (Q1)	Performance (Q1)	Variance
<b>Improved Strategic Leadership and Management Capacity</b>	Conduct Leadership Assessment	100% of management assessed	End of Q2	In progress. Due by Q2.	
		Alignment with Leadership assessment	End of Q4	In progress. Due by Q4.	
<b>Enhance skills base</b>	Conduct Skills Audit for all roles in scope	Skills audit completion	Audit – Q2 Measurement – Q3	Issued tender for Consultancy & tender process is underway.	
	Alignment with Skills Audit results	Training Plans Developed for affected staff	End of Q4	To follow after completion of skills audit.	
		Redeployment of affected staff	End of Q1	Transitional structure implemented. The final organisational structure is dependent on the skills audit results; amongst others.	
<b>Improve Employee Satisfaction</b>	Conduct Employee Satisfaction survey	Employee satisfaction index	Completed by End of Q3	In progress.	
<b>Achieve an effective partnership with key internal stakeholders</b>	Recognition Agreement	Agreement signed and adopted by 30 June 2011	Approval by end of Q1	Approved & signed with organised labour.	

### Sentech Ltd

1st Quarter Financial report for the period ended 30 June 2011

### Consolidated Income Statement

	Actual Month			Year to date			Prior Year	Full Year
	Apr-11	May-11	Jun-11	Actual	Budget	Variance	June 2010 1st Qtr	Budget 2012
<b>Notes</b>	<b>R'000</b>							
<b>Revenue</b>	<b>66,970</b>	<b>66,842</b>	<b>68,192</b>	<b>202,005</b>	<b>207,008</b>	<b>(5,003)</b>	<b>193,388</b>	<b>886,293</b>
Signal Distribution:	58,510	58,664	59,692	176,866	181,895	(5,028)	139,639	732,837
Facility rental	2,752	2,427	2,756	7,935	6,898	1,037	37,093	28,859
DTT:Dual Illumination	3,785	3,785	3,785	11,355	11,355	-	9,065	81,144
Vsat:	1,910	1,933	1,957	5,801	6,860	(1,060)	7,591	41,456
Managed support services	13	33	2	48	-	48	-	-
<b>Less : Operating costs</b>	<b>45,191</b>	<b>43,392</b>	<b>46,489</b>	<b>135,072</b>	<b>167,792</b>	<b>(32,720)</b>	<b>165,736</b>	<b>799,343</b>
<b>Operating Profit</b>	<b>21,779</b>	<b>23,450</b>	<b>21,704</b>	<b>66,933</b>	<b>39,215</b>	<b>27,717</b>	<b>27,652</b>	<b>86,949</b>
<b>Add : Net finance Income</b>	<b>4,008</b>	<b>4,499</b>	<b>3,600</b>	<b>12,107</b>	<b>11,825</b>	<b>282</b>	<b>16,467</b>	<b>23,300</b>
<b>Profit before taxation</b>	<b>25,788</b>	<b>27,948</b>	<b>25,303</b>	<b>79,039</b>	<b>51,040</b>	<b>27,999</b>	<b>44,119</b>	<b>110,249</b>
<b>IncomeTax expense</b>	<b>9,365</b>	<b>8,681</b>	<b>8,487</b>	<b>26,534</b>	<b>7,718</b>	<b>18,816</b>	<b>29,525</b>	<b>30,870</b>
SA Normal Company Tax	9,365	8,681	8,487	26,534	7,718	18,816	29,525	30,870
<b>Profit after taxation</b>	<b>16,423</b>	<b>19,267</b>	<b>16,816</b>	<b>52,506</b>	<b>43,323</b>	<b>9,183</b>	<b>14,594</b>	<b>79,379</b>

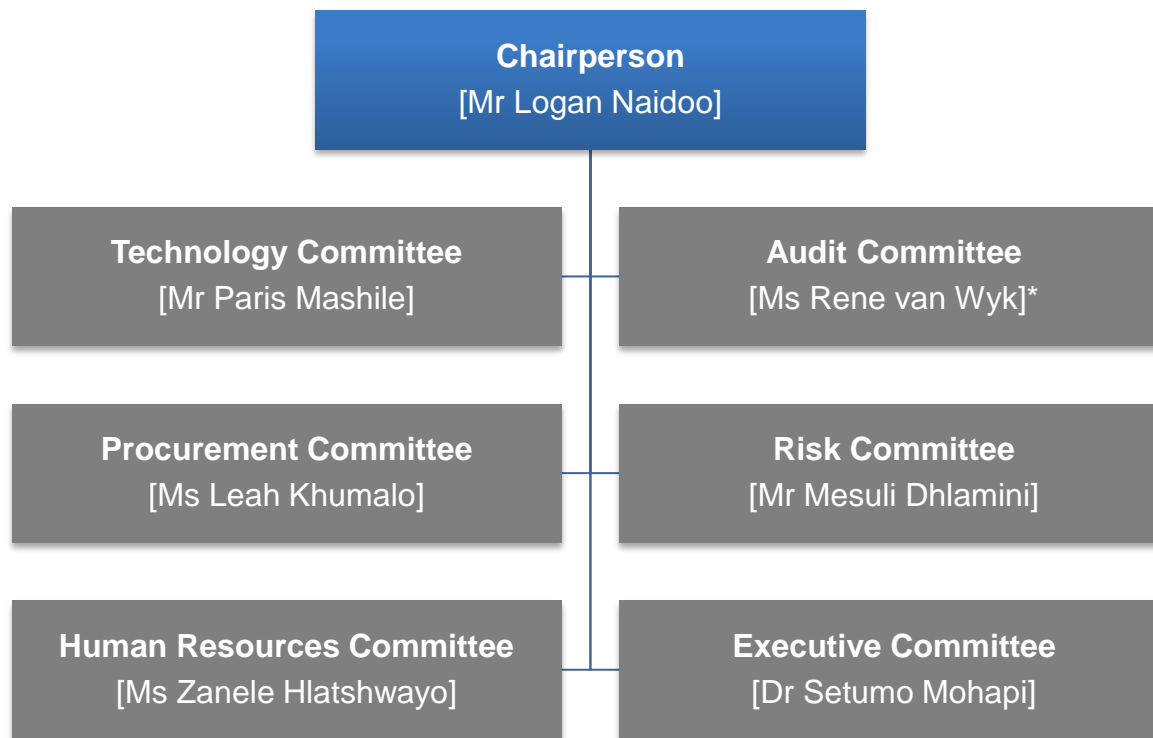
- There is much work that still needs to be done in providing information systems that enable the Company to monitor the progress made towards achieving performance objectives with better assurance and reliability.
- Work needs to be done in the areas of:
  - Risk assessment procedures and policies that will direct the Company on the goals and targets that must be adhered to or achieved and the limits within which to operate.
  - Providing information systems that can generate reliable information that will inform the actual performance, with proper data assurance in the collection, processing and monitoring of such information.
  - Developing internal controls/ assurance measures that will detect or prevent errors in the performance information used to measure actual performance.

## **2. ORGANIZATIONAL UPDATE**

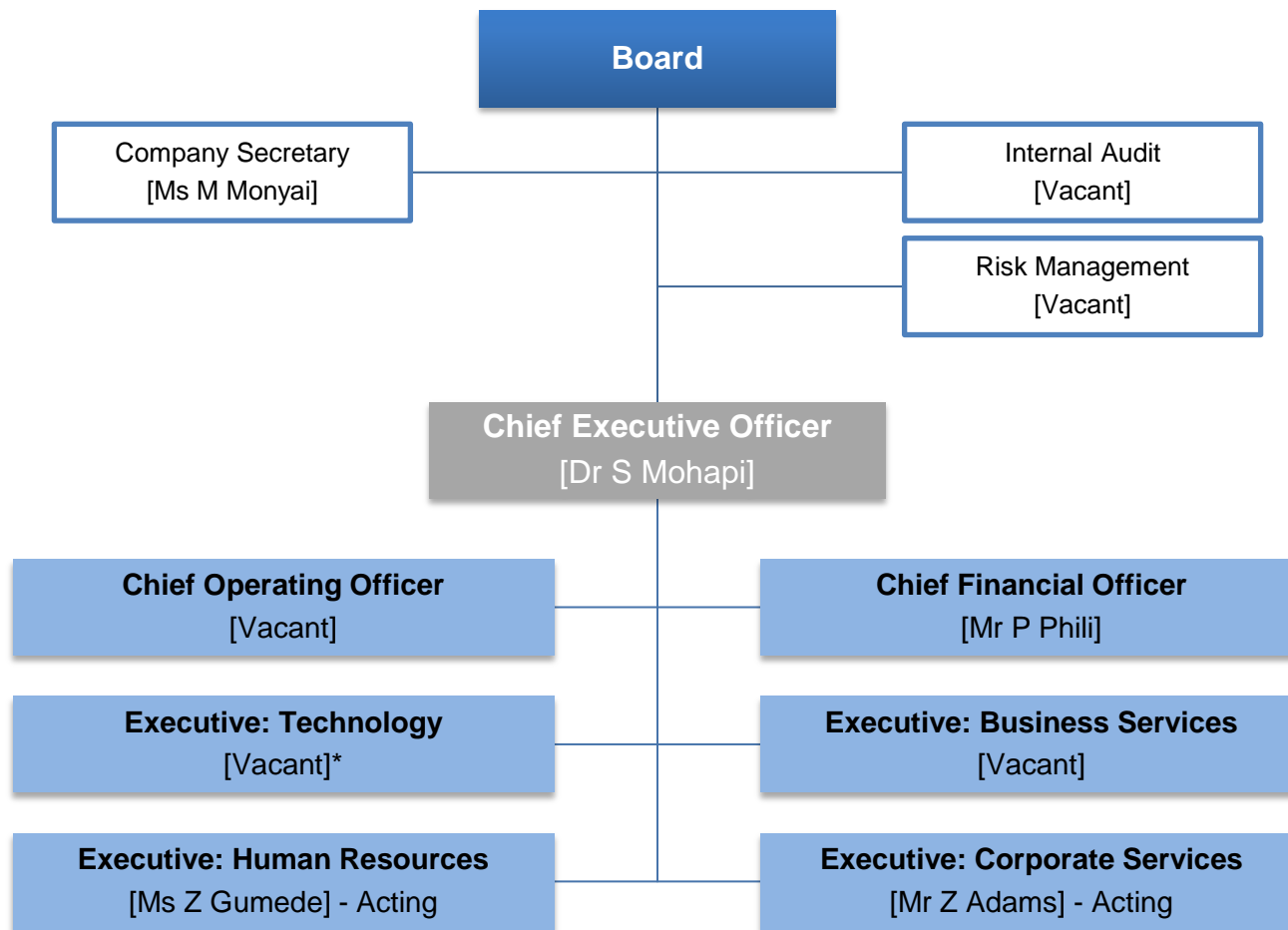


STREAM	KEY PERFORMANCE AREA (KPA)	KEY PERFORMANCE INDICATOR (KPI)
<b>GOVERNANCE</b>	Oversight and Monitoring	Formulation of strategy; Strategic goals; Shareholder Value; Mandate
	Board Administration; Company Governance compliance	Company Documents, Board Activities
	Internal Audit	Adherence to governance principles
	Corporate Risk	Corporate Risk reduction strategies
<b>DEFINE INTERVENTIONS</b>	Definition of Strategy Interventions; Corporate Planning; Corporate Performance Management; Organizational Processes; Product Performance Valuation; Corporate Policy Management; Regulatory policy framework.	Organizational Alignment and Coherence; Company Growth ; Corporate Efficiency
	Implementation of strategy; Achieve Corporate Stability; Instructions towards Alignment	Shareholder Value; Delivery on Mandate, Corporate Stability
<b>DESIGN &amp; IMPLEMENT INTERVENTIONS</b>	Design interventions for Broadcasting and Broadband services in consultation with Technology and Projects; Design business interventions (business case, product plans); Design technical interventions (technical designs); Implement interventions (project rollout, business development)	Operational Profitability; Growth; Customer retention; Efficiencies; Technology & Business Alignment; Rollout Targets
<b>MAINTAIN INTERVENTIONS</b>	Develop, design, and oversee implementation of systems and processes (interventions) Operations and Maintenance; Network Planning & Implementation. Responsible for overall maintenance of interventions and customer services	Optimal performance of network operations and technical operations. Customer satisfaction
<b>ORGANISATIONAL SUPPORT</b>	Legal Compliance; Contract management; Legal advisory; SCM, QA & Bus Processes, Security, Facilities (Stores)	Corporate Compliance / Corporate Services, Company Image; Company Profile, Corporate security
	OHS, Talent Management, ER Management, Employee Wellness,	Optimal Productivity levels
	Management Accounting, Financial Controls; Financial Accounting; Financial Reporting	Corporate Profitability; Reliable Reporting; Cash flows

- Between April and June 2011, the Board of Directors approved a **governance** and organizational structure to facilitate and enable the organization to execute efficiently on the mandate, within the context of the operating model previously presented.



\* Ms van Wyk is an Independent Member of the Committee



\* Appointment has been made.

### **3. STRATEGIC PROJECTS UPDATE:**

- 3.1 Digital Terrestrial Television (DTT)
- 3.2 National Wireless Broadband (NWBAN)
- 3.3 Broadcast Network Coverage Master Plan
- 3.4 Community Radio Broadcasting
- 3.5 Community Television Broadcasting

### **3. STRATEGIC PROJECTS UPDATE:**

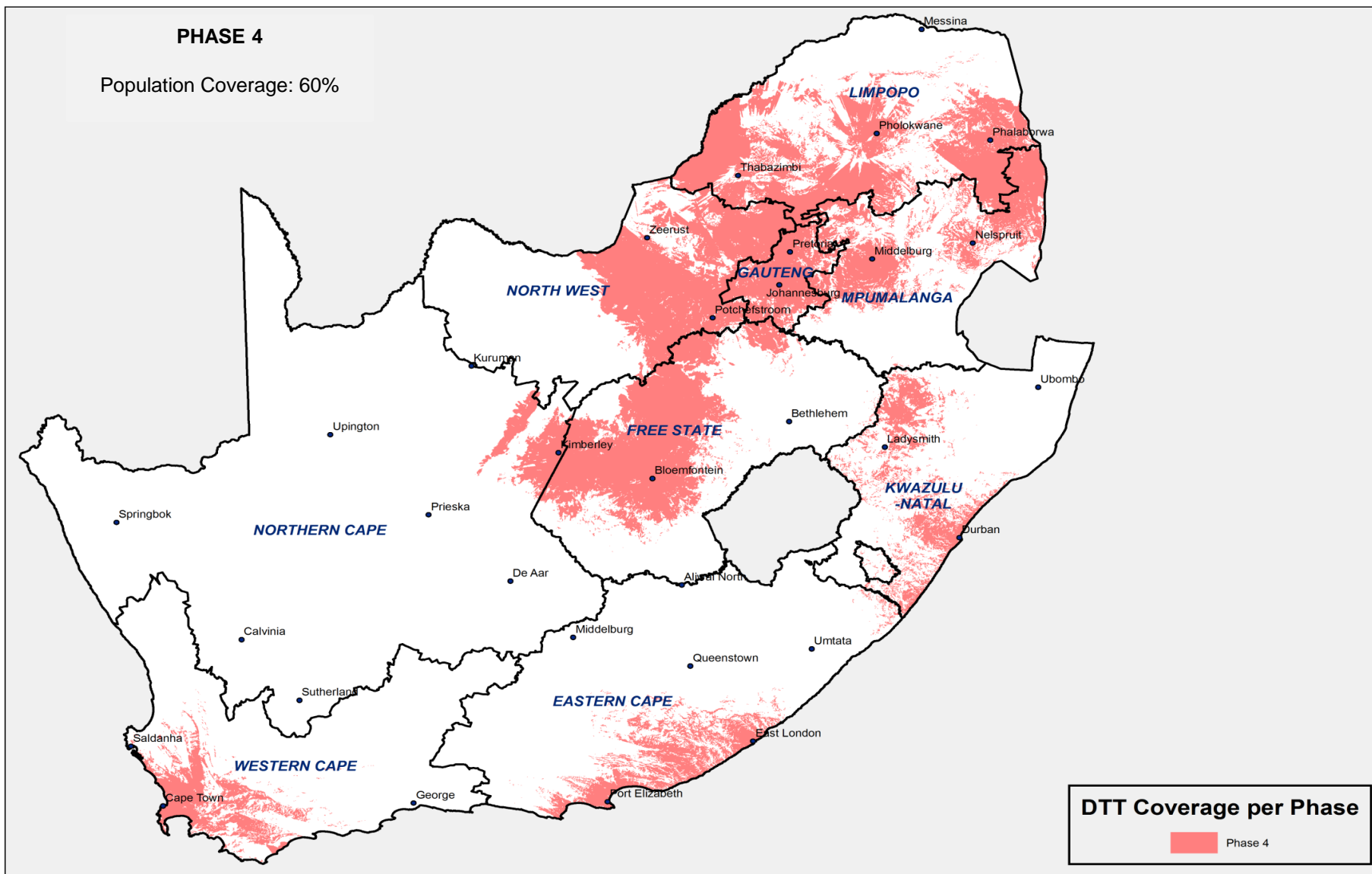
- 3.1 Digital Terrestrial Television (DTT)
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- Digital Terrestrial Television (DTT) is a project wherein Sentech is responsible for providing the network infrastructure to enable broadcasters to migrate from analogue to digital television. The DTT process commenced in 2006 and DVB-T was adopted as the country's standard for digital migration. Sentech then switched on the digital signal in October 2008 and has been operating a trial for SABC 1, 2, 3 and e.tv.
- In January 2011, the Minister of Communications announced that the DTT standard would be upgraded to DVBT-2. In addition, the analogue switch-off date was confirmed as 31 December 2013.
- At the end of March 2011, Sentech had achieved expanded coverage and was ready to radiate digital signals to about 60% of the South African population based on the DVB-T standard. These sites will be upgraded to DVB-T2 and we project that all of them will have converted by 31 March 2012 to provide a fully operational DTT network in support of the official launch in the country.
- We projected that by March 2012, we will have reached 74% population coverage, and whilst we will certainly reach more than 60% coverage, we acknowledge that we may not reach the full 74%. The estimated period to cover the remaining 14 % has been affected by the need to capacitate our Supply Chain Function at all levels of Governance.

- During the period under review the Gauteng analogue frequency migration for CSN at Pretoria North was completed and the M-Net migration at Cashan continued. The M-Net transmitter at Brixton tower was upgraded and a Single Frequency Network (SFN) trial is being conducted.
  
- Sentech is currently focusing on converting completed sites to DVB-T2 technology and continue with the project rollout. Below are current project macro activities to be executed within this financial year:
  - Trial DVB-T2 technology with clients.
  - Procure equipment, execute and complete Phase 5 of the network roll out.
  - Procure equipment and execute Phase 6 of the network roll out.
  - Finalise DTT Tariff Model.
  - Establish content links between clients and Sentech head-end systems.
  - Conclude service contracts with the incumbent broadcasters.

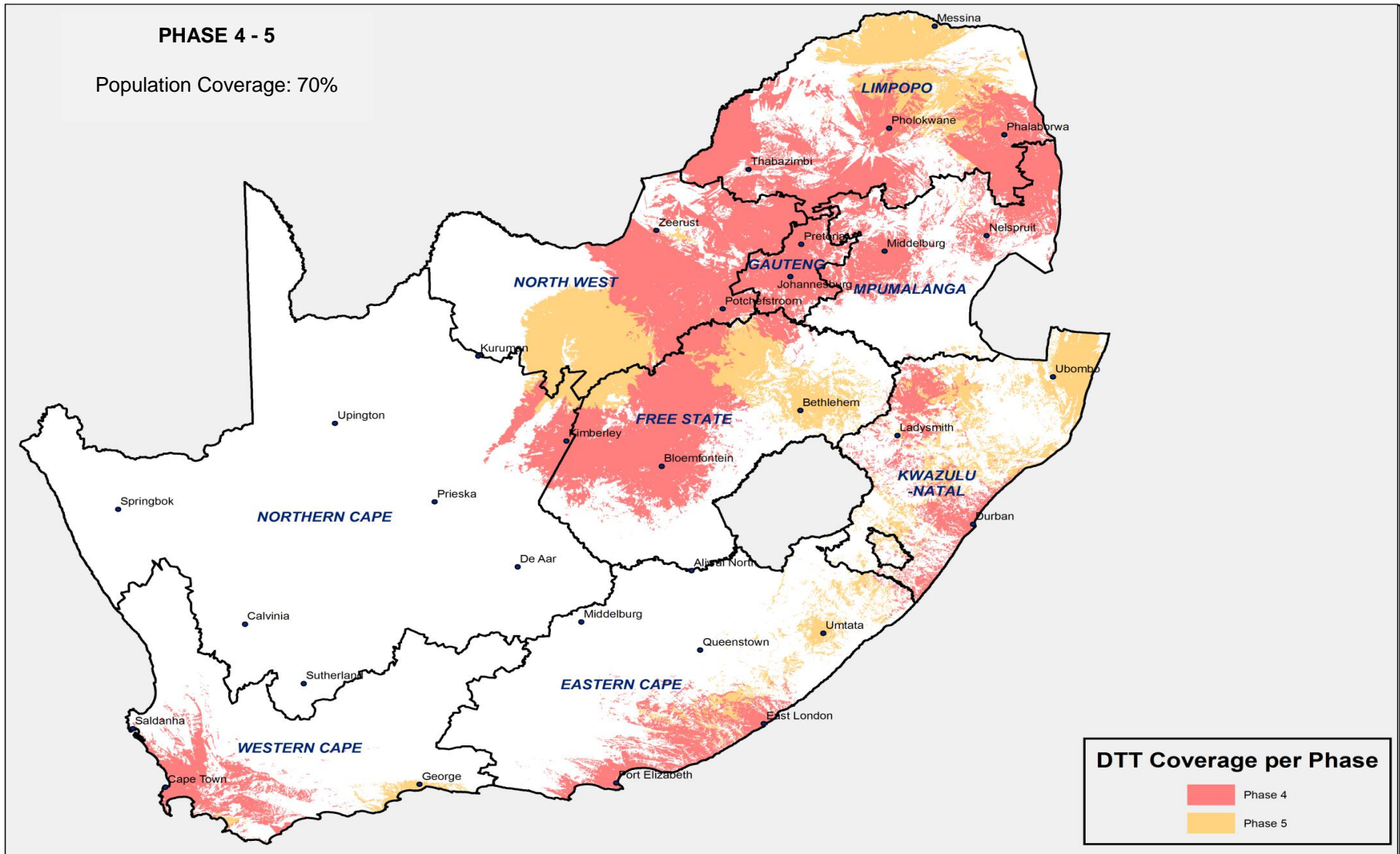
PHASES 1 - 4											
TRANSMITTER SITES	TX's	PIE	COMBINERS	ANTENNAS	FEEDER CABLES	ELECTRICAL	HVAC	BUILDING	RBR LINKING	TVRO's	DVB-T2 READY
BEZ VALLEY	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	7/Oct/11
HELDERKRUIJN	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	28/Oct/11
JOHANNESBURG	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	15/Jul/11
PRETORIA	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	7/Oct/11
RUSTENBURG	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	7/Oct/11
SUNNYSIDE	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	29/Jul/11
WELVERDIEND	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	14/Oct/11
BLOEMFONTEIN	Ready	Ready	Ready	Ready	Ready	30/Sep/11	Ready	Ready	Ready	N/A	14/Oct/11
CAPE TOWN	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	14/Oct/11
DURBAN	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	15/Jul/11
FISHHOEK	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	14/Oct/11
HEIDELBERG	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	7/Oct/11
LINMEYER	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	7/Oct/11
MENLO PARK	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	7/Oct/11
MONDEOR	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	7/Oct/11
MULBARTON	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	7/Oct/11
OVERPORT	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	21/Oct/11
POTGIETERSRUS	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	21/Oct/11
PRETORIA NORTH	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	7/Oct/11
STELLENBOSCH	Ready	N/A	Ready	Ready	Ready	30/Jun/11	Ready	Ready	Ready	N/A	14/Oct/11
TABLE MOUNTAIN	Ready	N/A	Ready	Ready	Ready	30/Jun/11	Ready	30/Jun/11	Ready	N/A	14/Oct/11
THE BLUFF	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	21/Oct/11
TYGERBERG	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	14/Oct/11
VERULAM	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	21/Oct/11
EAST LONDON	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	21/Oct/11
KIMBERLEY	30/Aug/11	30/Aug/11	30/Aug/11	Ready	30/Sep/11	30/Aug/11	Ready	Ready	Ready	N/A	15/Jul/11
NELSPRUIT	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	15/Jul/11
ZEERUST	29/Jul/11	29/Jul/11	Ready	Ready	Ready	15/Jul/11	Ready	Ready	Ready	N/A	15/Jul/11
AMANDA GLEN	23/Sep/11	N/A	7/Oct/11	7/Oct/11	Ready	9/Sep/11	Ready	26/Aug/11	7/Oct/11	N/A	14/Oct/11
AURORA	23/Sep/11	N/A	7/Oct/11	7/Oct/11	Ready	9/Sep/11	Ready	Ready	7/Oct/11	N/A	14/Oct/11
CLIFTON	23/Sep/11	N/A	7/Oct/11	7/Oct/11	Ready	9/Sep/11	Ready	26/Aug/11	7/Oct/11	N/A	14/Oct/11
DESPATCH	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	28/Oct/11
HOUT BAY	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	14/Oct/11
PORT ELIZABETH	Ready	Ready	Ready	Ready	Ready	30/Sep/11	Ready	Ready	Ready	N/A	28/Oct/11
PORT ELIZABETH CITY	30/Sep/11	N/A	Ready	Ready	Ready	Ready	30/Sep/11	Ready	30/Sep/11	N/A	28/Oct/11
SEA POINT	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	14/Oct/11
SIMONSTOWN	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	14/Oct/11
GRAHAMSTOWN	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	2/Nov/11
GRABOUW	23/Sep/11	N/A	7/Oct/11	7/Oct/11	7/Oct/11	9/Sep/11	16/Sep/11	26/Aug/11	7/Oct/11	N/A	14/Oct/11
HOEDSPRUIT	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	2/Nov/11
PORT SHEPSTONE	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	2/Nov/11
FRANSCHHOEK	Ready	N/A	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	14/Oct/11
KLERKSDORP	30/Sep/11	30/Sep/11	Ready	Ready	Ready	30/Sep/11	Ready	Ready	Ready	N/A	15/Jul/11
MIDDELBURG	30/Sep/11	30/Sep/11	Ready	Ready	Ready	30/Sep/11	Ready	Ready	Ready	N/A	15/Jul/11
PAARL	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	9/Nov/11
PIETERMARITZBURG	30/Jul/11	30/Jul/11	30/Jul/11	Ready	Ready	30/Jul/11	30/Jul/11	30/Jul/11	30/Jul/11	30/Jul/11	9/Nov/11
THABAZIMBI	Ready	Ready	31/Aug/11	Ready	Ready	Ready	Ready	Ready	Ready	N/A	17/Jul/11
VILLIERSDORP	Ready	Ready	Ready	Ready	Ready	Ready	17/Sep/11	Ready	Ready	N/A	30/Jul/11
THEUNISSEN	30/Aug/11	30/Aug/11	Ready	Ready	Ready	30/Aug/11	Ready	Ready	Ready	N/A	15/Jul/11
GLENCOE	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	Ready	N/A	30/Aug/11



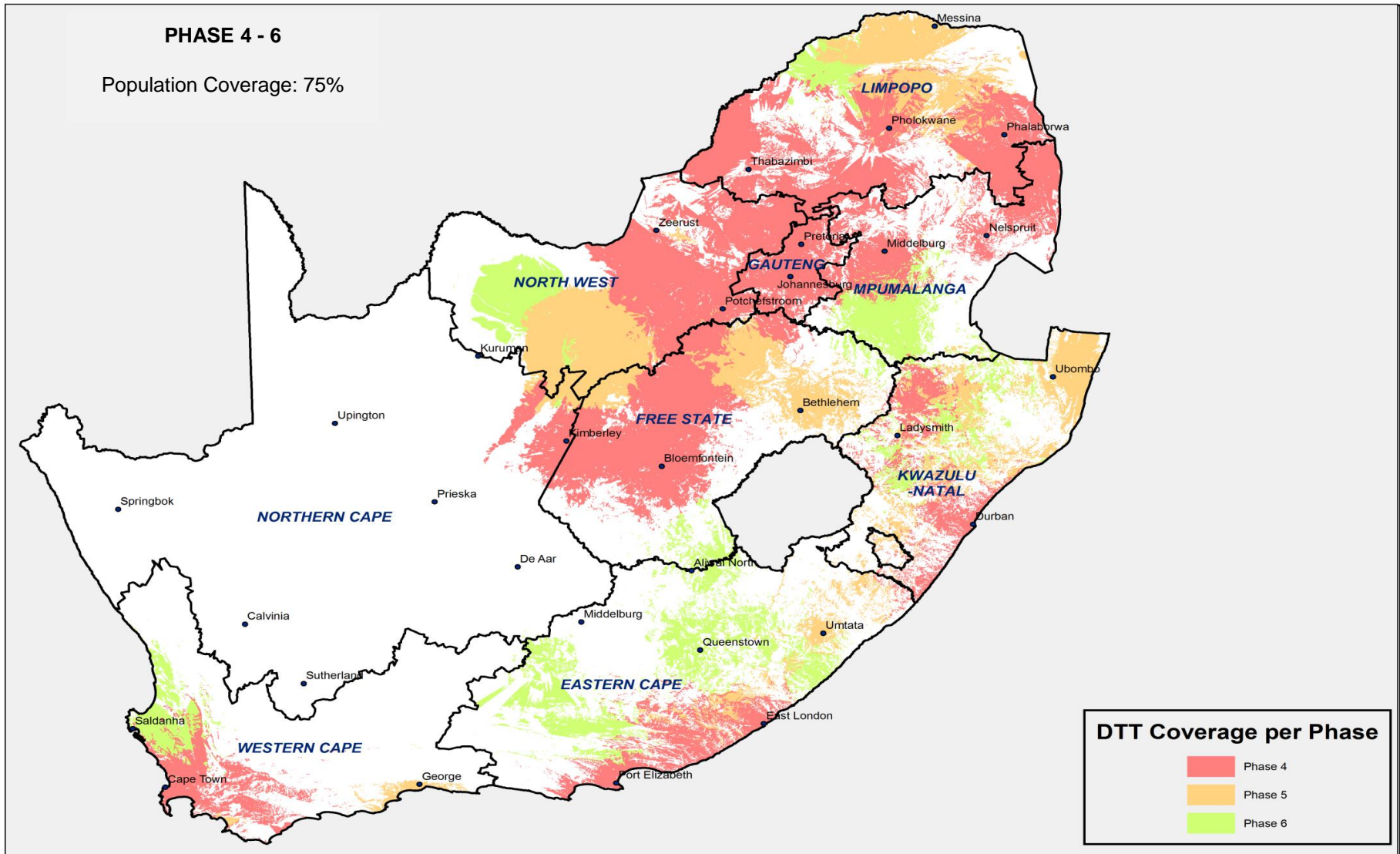


**PHASE 5**

TRANSMITTER SITES	TX's	PIE	COMBINERS	ANTENNAS	FEEDER CABLES	ELECTRICAL	HVAC	BUILDING	RBR LINKING	TVRO's	DVB-T2 READY
DONNYBROOK	21/Nov/11	28/Nov/11	28/Nov/11	Ready	Ready	29/Jul/11	29/Jul/11	29/Jul/11	N/A	28/Nov/11	2/Dec/11
VRYHEID	18/May/12	1/Jan/12	11/May/12	30/Sep/11	Ready	1/Mar/12	29/Mar/12	29/Mar/12	N/A	28/Nov/11	2/Dec/11
ESHOWE	14/Nov/11	28/Nov/11	27/Dec/11	Ready	Ready	22/Sep/11	27/Oct/11	18/Oct/11	N/A	28/Nov/11	16/Dec/11
GREYTOWN	21/Nov/11	6/Dec/11	27/Dec/11	10/Dec/11	Ready	21/Sep/11	27/Oct/11	28/Oct/11	N/A	28/Nov/11	9/Dec/11
HERMANUS	27/Jan/12	Ready	13/Jan/12	24/Sep/11	Ready	31/Aug/11	31/Aug/11	31/Aug/11	27/Jan/12	Ready	7/Feb/12
KING WILLIAMS TOWN	20/Jan/12	10/Feb/12	27/Jan/12	Ready	Ready	15/Nov/11	14/Aug/12	12/Dec/11	N/A	10/Feb/12	28/Feb/12
KROONSTAD	20/Jan/12	10/Feb/12	13/Jan/12	Ready	Ready	31/Aug/11	31/Aug/11	31/Aug/11	N/A	10/Feb/12	28/Feb/12
GREYTOWNDORP	20/Jan/12	N/A	30/Jan/12	31/Jan/12	Ready	27/Oct/11	24/Nov/11	13/Oct/11	10/Feb/12	N/A	28/Feb/12
SUIDRAND	17/Feb/12	Ready	10/Feb/12	2/Mar/12	Ready	30/Sep/11	30/Sep/11	30/Sep/11	10/Feb/12	Ready	16/Mar/12
LOUIS TRICHARDT	24/Feb/12	2/Mar/12	2/Mar/12	Ready	30/Sep/11	30/Sep/11	30/Sep/11	30/Sep/11	N/A	2/Mar/12	31/Mar/12
NEWCASTLE	10/Mar/12	N/A	10/Mar/12	10/Mar/12	Ready	15/Feb/12	12/Mar/12	6/Feb/12	N/A	2/Mar/12	31/Mar/12
TZANEEN	24/Feb/12	2/Mar/12	2/Mar/12	Ready	Ready	30/Sep/11	30/Sep/11	30/Sep/11	N/A	2/Mar/12	31/Mar/12
GROOT MARICO	2/Mar/12	N/A	10/Feb/12	2/Mar/12	Ready	31/Oct/11	31/Oct/11	31/Oct/11	10/Feb/12	N/A	16/Mar/12
UMTATA	2/Mar/12	2/Mar/12	2/Mar/12	Ready	Ready	1/Mar/12	29/Mar/12	16/Feb/12	N/A	23/Mar/12	31/Mar/12
UBOMBO	24/Feb/12	24/Feb/12	24/Feb/12	Ready	Ready	29/Dec/11	26/Jan/12	26/Jan/11	N/A	23/Mar/12	31/Mar/12
CHRISTIANA	30/Mar/12	N/A	30/Mar/12	Ready	Ready	31/Oct/11	31/Oct/11	31/Oct/11	30/Mar/12	N/A	31/Mar/12
MOUNT AYLIFF	31/Mar/12	31/Mar/12	31/Mar/12	10/Mar/12	31/Mar/12	30/Nov/11	30/Nov/11	30/Nov/11	N/A	31/Mar/12	31/Mar/12
SCHWEIZER RENEKE	31/Mar/12	31/Mar/12	31/Mar/12	Ready	Ready	30/Nov/11	30/Nov/11	30/Nov/11	N/A	31/Mar/12	31/Mar/12
VILLIERSDORP	Ready	Ready	Ready	Ready	31/May/11	Ready	Ready	Ready	Ready	Ready	31/Mar/12
PIET RETIEF				31/Mar/12							
QUDTSHOORN				31/Mar/12							
ULUNDI				31/Mar/12							
KURUMAN				31/Mar/12							
NAPIER				31/Mar/12							
NOUPOORT				31/Mar/12							
TEST EQUIPMENT	30/Jun/11	30/Jun/11									
SABC LINKING	Procure Termination equipment in September 2011 and complete installation by February 2012										
Mnet LINKING	Procure Termination equipment in September 2011 and complete installation by February 2012										
e.tv LINKING	Procure Termination equipment in September 2011 and complete installation by February 2012										
TBN LINKING	Procure Termination equipment in September 2011 and complete installation by February 2012										



PHASE 6											
TRANSMITTER SITES	TX's	PIE	COMBINERS	ANTENNAS	FEEDER CABLES	ELECTRICAL	HVAC	BUILDING	RBR LINKING	TVRO's	DVB-T2 READY
SUURBERG	27/Apr/12	27/Apr/12	27/Apr/12	3/Dec/12	Ready	30/Nov/11	30/Nov/11	30/Nov/11	N/A	27/Apr/12	27/Apr/12
DAVEL	31/May/12	31/May/12	31/May/12	Ready	Ready	31/Jan/12	31/Jan/12	31/Jan/12	N/A	31/May/12	31/May/12
GEORGE	31/May/12	31/May/12	31/May/12	3/Dec/12	Ready	31/Jan/12	31/Jan/12	31/Jan/12	N/A	31/May/12	31/May/12
QUEENSTOWN	31/May/12	31/May/12	31/May/12	Ready	Ready	31/Jan/12	31/Jan/12	31/Jan/12	N/A	31/May/12	31/May/12
ENTSHATSHONGO	31/May/12	31/May/12	31/May/12	Ready	Ready	31/Jan/12	31/Jan/12	31/Jan/12	N/A	31/May/12	31/May/12
GANYESA	29/Jun/12	29/Jun/12	29/Jun/12	29/Jun/12	Ready	28/Feb/12	28/Feb/12	28/Feb/12	N/A	29/Jun/12	29/Jun/12
STERKSPRUIT	29/Jun/12	29/Jun/12	29/Jun/12	29/Jun/12	Ready	28/Feb/12	28/Feb/12	28/Feb/12	N/A	29/Jun/12	29/Jun/12
GRAAFF REINET	29/Jun/12	29/Jun/12	29/Jun/12	29/Jun/12	Ready	28/Feb/12	28/Feb/12	28/Feb/12	N/A	29/Jun/12	29/Jun/12
TAUNG	29/Jun/12	29/Jun/12	29/Jun/12	Ready	Ready	28/Feb/12	28/Feb/12	28/Feb/12	N/A	29/Jun/12	29/Jun/12
TOLWE	31/Jul/12	31/Jul/12	31/Jul/12	Ready	Ready	30/Mar/12	30/Mar/12	30/Mar/12	N/A	31/Jul/12	31/Jul/12
QUDENI	31/Jul/12	31/Jul/12	31/Jul/12	Ready	Ready	30/Mar/12	30/Mar/12	30/Mar/12	N/A	31/Jul/12	31/Jul/12
NQUTU	31/Jul/12	31/Jul/12	31/Jul/12	Ready	Ready	30/Mar/12	30/Mar/12	30/Mar/12	N/A	31/Jul/12	31/Jul/12
LOUWSBURG	31/Jul/12	31/Jul/12	31/Jul/12	Ready	Ready	30/Mar/12	30/Mar/12	30/Mar/12	N/A	31/Jul/12	31/Jul/12
VOLKSRUST	31/Aug/12	31/Aug/12	31/Aug/12	Ready	Ready	27/Apr/12	27/Apr/12	27/Apr/12	N/A	31/Aug/12	31/Aug/12
CALA	31/Aug/12	31/Aug/12	31/Aug/12	Ready	Ready	27/Apr/12	27/Apr/12	27/Apr/12	N/A	31/Aug/12	31/Aug/12
MOOIRIVIER	31/Aug/12	31/Aug/12	31/Aug/12	31/Dec/12	Ready	27/Apr/12	27/Apr/12	27/Apr/12	N/A	31/Aug/12	31/Aug/12
BETHLEHEM	31/Aug/12	31/Aug/12	31/Aug/12	31/Dec/11	Ready	27/Apr/12	27/Apr/12	27/Apr/12	N/A	31/Aug/12	31/Aug/12
BUTTERWORTH	28/Sep/12	28/Sep/12	28/Sep/12	29/Feb/12	Ready	31/May/12	31/May/12	31/May/12	N/A	28/Sep/12	28/Sep/12
NONGOMA	28/Sep/12	28/Sep/12	28/Sep/12	31/Mar/12	Ready	31/May/12	31/May/12	31/May/12	N/A	28/Sep/12	28/Sep/12
KURUMAN HILLS	28/Sep/12	28/Sep/12	28/Sep/12	3/Dec/12	Ready	31/May/12	31/May/12	31/May/12	N/A	28/Sep/12	28/Sep/12
PIKETBERG					10/Sep/12						
TEST EQUIPMENT	31/Aug/11										



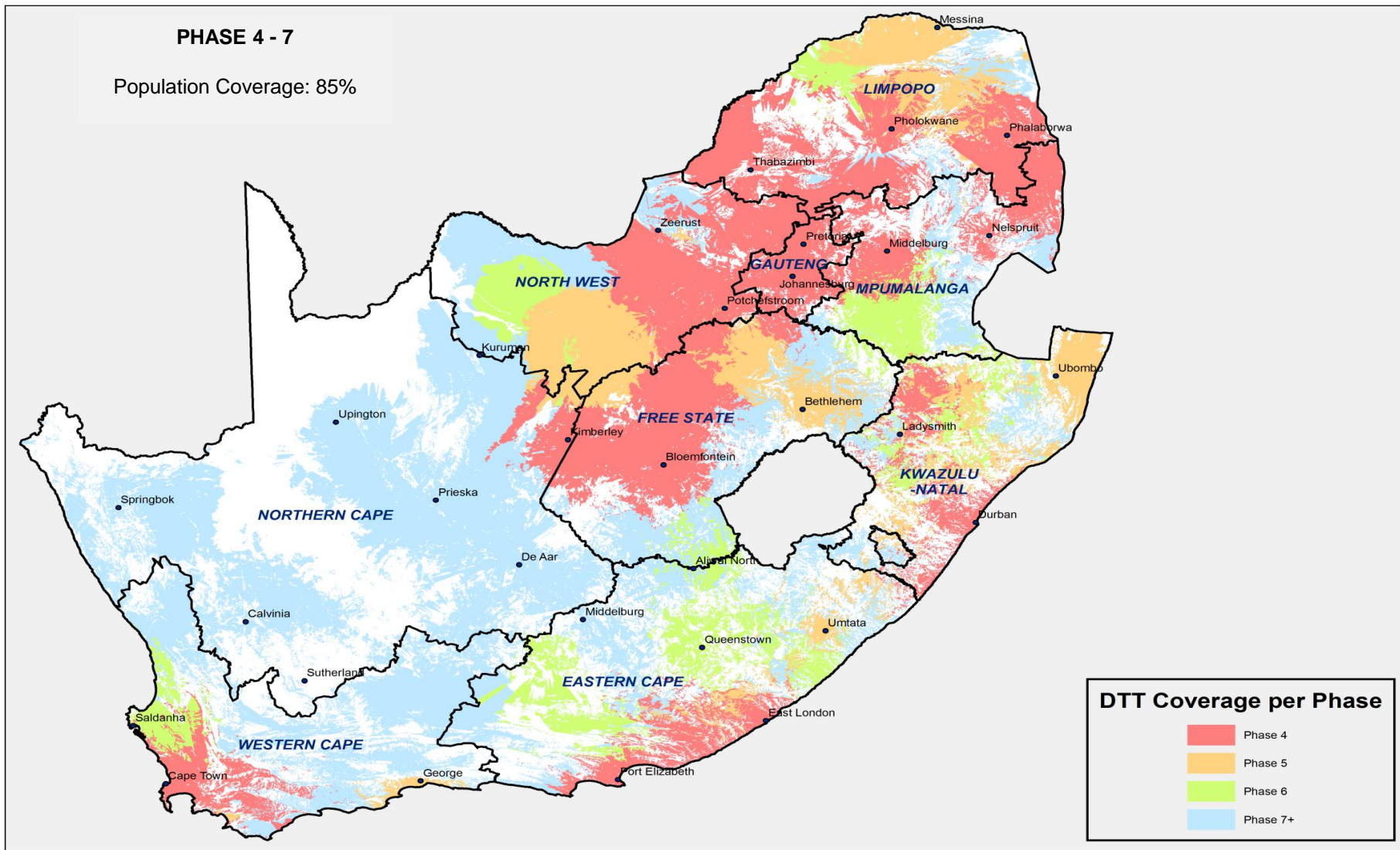


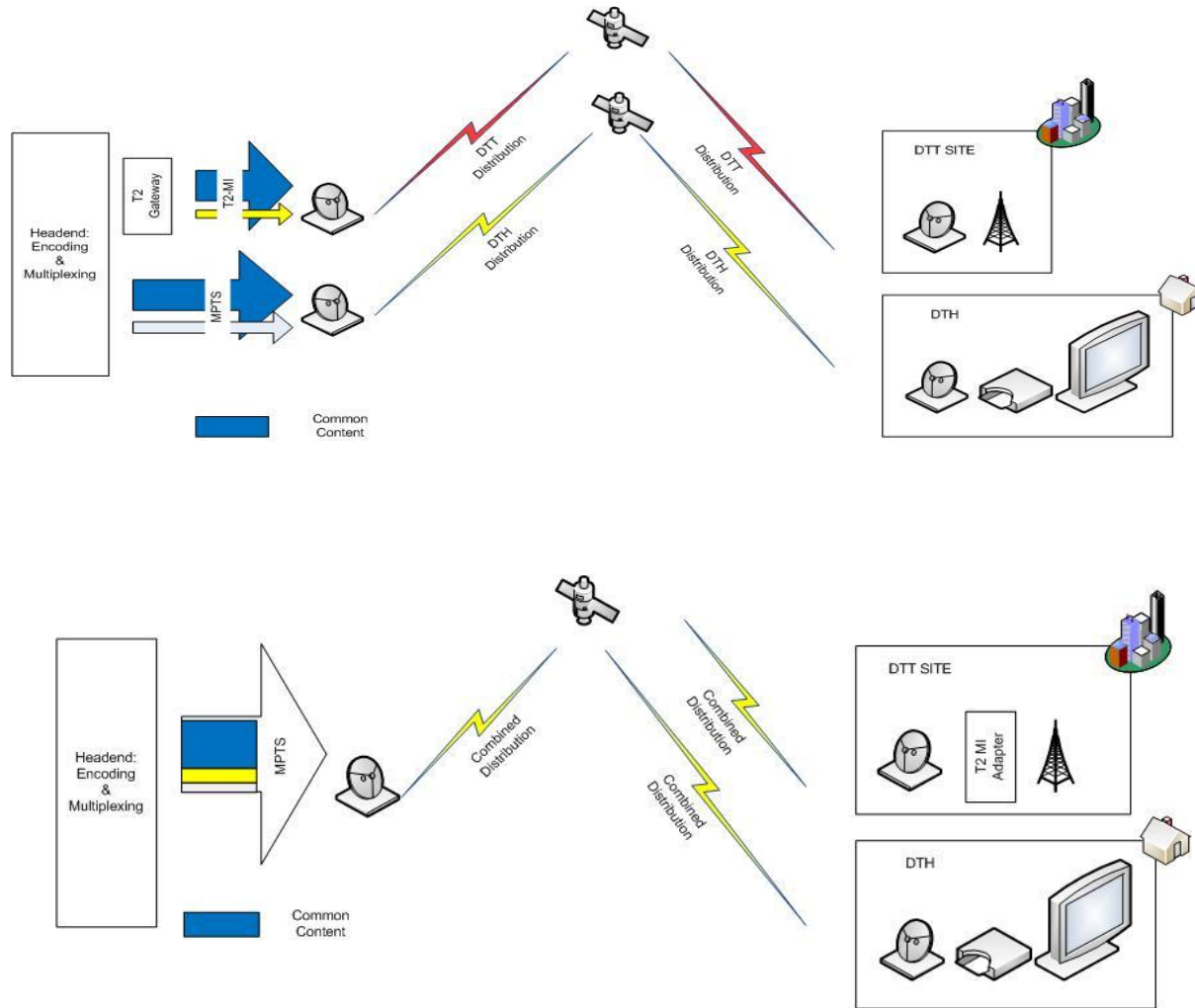
PHASE 7											
TRANSMITTER SITES	TX's	PIE	COMBINERS	ANTENNAS	FEEDER CABLES	ELECTRICAL	HVAC	BUILDING	RBR LINKING	TVRO's	DVB-T2 READY
STRAALHOEK	May/12	May/12	May/12	Apr/12		May/12	May/12	May/12	May/12		May/12
ENGCOBO	Jun/12	Jun/12	Jun/12	May/12		Jun/12	Jun/12	Jun/12	Jun/12		Jul/12
PETRUS STEYN	Jun/12	Jun/12	Jun/12	Feb/12		Jun/12	Jun/12	Jun/12	Jun/12		Jun/12
CRADOCK	Jul/12	Jul/12	Jul/12	Jun/12		Jul/12	Jul/12	Jul/12	Jul/12		Aug/12
SIBASA	Jul/12	Jul/12	Jul/12	Jul/12		Jul/12	Jul/12	Jul/12	Jul/12		Aug/12
MODSWEDI	Jul/12	Jul/12	Jul/12	Ready		Jul/12	Jul/12	Jul/12	Jul/12		Aug/12
KURUMAN HILLS	Aug/12	Aug/12	Aug/12	Ready		Aug/12	Aug/12	Jul/12	Aug/12		Aug/12
GABA	Aug/12	Aug/12	Aug/12	Jul/12		Aug/12	Aug/12	Jul/12	Aug/12		Aug/12
MADIBOGO	Aug/12	Aug/12	Aug/12	Jul/12		Aug/12	Aug/12	Jul/12	Aug/12		Aug/12
PORT ST JOHNS	Sep/12	Sep/12	Sep/12	Jul/12		Sep/12	Jul/12	Aug/12	Sep/12		Sep/12
SUPINGSTAD	Sep/12	Sep/12	Sep/12	Aug/12		Sep/12	Sep/12	Aug/12	Sep/12		Sep/12
LOSKOP	Sep/12	Sep/12	Sep/12	Aug/12		Sep/12	Sep/12	Aug/12	Sep/12		Sep/12
LADYBRAND	Oct/12	Oct/12	Sep/12	Mar/12		Oct/12	Sep/12	Sep/12	Oct/12		Oct/12
KAREEDOUW	Oct/12	Oct/12	Sep/12	Mar/12		Oct/12	Sep/12	Sep/12	Oct/12		Oct/12
WILLOWMORE	Oct/12	Oct/12	Oct/12	May/12		Oct/12	Oct/12	Oct/12	Oct/12		Nov/12
WILLISTON	Oct/12	Dec/12	Oct/12	Jan/12		Oct/12	Oct/12	Oct/12	Dec/12		Nov/12
SWARTRUGGENS	Oct/12	Oct/12	Oct/12	Jan/12		Oct/12	Oct/12	Oct/12	Oct/12		Dec/12
DZAMBA	Nov/12	Nov/12	Nov/12	Dec/12		Nov/12	Nov/12	Oct/12	Nov/12		Dec/12
COLESBERG	Nov/12	Nov/12	Nov/12	Dec/12		Nov/12	Nov/12	Oct/12	Nov/12		Dec/12
KOKSTAD	Dec/12	Dec/12	Nov/12	Jan/12		Dec/12	Nov/12	Nov/12	Dec/12		Dec/12
TSHAMAVUDZI	Dec/12	Dec/12	Dec/12	Ready		Dec/12	Dec/12	Dec/12	Dec/12		Jan/13
STANDERTON	Dec/12	Dec/12	Dec/12	Nov/11		Dec/12	Dec/12	Dec/12	Dec/12		Jan/13
BURGERSDORP	Feb/13	Feb/13	Feb/13	Nov/11		Mar/13	Feb/13	Feb/13	Feb/13		Mar/13
PLETTENBERG BAY	Mar/13	Mar/13	Mar/13	Feb/12		Mar/13	Feb/13	Feb/13	Mar/13		Mar/13
SABIE	Mar/13	Mar/13	Mar/13	Feb/12		Mar/13	Mar/13	Mar/13	Mar/13		Apr/13
MALAMBA	Mar/13	Mar/13	Mar/13	Feb/13		Mar/13	Mar/13	Mar/13	Mar/13		Apr/13
EMPANGENI	Mar/13	Mar/13	Mar/13	Feb/12		Mar/13	Mar/13	Mar/13	Mar/13		Apr/13
FICKSBURG TOWN	Apr/13	Apr/13	Apr/13	Feb/12		Apr/13	Apr/13	Apr/13	Apr/13		May/13
SOMERSET EAST	Apr/13	Apr/13	Apr/13	Feb/12		Apr/13	Apr/13	Apr/13	Apr/13		May/13
MONTAGU	Apr/13	Apr/13	Apr/13	Feb/12		Apr/13	Apr/13	Apr/13	Apr/13		May/13
KIRKWOOD	May/13	May/13	Apr/13	Feb/13		May/13	Apr/12	Apr/13	May/13		May/13
NGANGELIZWE	Apr/13	Apr/13	Apr/13	Mar/12		Apr/13	Apr/13	Apr/13	Apr/13		May/13

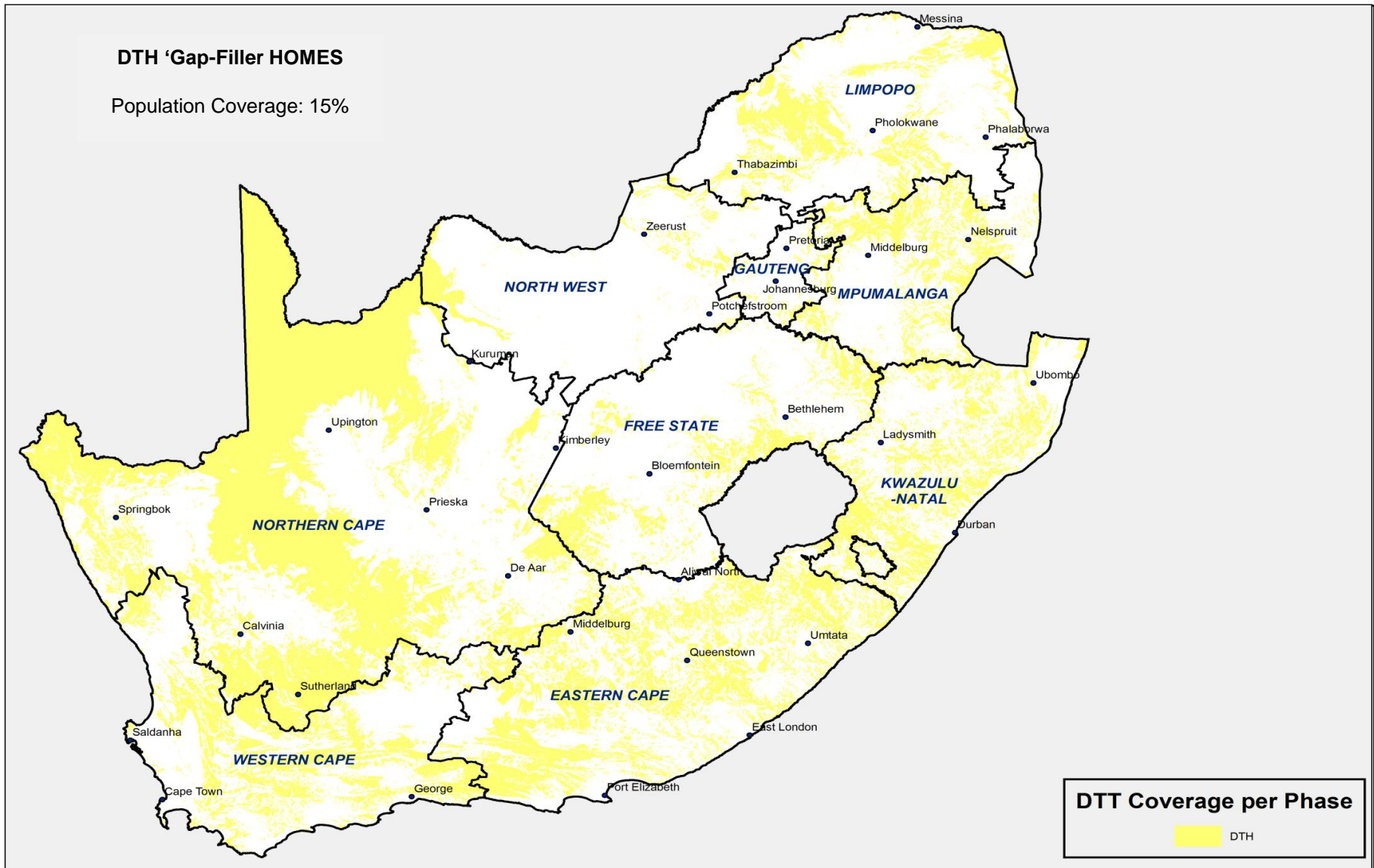
TRANSMITTER SITES	TX's	PIE	COMBINERS	ANTENNAS	FEEDER CABLES	ELECTRICAL	HVAC	BUILDING	RBR LINKING	TVRO's	DVB-T2 READY
PAUL SUAER DAM	May/13	May/13	May/13	Apr/12		May/13	May/13	Apr/13	May/13		May/13
DEWETSDORP	May/13	May/13	May/13	Ready		May/13	May/13	Apr/13	May/13		May/13
PATENSIE	May/13	May/13	May/13	Apr/12		May/13	May/13	Apr/13	May/13		May/13
ANDRIESKRAAL	May/13	May/13	May/13	Apr/12		May/13	May/13	May/13	May/13		Jun/13
HOWICK	May/13	May/13	May/13	Apr/12		May/13	May/13	May/13	May/13		Jun/13
UNIONDALE TOWN	May/13	May/13	May/13	Apr/13		May/13	May/13	May/13	May/13		Jun/13
HANKEY	Jun/13	Jun/13	May/13	Apr/13		Jun/13	Jun/13	May/13	Jun/13		Jun/13
ALEXANDER BAY	Jun/13	Jun/13	May/13	Jul/12		Jun/13	Jun/12	May/13	Jun/13		Jun/13
ALIWAL NORTH	Jun/13	Jun/13	Jun/13	Ready		Jun/13	Jun/13	Jun/13	Jun/13		Jul/13
NOUPOORT	Jun/13	Jun/13	Jun/13	Oct/11		Jun/13	Jun/13	Jun/13	Jun/13		Jul/13
MOUNT AYLIFF	Jun/12	Jul/13	Jul/13	Apr/12		Jul/13	Jul/13	Jun/13	Jul/13		Jul/13
BUTTERWORTH	Jul/13	Jul/13	Jun/13	Apr/12		Jul/13	Jul/13	Jun/13	Jul/13		Jul/13
WITSIESHOEK	Jul/13	Jul/13	Jun/13	Ready		Jul/13	Jul/13	Jun/13	Jul/13		Jul/13
NONGOMA	Jul/13	Jul/13	Jul/13	Apr/12		Jul/13	Jul/13	Jul/13	Jul/13		Aug/13
SENEKAL	Jul/13	Jul/13	Jul/13	Apr/12		Jul/13	Jul/13	Jul/13	Jul/13		Aug/13
MATATIELE	Jul/13	Jul/13	Jul/13	Jun/13		Jul/13	Jul/13	Jul/13	Jul/13		Aug/13
PIET PLESSIS	Aug/13	Aug/13	Jul/13	Jun/12		Aug/13	Jul/13	Jul/13	Aug/13		Aug/13
ENZELBERG	Aug/13	Aug/13	Jul/13	Jun/12		Aug/13	Jul/13	Jul/13	Aug/13		Aug/13
CAROLINA	Aug/13	Aug/13	Jul/13	Jun/13		Aug/13	Jul/13	Jul/13	Aug/13		Aug/13
BEDFORD	Aug/13	Aug/13	Aug/13	Jun/13		Aug/13	Aug/13	Aug/13	Aug/13		Sep/13
LADISMITH (CAPE)	Aug/13	Aug/13	Aug/13	Jul/12		Aug/13	Aug/13	Aug/13	Aug/13		Sep/13
BOESMANSKOP	Aug/13	Aug/13	Aug/13	Jul/13		Aug/13	Aug/13	Aug/13	Aug/13		Sep/13
LADYSMITH	Aug/13	Aug/13	Aug/13	Jun/12		Aug/13	Aug/13	Aug/13	Aug/13		Sep/13
DULLSTROOM	Aug/13	Aug/13	Aug/13	Ready		Aug/13	Aug/13	Aug/13	Aug/13		Sep/13
DOUGLAS	Aug/13	Aug/13	Aug/13	Jul/12		Aug/13	Aug/13	Aug/13	Aug/13		Sep/13
KNYSNA	Aug/13	Aug/13	Aug/13	Jul/12		Sep/13	Aug/13	Aug/13	Aug/13		Sep/13
HECTORSPRUIT	Sep/13	Sep/13	Aug/13	Aug/13		Sep/13	Sep/13	Aug/13	Sep/13		Sep/13
CERES	Sep/13	Sep/13	Aug/13	Jul/12		Sep/13	Sep/13	Aug/13	Sep/13		Sep/13
NYLSTROOM	Sep/13	Sep/13	Sep/13	Jul/12		Sep/13	Aug/13	Aug/13	Sep/13		Oct/13
SPRINGFONTEIN	Sep/13	Sep/13	Sep/13	Sep/12		Sep/13	Sep/13	Sep/13	Sep/13		Oct/13
PONGOLA	Sep/13	Sep/13	Sep/13	Ready		Sep/13	Sep/13	Aug/13	Sep/13		Oct/13
LYDENBURG	Sep/12	Oct/12	Sep/12	Aug/13		Sep/13	Sep/13	Sep/13	Oct/12		Oct/13
MATJIESFONTEIN	Oct/13	Oct/13	Sep/13	Sep/12		Oct/13	Sep/13	Sep/13	Oct/13		Oct/13

TRANSMITTER SITES	TX's	PIE	COMBINERS	ANTENNAS	FEEDER CABLES	ELECTRICAL	HVAC	BUILDING	RBR LINKING	TVRO's	DVB-T2 READY
ESRCOURT	Oct/13	Oct/13	Sep/13	Aug/12		Oct/13	Sep/13	Sep/13	Oct/13		Oct/13
UGIE	Oct/13	Oct/13	Oct/13	Aug/12		Oct/13	Oct/13	Oct/11	Oct/13		Nov/13
ELLIOT	Oct/13	Oct/13	Oct/13	Aug/13		Oct/13	Oct/13	Oct/13	Oct/13		Nov/13
BARKLEY EAST	Oct/13	Oct/13	Oct/13	Aug/12		Oct/13	Oct/13	Oct/13	Oct/13		Nov/13
TOUWSRIVIER	Oct/13	Oct/13	Oct/13	Aug/12		Oct/13	Oct/13	Oct/13	Oct/13		Nov/13
KLEINMOND	Nov/13	Nov/13	Oct/13	Aug/12		Nov/13	Oct/13	Oct/13	Nov/13		Nov/13
UNIONDALE TOWN	Oct/13	Oct/13	Oct/13	Sep/12		Oct/13	Oct/13	Oct/13	Oct/13		Nov/13
GROOT BRAKRIVIER	Oct/13	Oct/13	Oct/13	Aug/12		Oct/13	Oct/13	Oct/13	Oct/13		Nov/13
HEXRIVIER	Nov/13	Nov/13	Oct/13	Sep/12		Nov/13	Oct/13	Oct/13	Nov/13		Nov/13
UPINGTON TOWN	Nov/13	Nov/13	Oct/13	Ready		Nov/13	Oct/13	Oct/13	Nov/13		Nov/13
CALVINIA	Nov/13	Nov/13	Nov/13	Sep/12		Nov/13	Nov/13	Nov/13	Nov/13		Dec/13
ELANDS HEIGHTS	Nov/13	Nov/13	Nov/13	Dec/12		Nov/13	Oct/12	Nov/13	Nov/13		Dec/13
ULUNDI	Nov/13	Nov/13	Nov/13	Dec/12		Nov/13	Nov/13	Oct/13	Nov/13		Nov/13
KURUMAN HILLS	Nov/13	Nov/13	Nov/13	Dec/12		Dec/13	Nov/13	Nov/13	Nov/13		Dec/13
MBUZINI	Dec/13	Dec/13	Nov/13	Nov/12		Dec/13	Dec/13	Nov/13	Dec/13		Dec/13
PIET RETIEF	Nov/13	Nov/13	Nov/13	May/13		Dec/13	Nov/13	Nov/13	Nov/13		Dec/13
ODTSHOORN	Dec/13	Dec/13	Dec/13	Mar/12		Dec/13	Dec/13	Nov/13	Dec/13		Dec/13
RIVERSDAL	Dec/13	Dec/13	Dec/13	Mar/12		Dec/13	Dec/13	Nov/13	Dec/13		Dec/13
NAPIER	Dec/13	Dec/13	Nov/13	Apr/12		Dec/13	Dec/13	Nov/13	Dec/13		Dec/13
POMFRET	Dec/13	Dec/13	Dec/13	Mar/12		Dec/13	Dec/13	Nov/13	Dec/13		Dec/13
UPINGTON	Dec/13	Dec/13	Dec/13	Mar/12		Dec/13	Dec/13	Nov/13	Dec/13		Dec/13
VAN RHYNSDORP	Dec/13	Dec/13	Dec/13	Jun/13		Dec/13	Dec/13	Nov/13	Dec/13		Dec/13
DE AAR	Dec/13	Dec/13	Dec/13	Jun/13		Dec/13	Dec/13	Dec/13	Dec/13		Dec/13
BEAUFORT WEST	Dec/13	Dec/13	Dec/13	Jun/13		Dec/13	Dec/13	Dec/13	Dec/13		Dec/13
PRIESKA	Dec/13	Dec/13	Dec/13	Jun/13		Dec/13	Dec/13	Dec/13	Dec/13		Dec/13
SPRINGBOK	Dec/13	Dec/13	Dec/13	Jun/13		Dec/13	Dec/13	Nov/13	Dec/13		Dec/13
GARIES	Dec/13	Dec/13	Dec/13	Aug/12		Dec/13	Dec/13	Nov/13	Dec/13		Dec/13
VICTORIA WEST	Nov/13	Nov/13	Dec/13	Aug/13		Dec/13	Nov/13	Nov/13	Nov/13		Dec/13
POFADDER	Dec/13	Dec/13	Dec/13	Aug/13		Dec/13	Dec/13	Nov/13	Dec/13		Dec/13

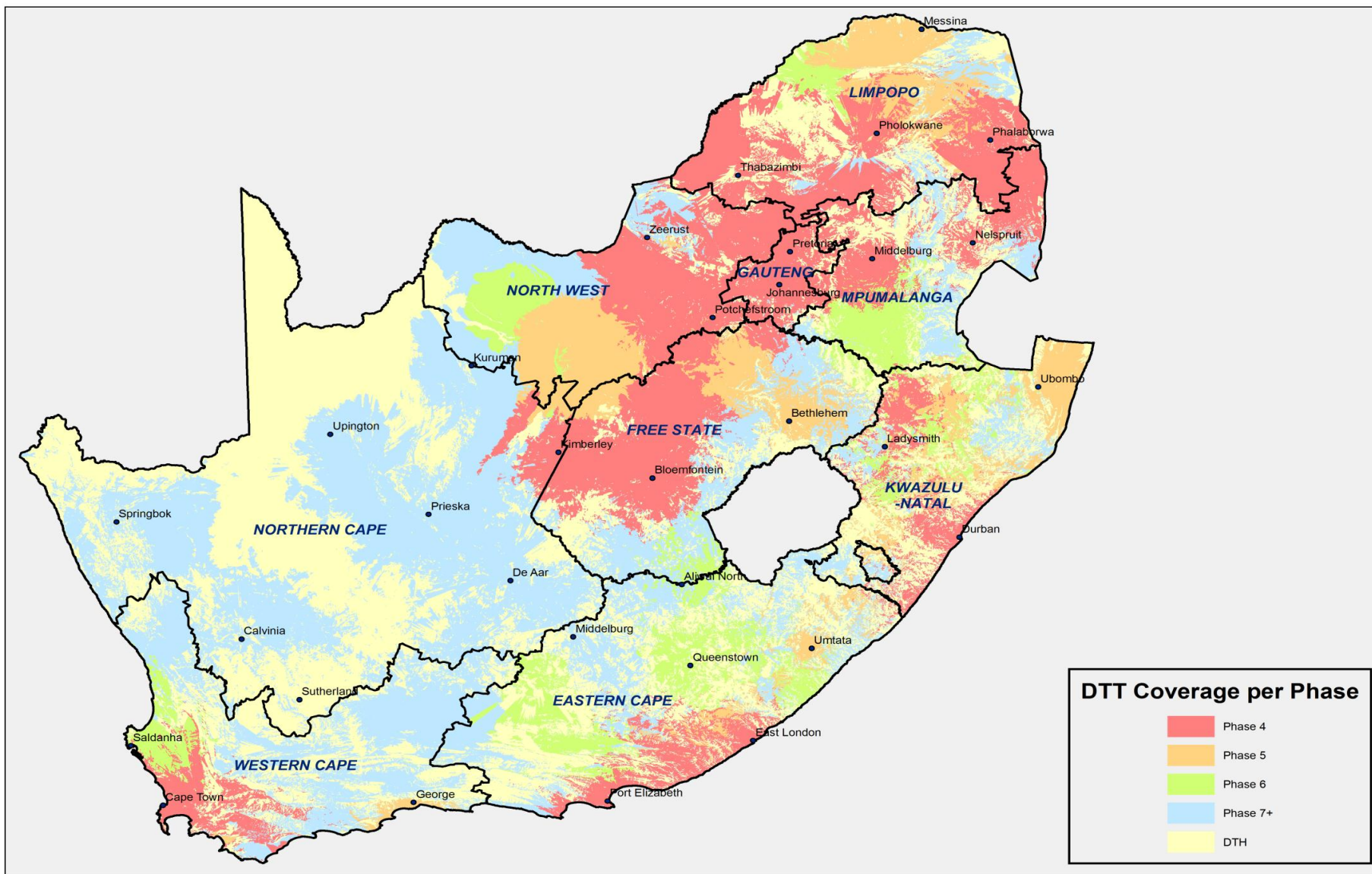








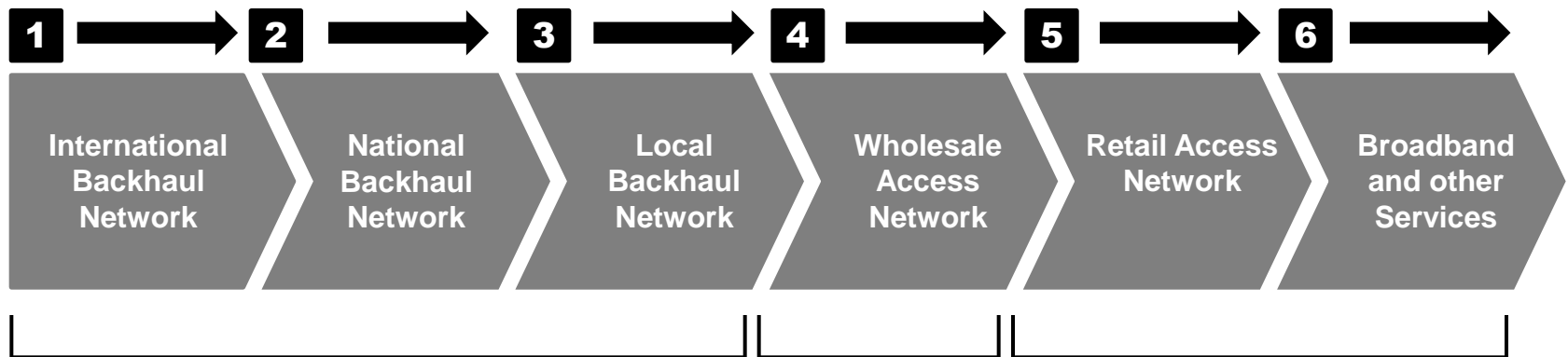




### **3. STRATEGIC PROJECTS UPDATE:**

- 3.1 Digital Terrestrial Television (DTT)
- 3.2 National Wireless Broadband (NWBn)**
- 3.3 Broadcast Network Coverage Master Plan
- 3.4 Community Radio Broadcasting
- 3.5 Community Television Broadcasting

- Sentech plans to roll out a National Wireless Broadband Network (NWBN) as one of its flagship programs as outlined in the Sentech Corporate Plan for 2011-14. The Sentech NWBN will primarily focus on offering access networks services to schools, clinics and government entities in underserved areas.
- KwaZulu-Natal was identified by all stakeholders as benchmark region for rollout. The KZN broadband project Steering committee is headed by the DoC and consists of Sentech, Broadband Infraco and the KZN Department of Economic development as role players.
- A series of workshops, lead by the DoC have been held by all SOE's involved in the rollout of the Broadband. A collaborative framework has been agreed to, and is indicated as follows:



Under **the current business model** Infraco can provide international and national long distance backhaul connectivity, local backhaul connectivity to its 37 license obligation areas, and wholesale internet.

*International connectivity will include east and west coast connectivity to Europe and/or other continents.*

Under an **expanded business model** (i.e. this will require additional CAPEX and ongoing operational funding) Infraco can provide local backhaul to all aggregation points required by Sentech or other SOE.

Sentech will provide an open access wholesale access network and wholesale broadband services via its National Wireless Broadband Network (NWBN).

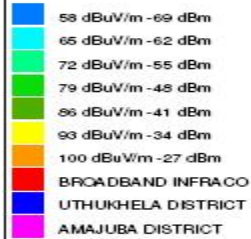
Private sector players, municipalities, other SOEs can utilise the Sentech NWBN to provide services to end users (government, business, and consumers).

In addition USAASA will facilitate initiatives to be driven by other state entities, as well as incentives or funding to be provided to underserved area licensees, aimed at accelerating rollout of retail access networks (such as WiFi) and for the provision of services in under serviced areas.

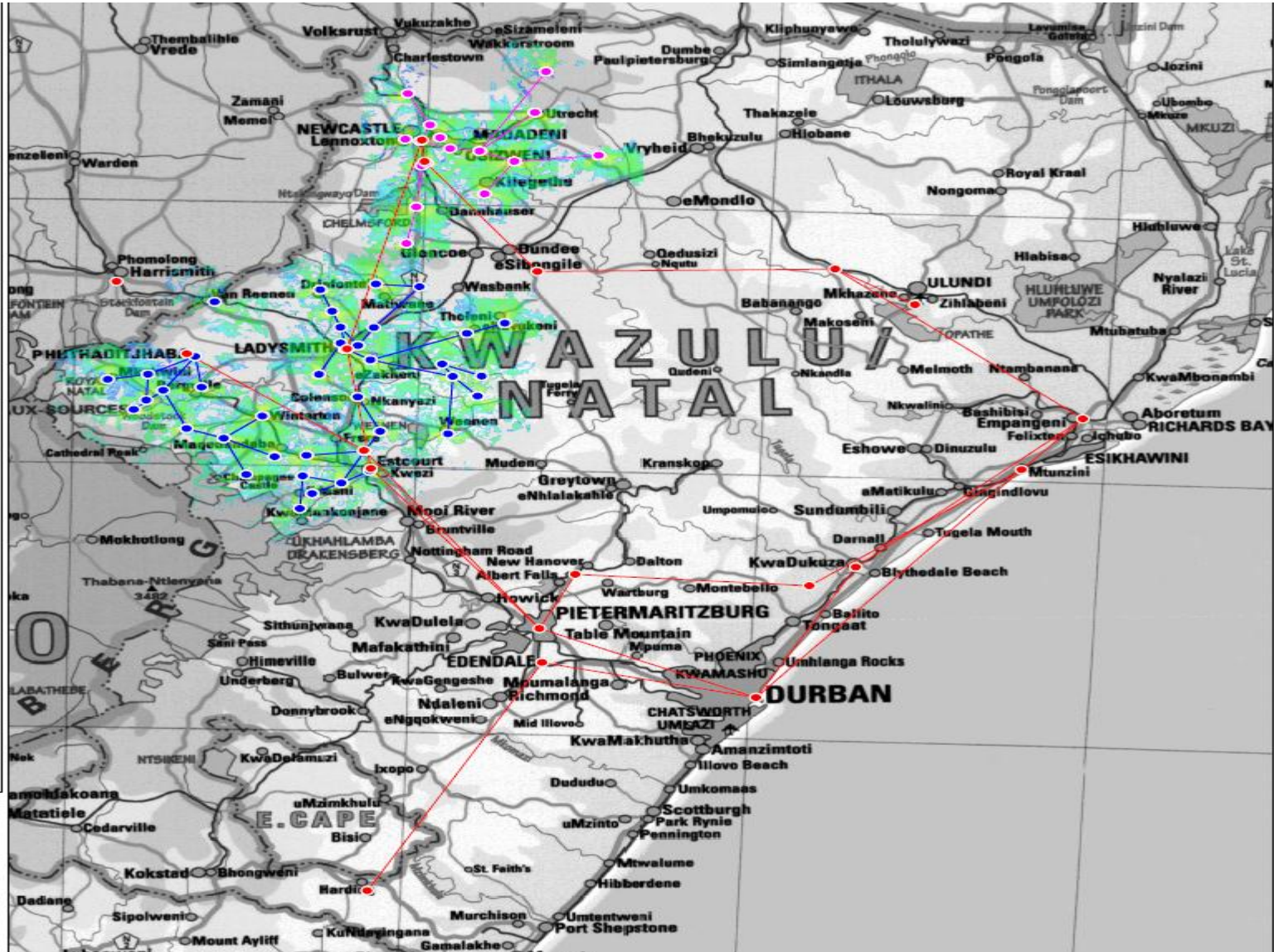


KWAZULU NATAL NETWORK  
DIAGRAM

50 km



**ATDI**





Continuation of the  
KZN pilot initiative

**1**

- Sentech NBWN rollout as planned for KZN (Sentech funded)
- Broadband Infraco rollout as per license obligations applicable to KZN (Infraco funded)
- Broadband Infraco rollout beyond license obligations for KZN USAASA continuation with Msinga initiative

Develop vision, scope  
and costing for full  
national rollout

**2**

- Development of a recommended national vision given different Government and PPP investment level scenarios
- Full national broadband network infrastructure planning, scoping and costing
- Recommendations to DoC

- The provincial department of education has requested Sentech to provide connectivity to 89 schools across the province by 31 Oct 2011.
- These schools have been prioritized for connectivity and Sentech will offer the VSAT solution in the interim while preparations are underway for the rollout of Sentech NWBN.
- Site surveys have been completed for the 89 schools and Sentech is ready to deploy VSAT services at the schools.
- As soon as the broadband roll out reaches schools that were connected with VSAT, the VSAT equipment will be recovered where applicable and the equipment will be made available on a rolling bases to address urgent connectivity requirements within the province.
- The same approach will be adopted for connectivity in other provinces whereby VSAT will be rolled out initially and as the wireless broadband network expand VSAT services will be recovered and used where required.

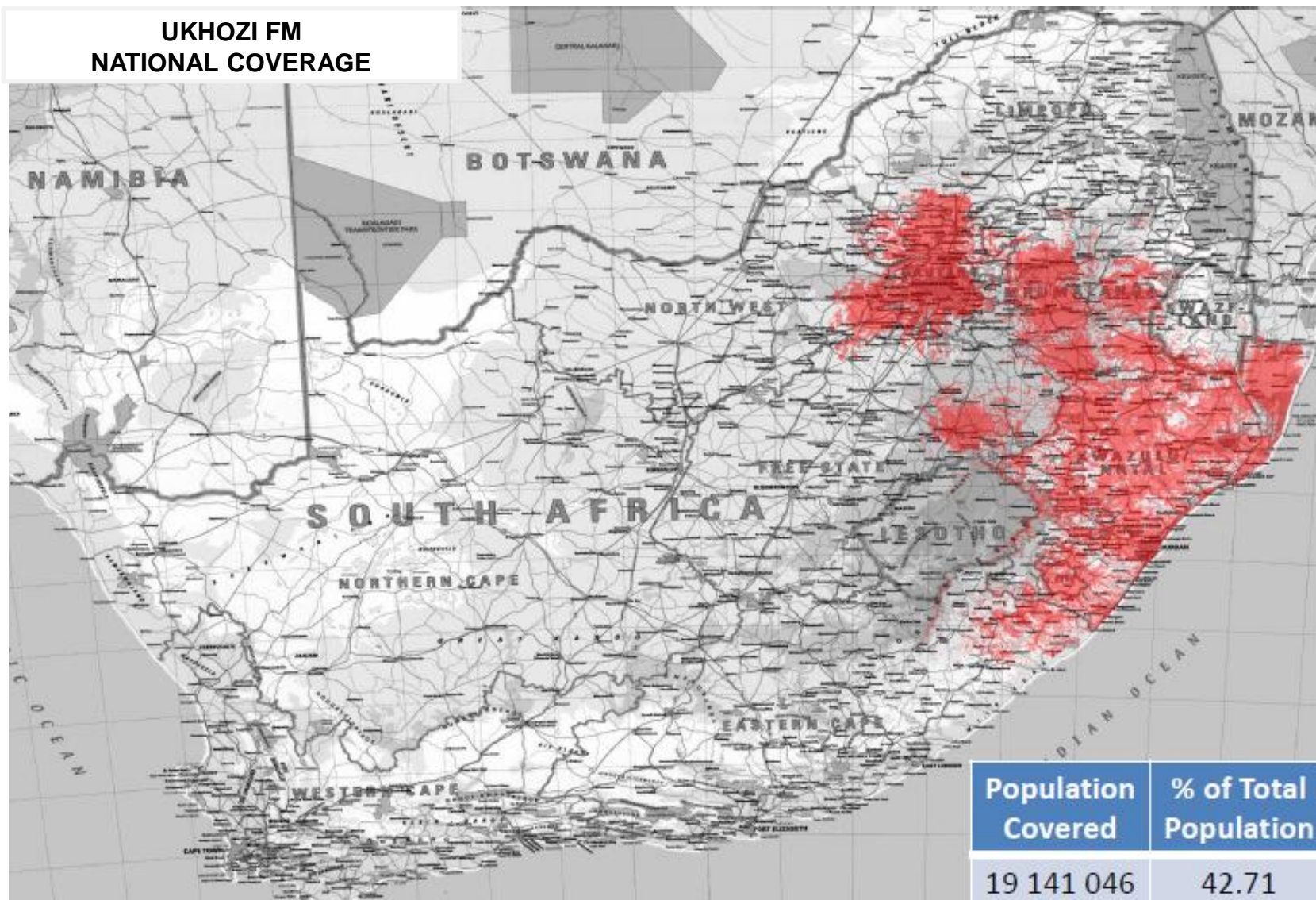
- The estimated cost for the NWBN project, as contained in the Sentech Corporate Plan, is R1.49 billion. This estimate was based on desktop based modeling of the proposed network.
- Sentech was allocated R500 million by National Treasury in 2008 for the rollout of a Broadband network. The funding decision will require both the approval of the Minister of Communication and the Minister of Finance.
- Once all the variables and assumptions have been addressed, the business plan will be updated, including the scope, implementation, costing, operations and sustainability of the NWBN.
- The Business Plan is critical in providing the business case for Sentech's allocation of funds for the rollout of the NWBN. In order to complete the business plan with sufficient detail it is required that various activities be undertaken including engagements with Provinces on the Broadband program and field surveys to understand the practical network requirements.

### **3. STRATEGIC PROJECTS UPDATE:**

- 3.1 Digital Terrestrial Television (DTT)
- 3.2 National Wireless Broadband (NWBAN)
- 3.3 Broadcast Network Coverage Master Plan**
- 3.4 Community Radio Broadcasting
- 3.5 Community Television Broadcasting

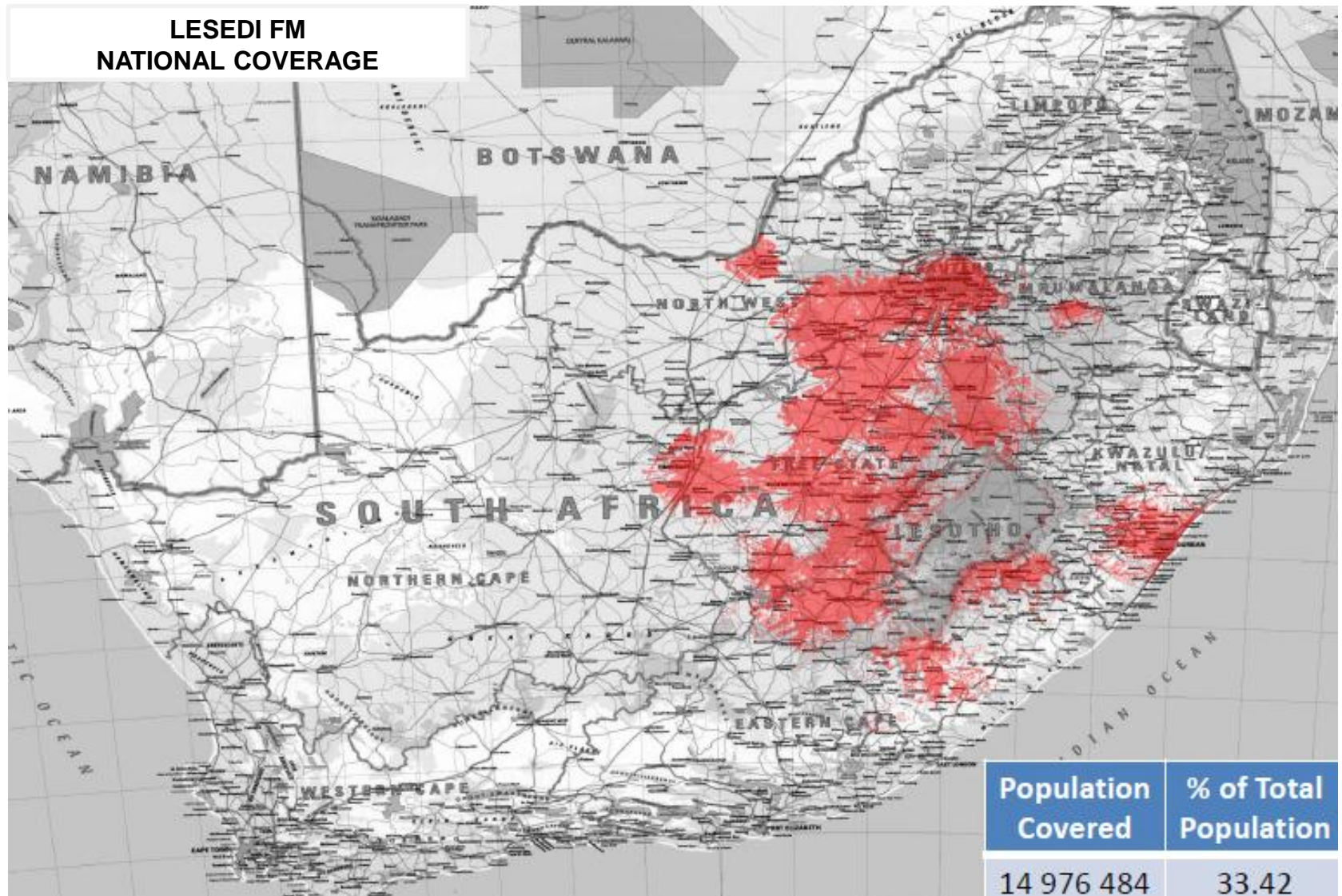
- At the presentation of the Company's Corporate Plan on 25 March 2011, the Portfolio Committee advised that Sentech should align its broadcasting signal distribution plans with the 'universal coverage' imperatives of the Department of Communications VISION 2020 for the ICT sector.
- This imperative was further confirmed by the Minister of Communications, the Honourable Mr Radhakrishna Padayachie, in his budget vote speech wherein he said: *"To address this (digital divide) deficit, we will work with key stakeholders which includes organised labour, civil society and academia, towards the development of a shared Vision 2020, for the country."*
- The Minister of Communications further said, "Optimising frequency spectrum to provide more services to the people, Radio Frequency Spectrum is a strategic natural scarce resource at our disposal to effect changes in the provision of electronic communications services at a faster rate. The Department of Communications, in partnership with ICASA, will therefore conduct a radio frequency spectrum audit to ensure effective utilisation of scarce resources, covering all bands contained in the national frequency plan."
- Sentech, appreciates the unwavering leadership of the Minister and Department of Communications in this initiative to review the country's 'radio frequency plan and notes that for Public Radio Broadcasting Services in particular, the need for Policy intervention is long overdue considering the nomadic nature of our Citizenry

## UKHOZI FM NATIONAL COVERAGE

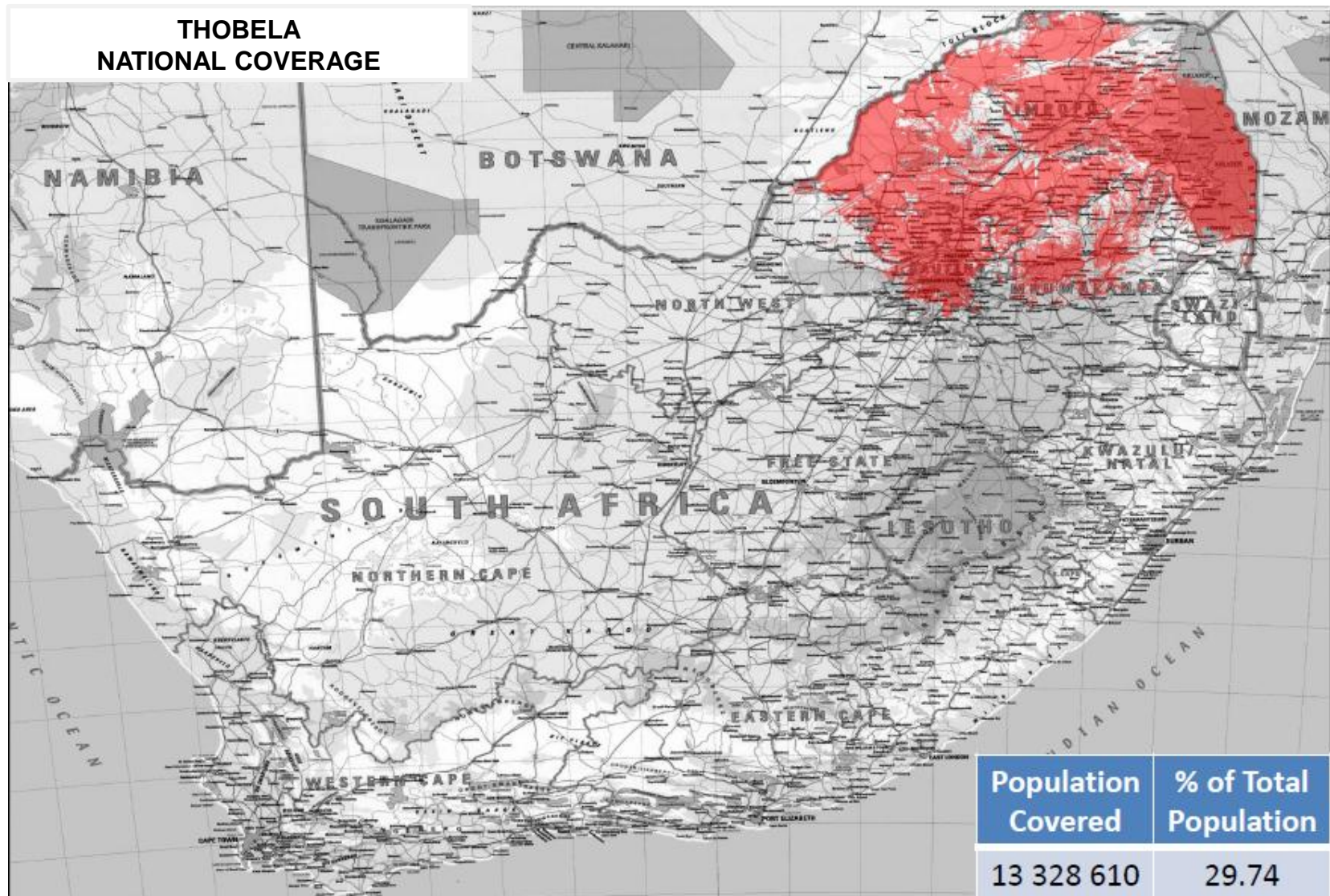




### LESEDI FM NATIONAL COVERAGE

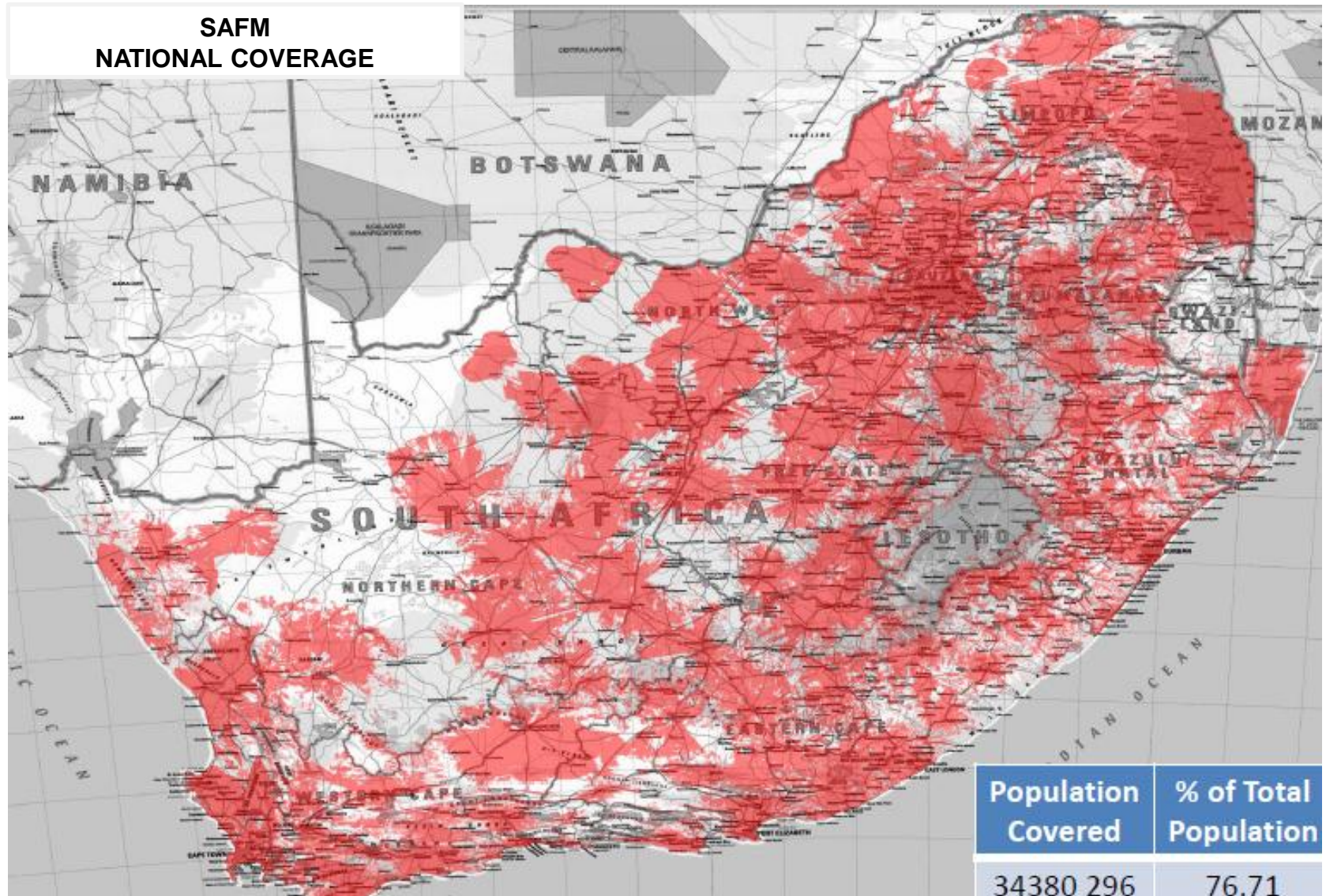


### THOBELA NATIONAL COVERAGE





### SAFM NATIONAL COVERAGE



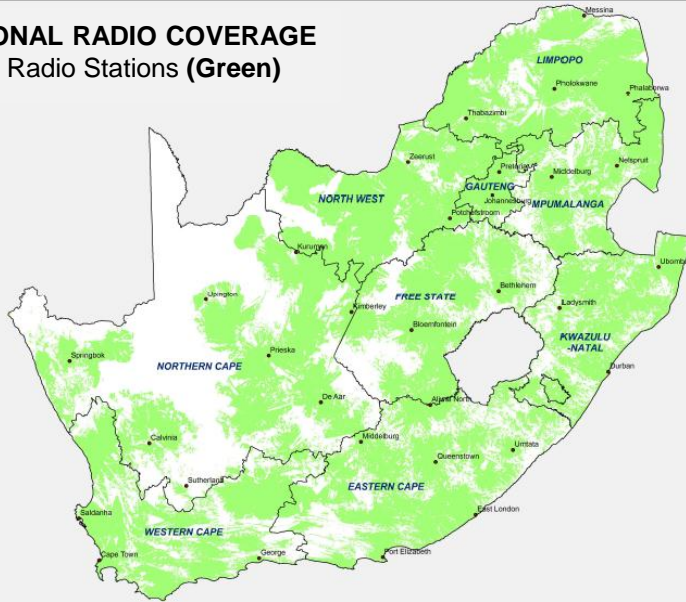
- As a country, we have demonstrated the ability to make available Public Service Radio services to the majority of Citizens in their 'own' language;
- However, in order to enhance and deepen the understanding of our democratic institutions, we need to explore all technological innovations that will enable us to deliver similar services across all languages throughout the country
- This requires innovation in the provision of the Public Broadcaster's 'Language Services' with future Policy direction having to reconsider usage of scarce frequency for delivery of 'Entertainment, Information and Education content efficiently within the Public Service space;

### **3. STRATEGIC PROJECTS UPDATE:**

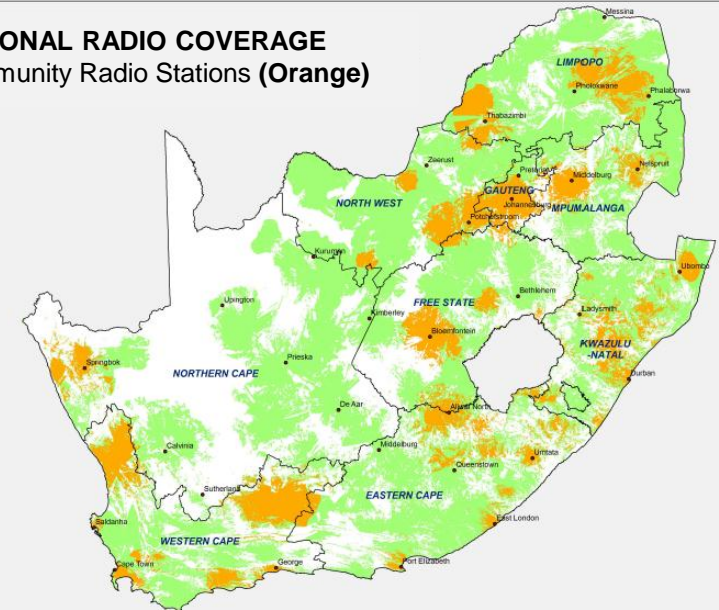
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- Community Radio Broadcasters were established and are encouraged in support of progressive policies that are driven by constitutional imperatives in the context of universal access, social cohesion and information access
- Sentech admits that the operational models are currently challenging and that there is a need for significant interventions in order to sustain the policy objectives
- In this respect, Sentech acknowledges that these interventions are multi-pronged in nature and include but not limited to:
  - Review of the cost structure facing the broadcasters
  - Review of the funding support provided to the broadcasters
  - Review of the operational support provided by independent entities such as Sentech and ICASA

## NATIONAL RADIO COVERAGE SABC Radio Stations (Green)



## NATIONAL RADIO COVERAGE Community Radio Stations (Orange)





- During Sentech's presentation of the Company's Corporate Plan, the Portfolio Committee raised the challenges faced by a number of Community Radio Broadcasters with regards to Sentech's Signal Distribution Tariff fees.
- Sentech acknowledges that this is one the legacy issues and is working at a long-term, sustainable solution with review of the Tariff Model. Today, Sentech provides Signal Distribution services to 65 Community Radio Broadcasters throughout the country, 44 (68%) of them currently receiving subsidy from the Department of Communication.
- As of 1 June 2011, the financial status of these broadcasters with regards to Sentech Tariffs was as follows:

	SPONSORED COMMUNITY BROADCASTERS	UNSPONSORED COMMUNITY BROADCASTERS	TOTAL
<b>NUMBER OF BROADCASTERS</b>	<b>44</b>	<b>21</b>	<b>65</b>
<b>BROADCASTER'S TARIFF</b>			
Up To R5,000	11	0	11
R5,000 - R10,000	14	3	17
R10,000 - R20,000	13	7	20
Above R20,000	6	11	17
<b>Minimum Tariff</b>	R2,000	R6,000	
<b>Maximum Tariff</b>	R30,000	R47,000	

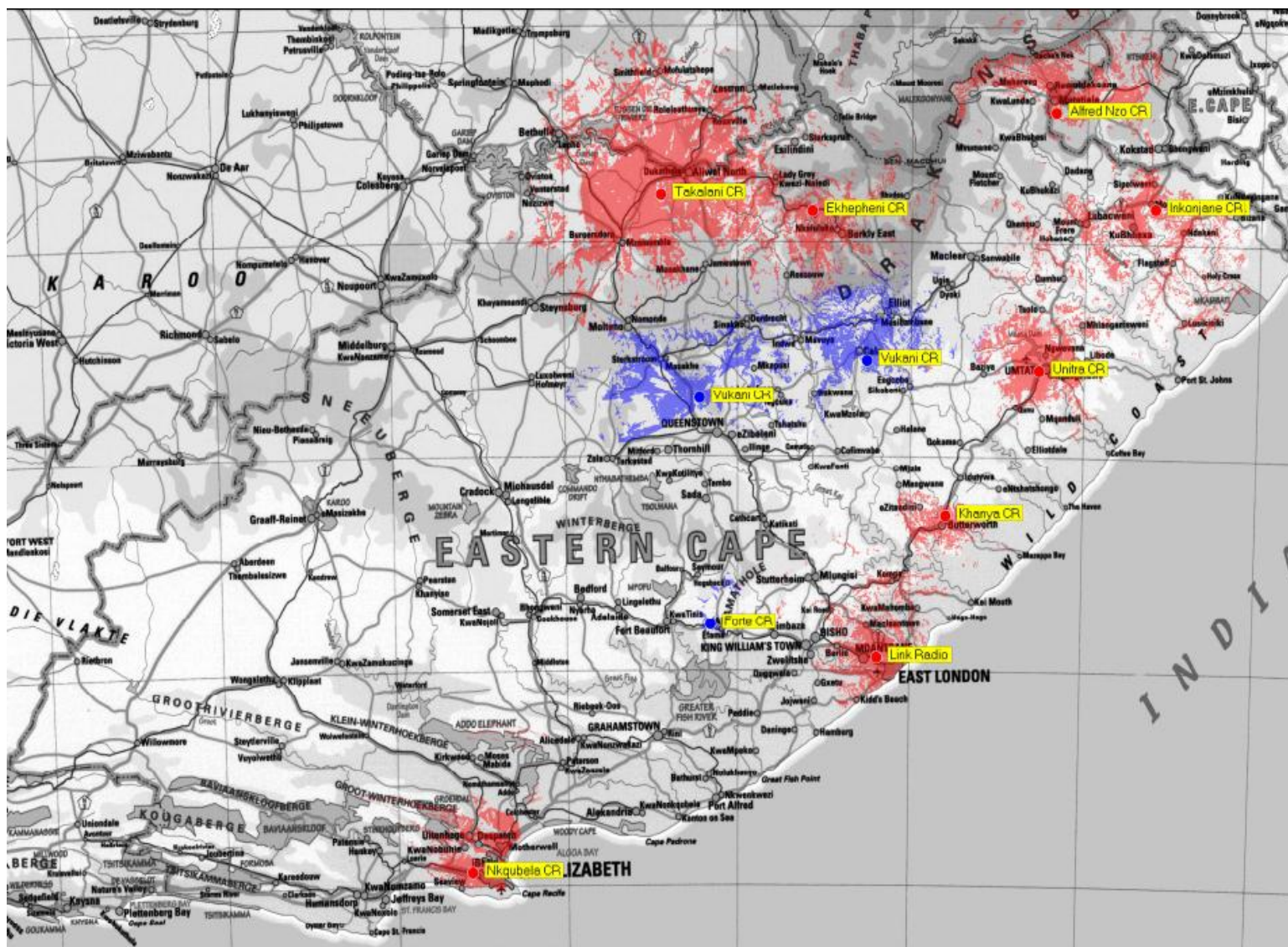
- The Tariff review process currently underway will not fundamentally address the challenges faced by Community Radio Broadcasters.
- Sentech submits that a broader Policy on sustainability of Community Broadcasters is imperative as the current subsidy model is not showing the desired results in terms of Government's intent as reflected beneath:

	SPONSORED COMMUNITY BROADCASTERS		UNSPONSORED COMMUNITY BROADCASTERS	
	<i>Stats As At 01 June 2011</i>	<i>No. Of Broadcasters</i>	<i>Stats As At 01 June 2011</i>	<i>No. Of Broadcasters</i>
<b>Debt</b>	726 069.28	<b>27</b>	1 675 234.17	<b>21</b>
Credit	-1 189 370.20	<b>17</b>	-	
<b>Balance</b>	<b>-463 300.92</b>		<b>1 675 234.17</b>	

- It is in this context that we have participated and support the current study by the Department that is aimed a developing a sustainable support scheme for Community Broadcasters.

- Whilst we await the finalisation of the Policy that will ensure sustainability of Community Broadcasters, we have engaged the Department on a Short-Term plan to address this issue.
- As at 15 August 2011, total 'Subsidy' funds held by Sentech was R6.6 million. In addition, a total of R7.2m in interest has been earned on the subsidy funds – a total of R13,8 million that can be disbursed to support Community Broadcasters in arrears.
- Discussions with the Department will be accelerated as agreements with some of the Sponsored Community Broadcasters will expire during this financial year:
  - August 2011 **14**
  - Sept 2011 – Mar 2012 **20**

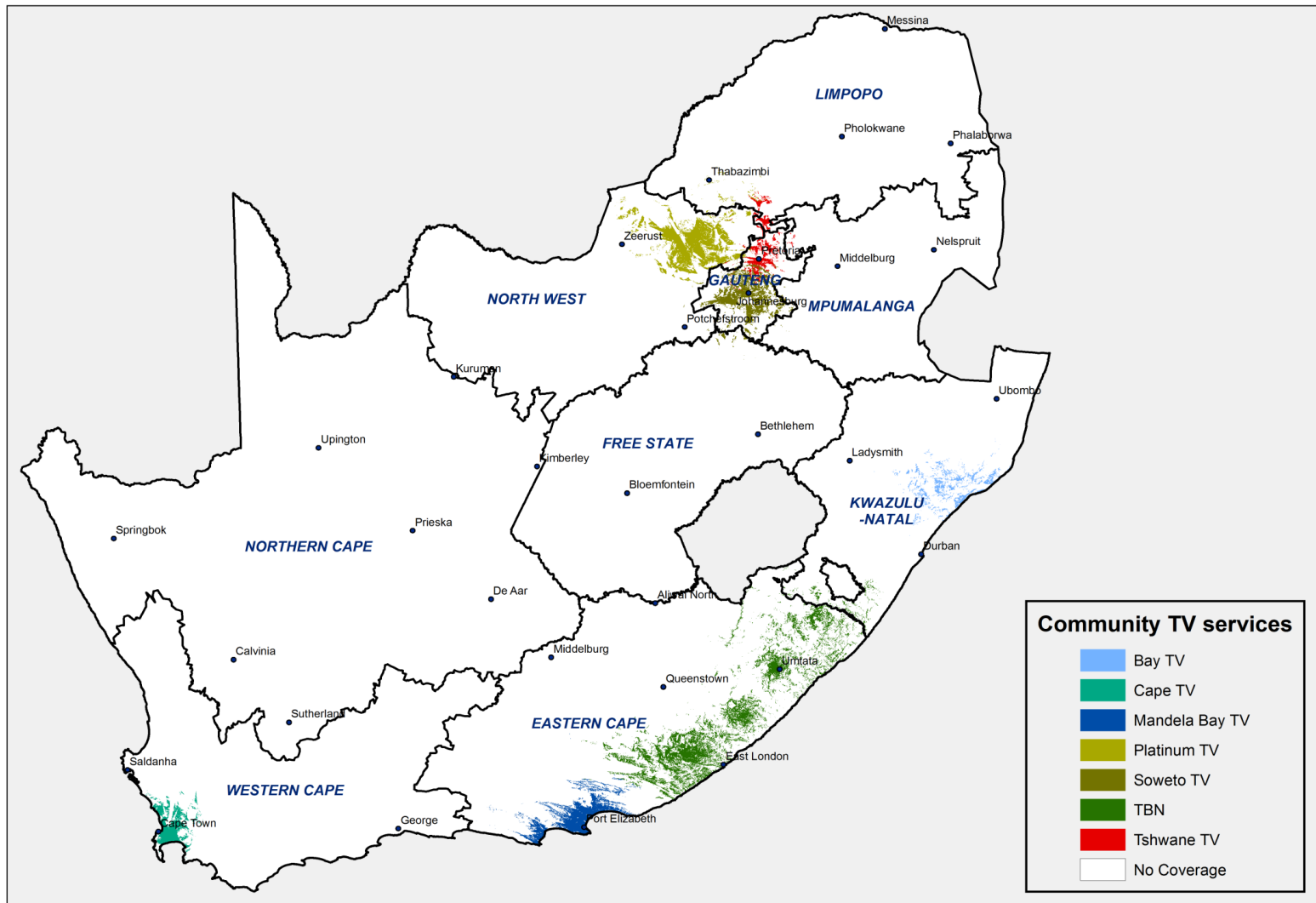




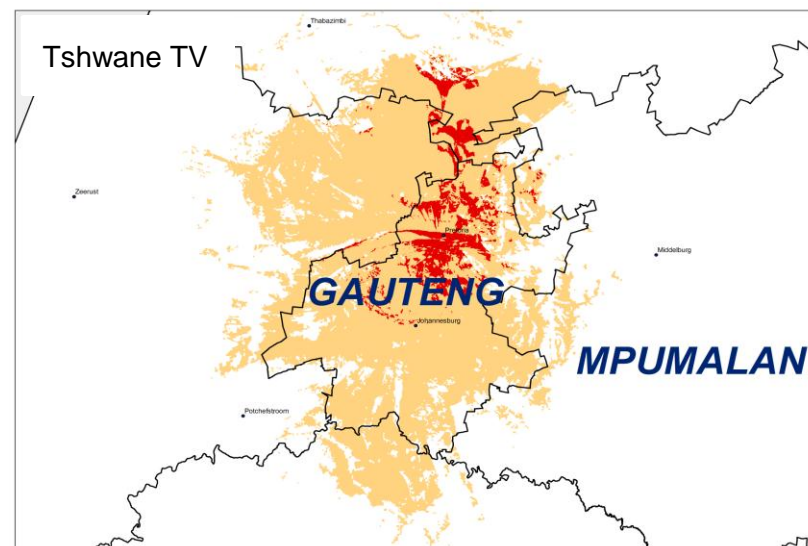
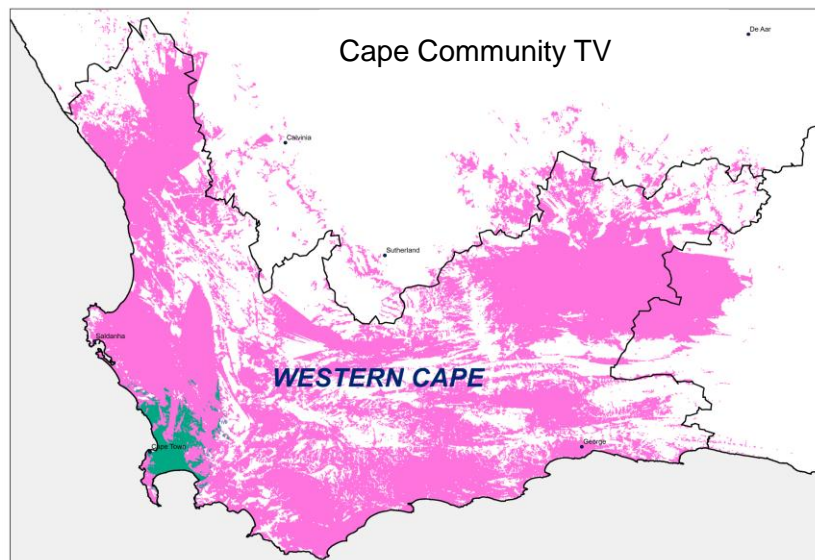
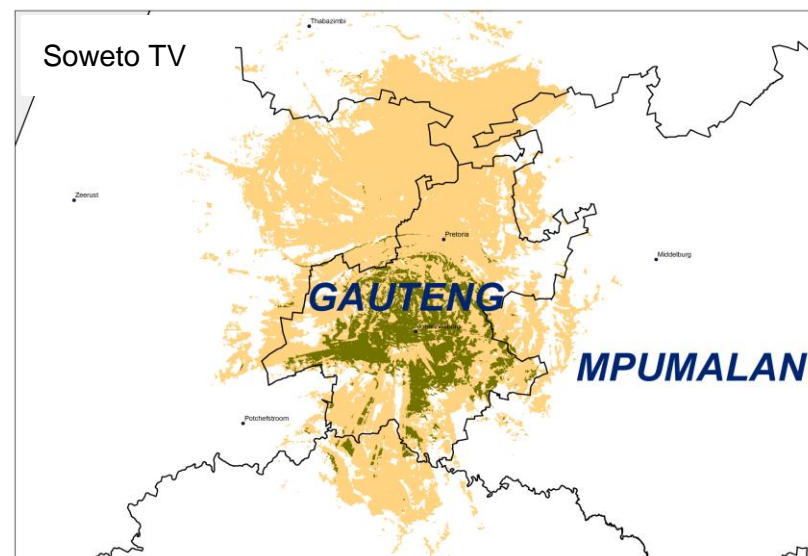
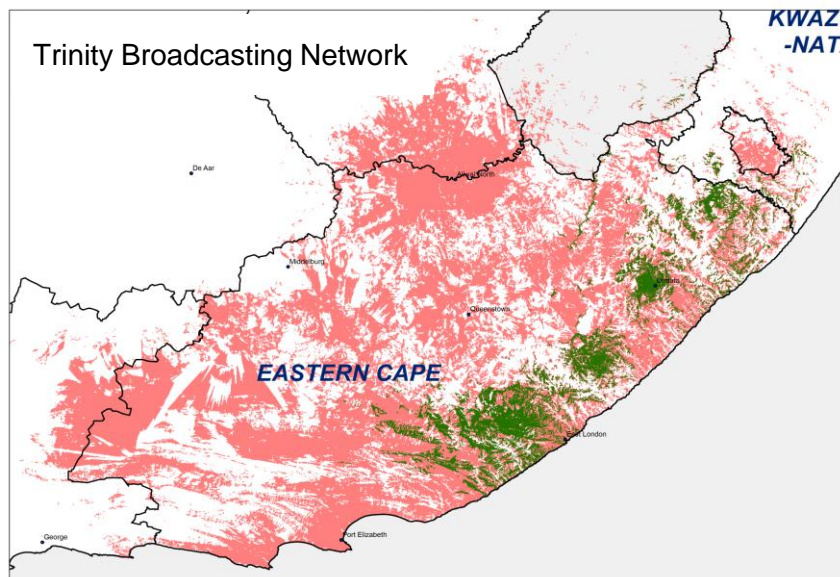
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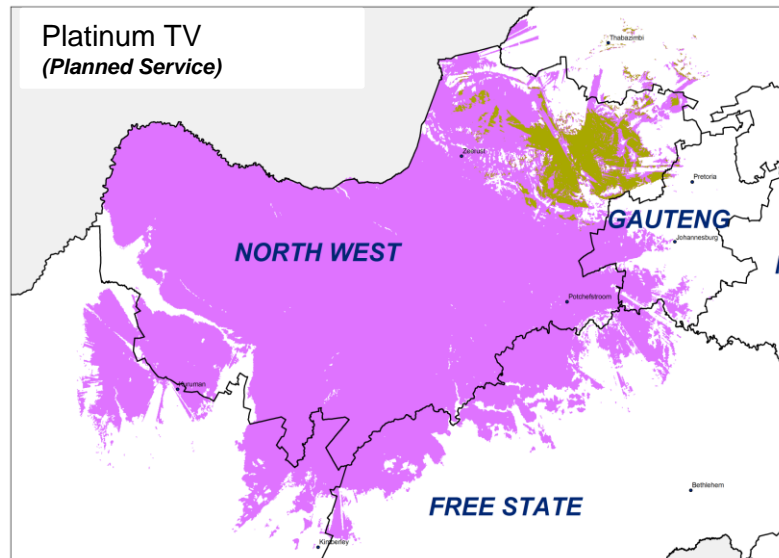
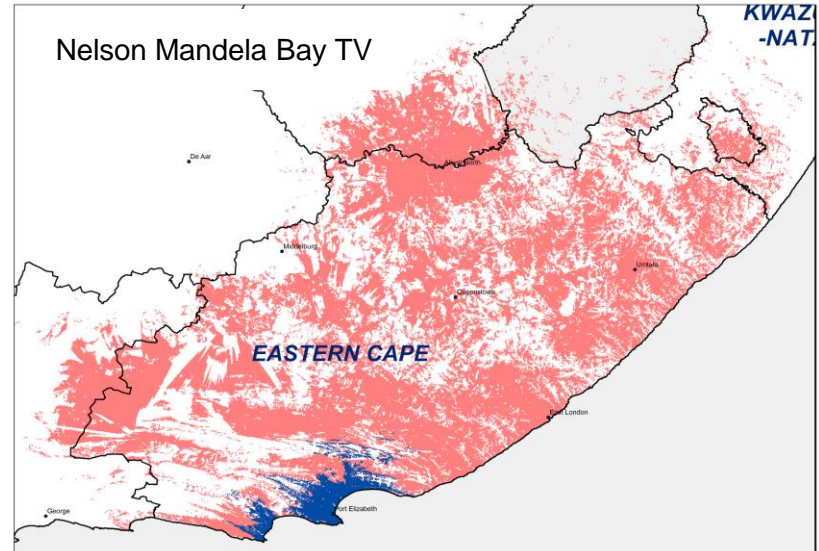
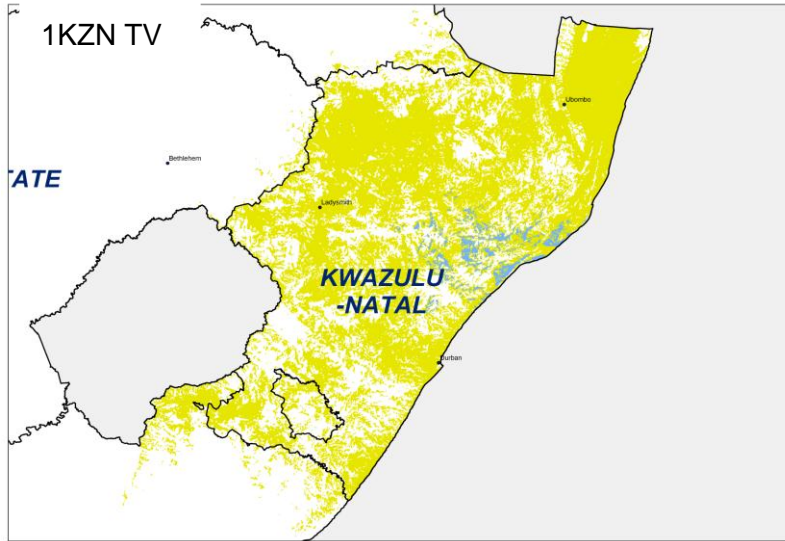
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- Sentech has also considered signal distribution for Community Television Services on DTT as part of the 'Broadcasting Distribution Master Plan'.
- As presented by ICASA to the Committee on 2 August 2011, DTT migration on DVB-T2 (PLP) will allow for localised and regional broadcasting.
- Within this context, Sentech submits that there are Technical solutions to ensure that all Licensed Community Television Broadcasters are accommodated in the DTT Migration phase. Sentech further submits that the DVB-T2 technology can be efficiently deployed by enabling distribution of Community Television broadcasting services throughout the region (province) they are licensed in – which will require Policy and Regulatory intervention.

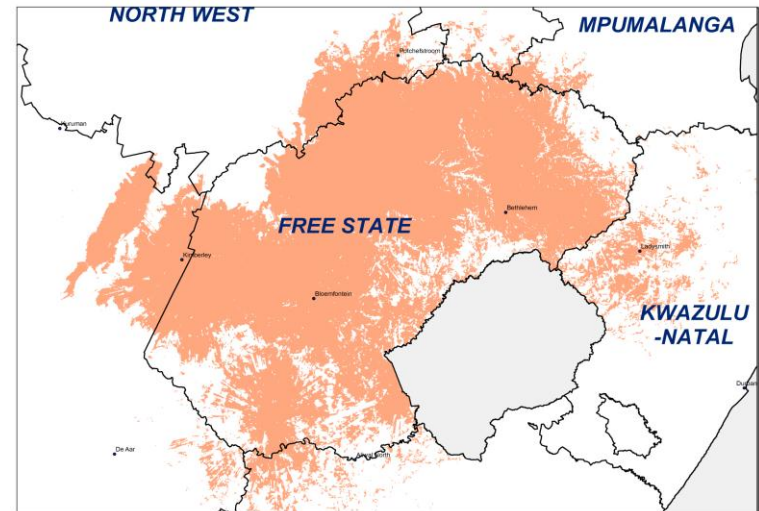
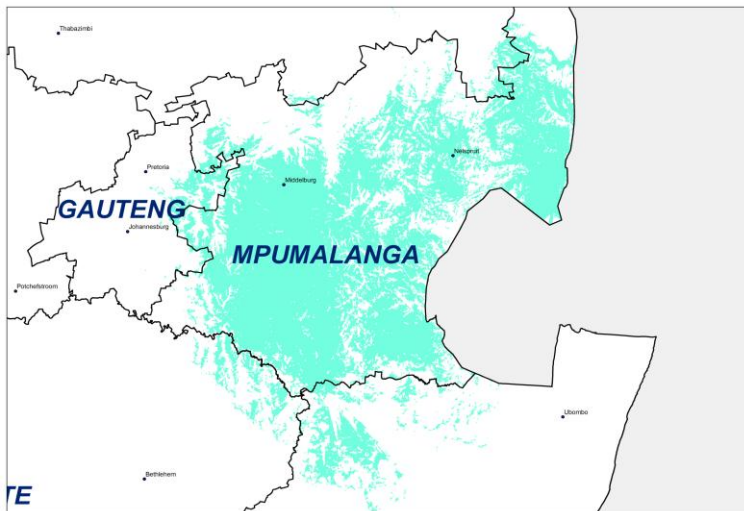
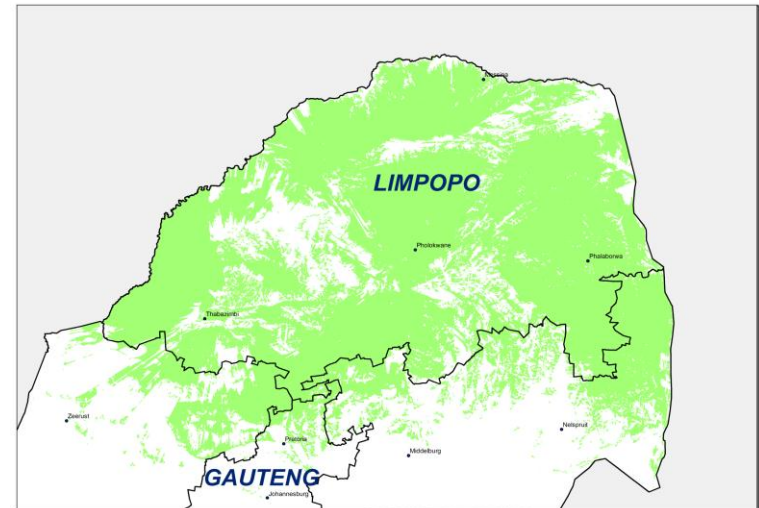
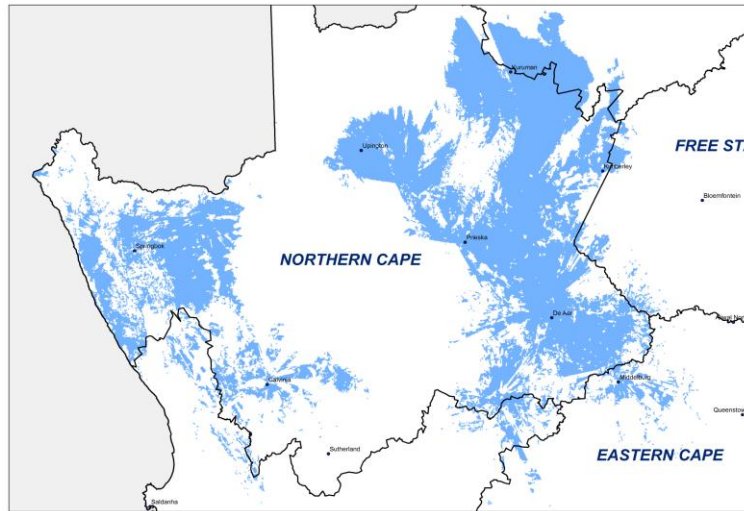














**SENTECH**

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