



e.tv (Pty) Ltd Reg No. 1997/012816/07
Private Bag X9944, Sandton, 2146, South Africa
5 Summit Road, Dunkeld West, Johannesburg, 2196
Tel: +27 11 537 9300 Fax: +27 11 537 9301

Attention: General Manager: Licensing and Compliance

ICASA

Block D

Pinmill Farm

164 Katherine Street

Sandton

21 May 2009

COPY

Dear Sir,

Application for Individual Electronic Communications Network Service License

In response to the Authority's invitation to apply for an Individual Electronic Communications Network Service License ("IECNS"), as per government gazette 32066 published on 26 March 2009, please find attached:

1. The Original and 9 Copies of e.tv's application for the IECNS Licenses; and
2. A Cheque made payable to the Authority in the amount of fifty thousand rand (R50,000.00) as required by the ITA.

Should the Authority require any further information or clarity on any aspect of this application please feel free to contact the designated contact person as outlined herein.

Yours sincerely,

Marcel Golding
Chief Executive Officer

e.tv application for an Individual Electronic Communication Network services license in response to the Invitation to Apply (“ITA”) issued by the Independent Communications Authority of South Africa (“ICASA”) in Government Gazette No. 32066

Question 1 of Gazette 32066

1 Particulars of the Applicant

Full Name of the Applicant	e.tv (Proprietary) Limited
Designated Contact Person	Bronwyn Keene-Young
Applicant’s Street Address	5 Summit Road, Dunkeld West, 2196, Johannesburg
Applicant’s principal place of business	As Above
Applicant’s postal address	Private Bag X9944, Sandton, 2146
Applicants Phone Numbers	011 537 9321
eMail Address of Designated contact person	bronwynk@etv.co.za

2 Indicate if the applicant, in the case of: a juristic person, is, or will be, registered under the laws of South Africa and has or will have its principal place of business within South Africa.

2.1 e.tv is a broadcast services licensee in terms of the Electronic Communications Act.

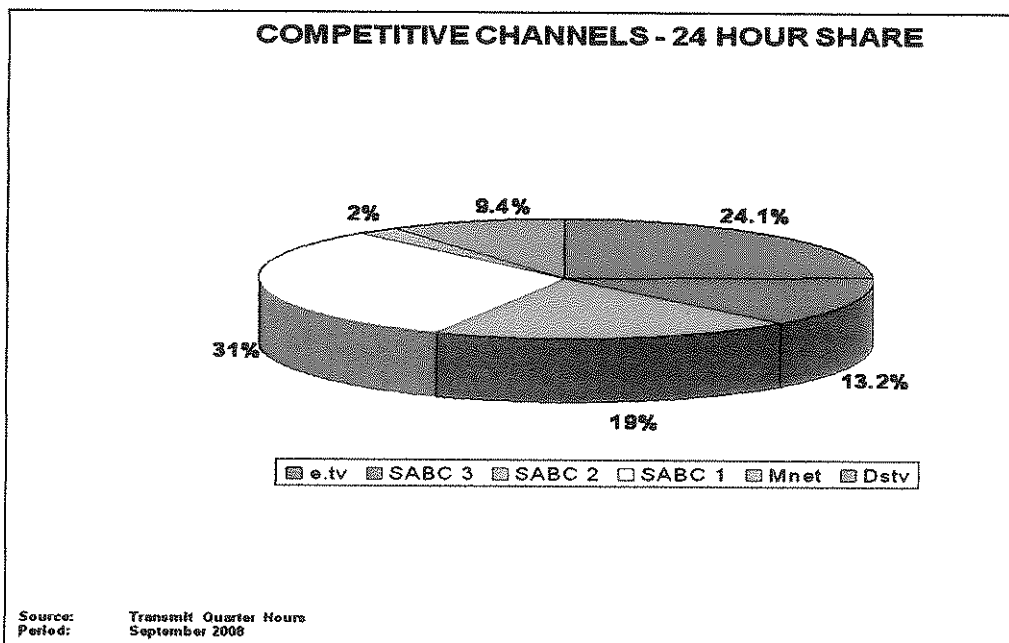
2.2 e.tv is a private company registered under the laws of South Africa with its principal place of business at 5 Summit Road, Dunkeld West, 2196, Johannesburg.

3 Indicate how the applicant, in obtaining the license, will

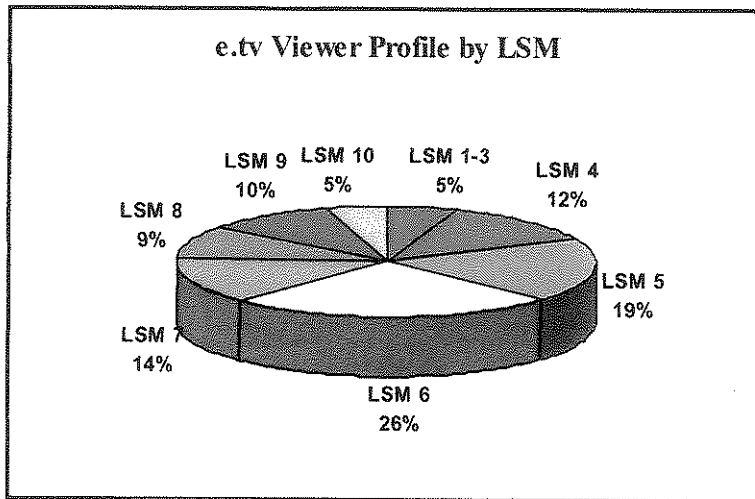
Ensure that electronic communications network services are provided to persons or groups of persons from poorest communities in South Africa also ensuring within those communities diverse views are accommodated; and

Promote the empowerment of historically disadvantaged persons including women and the youth and people with disabilities, in accordance with the requirements of the ICT Charter

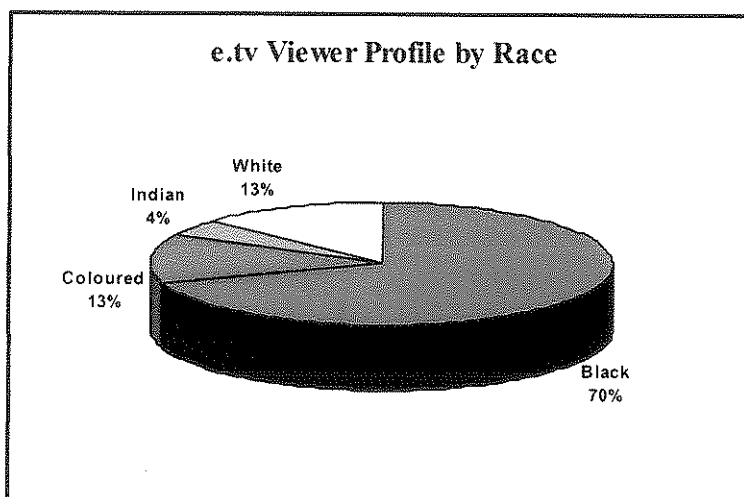
3.1 e.tv attracts the second largest audience in South Africa with a market share of 24.1% of the total adult television audience (Source: Transmit Quarter Hours (September 2008)). e.tv's strategy over the past ten years has been to appeal to as broad an audience as possible and to position itself as a unifying influence among its viewership. As a result, its audience profile fairly represents the demographics of South Africa with regard to race, age, income and gender. The figure below shows the relative audience share of all the licensed television broadcasters in South Africa.

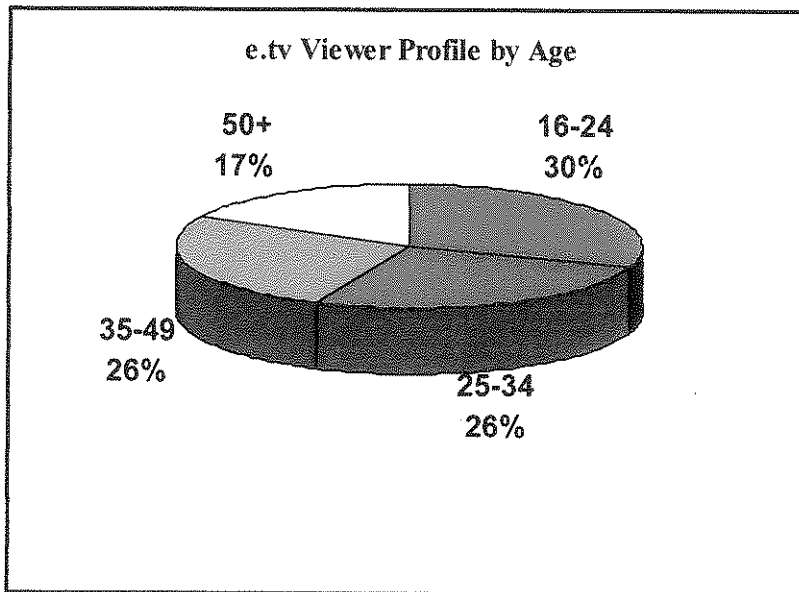


3.2 The demographic profile of e.tv's audience as shown in the figure below shows very clearly that e.tv's target market is dominated by the LSM 5 to 7. This accurately reflects the demographic profile of South Africa. (Source: AMPS 2008).

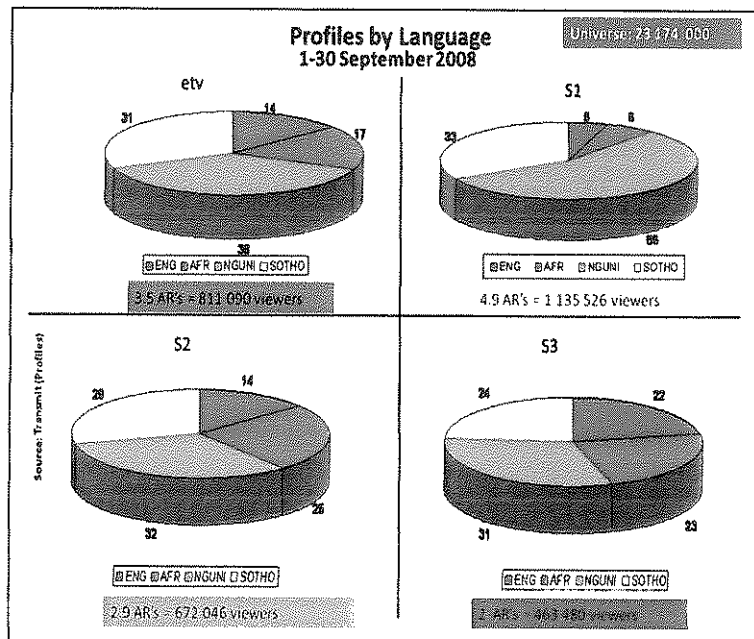


3.3 The audience share of e.tv, is dominated by the middle income LSM 5 and 6 market. Similarly, the race profile of e.tv's audience is dominated by a significant majority of black viewers. Only 13% of e.tv's viewers are white. e.tv audiences are across the complete spectrum of age groups (Source: AMPS 2008)





3.4 The language profile of e.tv viewers represents the majority of the population.



3.5 Since 2000, e.tv has made a significant contribution to the development and broadcast of locally-produced programming which reflects the uniqueness of South Africa. e.tv has focused substantial resources on developing local programmes which have become the flagship audience drivers for the

channel. Since 2001, **more than 45% of e.tv's programming between the hours of 5am and 11pm has consisted of local content.** e.tv is the only channel in the country which broadcasts two daily South African dramas – Rhythm City (its youth drama) and Scandal (its newsroom drama). These programmes reflect a wide diversity of South African cultures, languages and interests and are produced by independent producers.

3.6 e.tv's news broadcasts are highly regarded as an authoritative source of information. Its 7pm bulletin is the most-watched English television news in South Africa and it has recently introduced **prime time Zulu and Sesotho news bulletins.**

3.7 e.tv has, from the outset, ensured that its staff profile is reflective of South African diversity. Currently, **78% of e.tv's staff are black and 46% are women.** e.tv has paid particular attention to **the recruitment and training of disabled employees who constitute 6% of its workforce.** As the company has grown in size, it has ensured that the disabled component of the workforce has grown accordingly. Many disabled employees had little or no work skills when they were first employed by e.tv as they had not previously had the opportunity of full-time employment. These employees have been trained in various skills relevant to the industry and now work in a wide range of departments across the channel.

3.8 When e.tv started broadcasting, the majority of its staff had never before worked in the broadcasting sector. The fact that e.tv employees were new to the television industry resulted in an innovative and entrepreneurial approach to the channel which has been the hallmark of e.tv's contribution to the television industry. During its first licence period of eight years, e.tv's expenditure on training amounted to over R30 million.

3.9 e.tv has maintained a stable and skilled workforce. e.tv's current senior managers have served the company for an average of 7.5 years. Most managers joined the company in relatively junior positions and have received the necessary training, opportunity and encouragement to develop within the company.

3.10 e.tv's sole shareholder is SABIDO Investments (Pty) Ltd which is owned 100% by persons from historically disadvantaged groups.

3.11 SABIDO's controlling shareholder, Hosken Consolidated Investments ("HCI") is a leading black empowerment company listed on the JSE Limited ("JSE"). HCI is controlled by SACTWU and its social benefit trusts. The members of SACTWU comprise of some 100 000 clothing and textile workers. The beneficiaries of the trusts are these workers together with their dependents. A large portion of investment income is allocated to the SACTWU Welfare Programme to provide social benefits to SACTWU members and their dependants. Over the six years to 2007, some R15 million of funding per annum has been provided to fund social responsibility programs. The range of projects funded by the Welfare Programme primarily covers educational support, employment creation and protection projects, HIV-Aids, health care projects and housing. HCI is one of the few companies on the JSE where broadly based black empowerment shareholders with substantial social responsibility initiatives have a major economic interest.

3.12 e.tv's latest EmpowerLogic BBBEE certificate, which is attached to this application in appendix 1.1.1, shows that e.tv has 35.27% Black Ownership with 18.56% Black Women Ownership.

4 If the applicant is a Juristic person:

4.1 Indicate the legal form of the applicant

e.tv (Pty) Ltd. is a private company incorporated in terms of the Companies Act, 1973 as amended from time to time.

4.2 Registration Number:

1997/012816/07

4.3 Attach certified copies of the Applicant's certificate of incorporation and memorandum and articles of association or other constitutive documents of the Applicant indicating the applicant's compliance with the requirements of section 5(8)(b) of the ECA.

4.3.1 The copies of e.tv's certificate of incorporation (and relevant certificates of change of name) and memorandum and articles of association are attached hereto as Appendix 1.1.2 and 1.1.3

4.3.2 Section 5 (8) (b) of the ECA states *"When applying for a license an applicant or registrant must demonstrate that the applicant or registrant or the person to be awarded the license , in the case of-*

(a) ...

(b) a juristic person, is, or will be, registered under the laws of the Republic and has or will have its principal place of business located within the republic."

4.3.3 e.tv confirms that it is duly registered and incorporated under the company laws of the Republic of South Africa and has its principle place of business located within the Republic. e.tv accordingly complies with the requirements of S5(8)(b) of the ECA. A copy of a written undertaking as required by the ITA in this regard is attached as Appendix 1.2.

4.4 Provide a resolution authorizing the signatory to this application to sign this application and/or to represent the applicant at the Authority's hearings in respect of this application

Copies of the resolution authorizing the signatory to this application to sign this application and/or represent the applicant at the Authority's hearings in respect of this application is attached hereto as Appendix 1.3

QUESTION 3 of GAZETTE 32066

4.5 Proposed License Conditions that will be Applicable

The applicant must indicate their strategy and commitment on how to meet universal access goals

Applicants must indicate how they will service and empower the poor when the license is issued; and

Applicants must indicate how they will ensure that the poorest are their primary target customers.

- 4.5.1 e.tv submits that whilst it has used all efforts to ensure that it reaches as far and as wide an audience as possible, the reality is that signal distribution costs have prevented the provision of universal services and access to all. E.tv does, however, broadcast to more than 80% of the South African population. This is in excess of its original license obligations.
- 4.5.2 With the ability to self provide its transmission via satellite, e.tv will be able to achieve greater control of a very important cost component in its service delivery structures. This will allow for a review of e.tv's current coverage areas with a view to providing coverage in areas where there is currently no or poor coverage.
- 4.5.3 This process can only be undertaken once the license is issued to e.tv and a detailed cost analysis undertaken. e.tv can use the license to reduce its transmission costs and apply those savings to improving its content provision allowing for diverse programme offerings and improved access to e.tv services through alternative means.

4.5.4 e.tv submits that the current service is substantially targeted at the poorest of the poor and most vulnerable members of society. This is clearly shown in the audience profile as described above. This indicates that 36% of e.tv's audience is from LSM's 1 to 5.

CONCLUSION

We trust that this application meets with the Authority's requirements. Should the Authority have any queries or requests for further information, please do not hesitate to contact e.tv as detailed above.

Appendix 1.1.1

e.tv EmpowerLogic BBBEE Verification Certificate



EMPOWERLOGIC
Your Logical Empowerment Solution

Broad Based Black Economic Empowerment Verification Certificate

Issued to

e.tv (Pty) Ltd

Level 4 Contributor

Measured Entity

Company Name e.tv (Pty) Ltd
Registration Number 1997/012816/07
VAT Number 4830173623
Address 5 Summit Road
 Dunkeld West
 Johannesburg
 2146

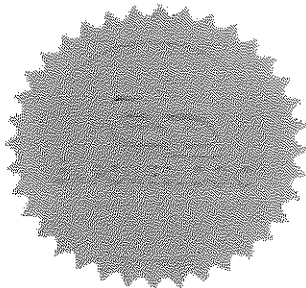
BEE Status

BBBEE Status Level Level 4

Element Levels	EO:Level 1; MC:Level 3; EE:Level 2; SD:Level 5; PP:Level 6; ED:Non-Compliant; SED:Level 1
Black Ownership (flow through principle)	35.27% Black Ownership; 18.56% Black Women Ownership
Value Adding Vendor	Yes
BEE Procurement Recognition	125%

Issue Date 2008/11/06
Expiry Date 2009/11/05
Certificate Number ELC1145GENBB
Version Final
Applicable Scorecard Generic
Applicable BBBEE Codes Codes 100-700 Gazetted on 9 February 2007

BEE Procurement Recognition Levels		
Level	Qualification	%
1	≥ 100 Points	135%
2	≥ 85 but < 100	125%
3	≥ 75 but < 85	110%
4	≥ 65 but < 75	100%
5	≥ 55 but < 65	80%
6	≥ 45 but < 55	60%
7	≥ 40 but < 45	50%
8	≥ 30 but < 40	10%
Non-Compliant	<30	0%



EmpowerLogic (Pty) Ltd
 Reg. No. : 1995/000523/07
 BBBEE Verification Agency

Per L Majija (B Comm, MBA)
 Member - Verification Committee

ABVA Full Member: AM00018



Enquiries
 Tel:
 086 111 4003
 Fax:
 086 505 7284
verification@empowerlogic.co.za
www.empowerlogic.co.za

This certificate is the result of an independent and impartial verification of the BBBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment. The objective of our verification is to verify the validity and accuracy of the BBBEE status represented by the measured entity. EmpowerLogic is not responsible for ensuring completeness of information provided to support the BBBEE status.

CERTIFIED A TRUE COPY OF THE ORIGINAL
 EXHIBITED TO ME AT JOHANNESBURG

ON 19/5/2009

DAN ABRAHAM ROSENGARTEN
 45 Oxford Road
 Forest Town
 Johannesburg
 Practising Attorney
 Commissioner of Oaths