



WHO OWNS THE NEWS MEDIA?

A study of the shareholding of South Africa's major media companies

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ACKNOWLEDGEMENTS

We approached all of the major media companies in South Africa for assistance with information about their ownership. Many responded, and we are extremely grateful for their efforts.

We also consulted with several academics regarding previous studies and are grateful to Tawana Kupe at Wits University for guidance in this regard.

Finally, we are grateful to Times Media Group who provided a small budget to support the research time necessary for this project.

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Intellidex has, or seeks to have, business relationships with the companies covered in this report. In particular, in the past year, Intellidex has undertaken work and received payment from, Times Media Group, Independent Newspapers, and Moneyweb.

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SUMMARY OF KEY FINDINGS

Entity	Black ownership % on BEE scorecard	Biggest shareholder	Biggest shareholder %	% of adult population reached by biggest title
HCI (eTV)	67.78%	SACTWU	33%	93.00%
Kagiso Media	63.24%	Kagiso Tiso Holdings	100%	5.00%
Multichoice	61.70%	Naspers	80%	13.5%
Times Media Group	58.47%	Tiso Blackstar	100%	9.80%
Independent Newspapers	55.00%	Sekunjalo Independent Media	55%	2.90%
Tiso Blackstar Group	48.13%	Tiso Investment Holdings	20%	9.80%
Media24	45.82%	Naspers	85%	13.50%
Primedia	41.73%	See diagram on page 19	n/a	3.20%
Classic FM*	23.00%	Huntrex	52%	0.40%
TNA Media (The New Age)	21.58%	Oakbay Investments	n/a	17.00%
Caxton and CTP Group	18.90%	Coburn Partnership and concert parties	51%	2.10%
Moneyweb	15.89%	Caxton and CTP Group	51%	3.30%
IT Web Limited	11.30%	Unknown	n/a	0.10%
M&G Media	0.00%	Newtrust Co Botswana	78%	1.50%
Creamer Media	0.00%	Creamer Family Trust	100%	0.20%
Cape Town Radio*	88.70%	Unknown	n/a	0.20%
ANN7	Not provided	Infinity Media Networks	100%	13.50%
Daily Maverick	Not provided	Unknown	n/a	0.10%
Capricorn FM	Not provided	MSG Afrika Group	100%	2.50%
African Media Entertainment	Not provided	Moolman Coburn Partnership	25%	1.40%
SABC	n/a	Government	100%	97.00%

- Figures from public sources but not verified by firm/BEE scorecard
- NOTE: Figures for % reach refer to main title only. The total reach of all titles may be considerably larger

1. INTRODUCTION



Stuart Theobald, CFA
Chairman, Intellidex

Who owns the media industry in South Africa? The question is important because it speaks to the kind of control that is exercised over our media companies, and thereby whether the media can properly fulfil the crucial role it must play in a democracy. There has recently been significant change in the ownership of a few large media companies, leaving previous assessments out of date. As it is, few systematic studies of media ownership in South Africa have been undertaken, with most public comments on media ownership highly speculative.

Given the important public interest in the question of who owns the media in South Africa, Intellidex embarked on a project to assess the facts of ownership. In doing so we initially approached all of the media companies with a request to provide us with certain information about their share registers. Several provided helpful information, while several others did not, some citing confidentiality. Notable among those who were willing to provide information are Naspers, including at its subsidiary levels, Caxton, Times Media Group, Kagiso Tiso Media, Independent Newspapers and Moneyweb. Some others, including Primedia, TNA Media and the Mail & Guardian provided us with BEE certificates, which do contain some ownership information. Unfortunately others were less co-operative. The credibility of the media in South African depends on its transparency, particularly as it holds others to high standards. Moreover, the new Companies Act provides that any member of the public has the right to the share register of any company for any purpose, a right that was recently confirmed by the Supreme Court of Appeal (in a case brought by two media companies: Moneyweb and the Mail & Guardian associate amaBhungane). Had we had more time for this study we would have persisted with all of the companies in requesting this information.

Given the constraints we faced, we have relied on information from those companies that did provide it, and information we were able to obtain from the public domain. For companies that are listed on the JSE, this was relatively straightforward, but other companies were more difficult, particularly smaller companies.

There were four sources of information on ownership:

- The share registers of listed companies
- The companies themselves, usually via the company secretary
- The media – certain articles contained information about ownership provided by the companies themselves
- BEE certificates – in most cases we found BEE certificates either in the public domain or from the companies themselves.

This information was composed into organograms that follow in this report. In order to assist with context around this information, we have also obtained data on the titles, websites, radio stations and TV stations that the relevant companies own. The data concern the size of the readership, online users or radio/television audiences that the titles and stations reach. These were drawn from, among others, the Audit Bureau of Circulation, the South African Audience Research Foundation, the Broadcasting Research Council and effectivemeasure.com.

Because of South Africa's history, arguably the most important aspect of ownership is racial transformation. The black economic empowerment (BEE) programme aims, among other things, to change the racial pattern of ownership across the economy. Given the media's role in supporting democracy by providing the information needed to make informed decisions, the transformation of the media is very important. We have therefore paid considerable attention to black ownership in this study. This was facilitated by the fact that most media companies, particularly the operating entities, have obtained BEE certificates which include basic information on the percentage of black ownership of the companies.

BEE ownership, however, is not always what it appears. Ownership typically confers two benefits to owners: control and economic participation. There are many ways of separating these, including through shareholder agreements or share classes, though BEE regulations attempt to ensure that both control and economic participation are held by black shareholders. Even when that is the case, the funding mechanisms used to finance black ownership can effectively compromise ownership rights, for example when finance costs consume all the economic benefits of ownership or when loan covenants provide for the alienation of voting rights in certain scenarios. Such details are usually only found in confidential agreements that are difficult to access through an external study. Also, ownership is fairly meaningless without the ability to sell an asset, and many BEE agreements "lock-in" black shareholders. In my view, true black ownership and control of any company can only be reliably determined where the share register is fully visible and researchers can examine the funding commitments of those shareholders. To take the debate further, that is an important aspect to assess.

Despite these limitations, I trust that the information we have managed to assemble into this report will contribute to informed debate in South Africa. I welcome all feedback.

Stuart Theobald

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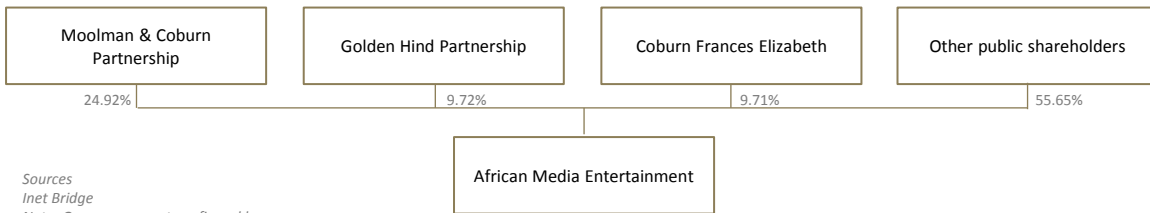
2. TECHNICAL NOTES

- The ownership structure of the operating entities is presented in diagrams. We provide the source information with each one. We have attempted to include all relevant material subsidiaries and holding structures, but in some cases no information was available.
- In disclosing the titles for each company we have included only those titles we consider to be news media.
- We have drawn readership figures for print publications from the All Media Products Survey (Amps) conducted by the SA Audience Research Foundation.
- For circulation figures of print publications we have drawn from Audited Bureau of Circulation figures for the July – September 2015 period.
- For newspapers, % of adult population is based on the adult population figure used by Amps of 40-million people.
- The radio universe comprises all adults 15+ years old and equates to 38,259,000 adults. The percentages directly opposite each station's audience figure is based on that population.
- Radio audience figures reflect Amps figures for past seven days as at Nov 2015.
- Television figures are the annual cumulative reach of the station, percentage of population as at May 2014.
- The TV universe (population) comprises 4+ year olds, who live in homes that receive electricity and have a TV in working order. The population figure is 44,266,000 people and the percentages reach for each channel is based on that population.
- Note that there were inconsistencies in terms of population size reflected in the reports within print, radio and online unique browsers.
- Further specific points are discussed in the sections on each media group.

4.1 AFRICAN MEDIA ENTERTAINMENT

AME owns Algoa FM radio (Border Drive and Radio Algoa) and OFM with a combined audience of about 1-million listeners.

AME ownership structure



AME main titles

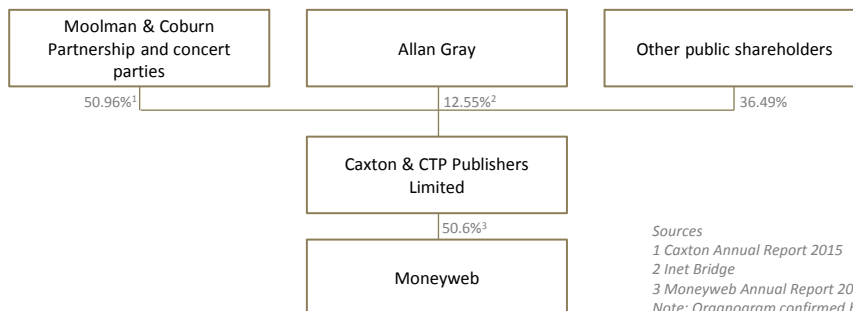
RADIO		
Station	Audience (AMPS past 7 days as at Nov 2015)	% of adult population
Algoa FM (The Border Drive)	787000	0.20%
Algoa FM (Radio Algoa)	68,000	1.40%
OFM	92,000	1.10%

4.2 CAXTON

Caxton's main commercial print offering is The Citizen, but it dominates the freesheet/community newspapers segment of the market. It is also a major player in online media with its majority stake in Moneyweb.

According to Caxton, which responded to our request for information, it has partnerships with black media owners who own more than 51% of the joint ventures. These are Capital Newspapers (controlled by Riquadeu Jacobs); Eyethu in KwaZulu-Natal; Rising Sun (VJ Maharaj) in KZN; and Kathorus Mail in the East Rand (Zaid Khumalo). Caxton is 18.9% black-owned, according to its BEE scorecard. Moneyweb is 15.9% black owned.

Caxton ownership structure



Sources
1 Caxton Annual Report 2015
2 Inet Bridge
3 Moneyweb Annual Report 2015
Note: Organogram confirmed by company

Caxton main titles

PRINT			
Title	Readership (Amps)	Readership as % of adult population	Circulation (ABC July-Sept 2015)
The Citizen (daily)			54,689
The Citizen Saturday	111,000	0.3%	37,115
Metro Citizen (free)			
Community papers (multiple)	NA		
ONLINE			
Site	Daily average unique browsers		Unique browsers % reach
moneyweb.co.za	472,421		
citizen.co.za	27,926		3.3%
Caxton regional sites (82l)	118,610		13.4%

4.3 CLASSIC FM

A relatively small player in the media market with one radio station. Black ownership seems to be at least 23% although the company did not respond to requests for information.

Classic FM ownership structure



Sources: Icasa Notice 1399 of 2008; Moneyweb
 Note: Organogram not confirmed by company

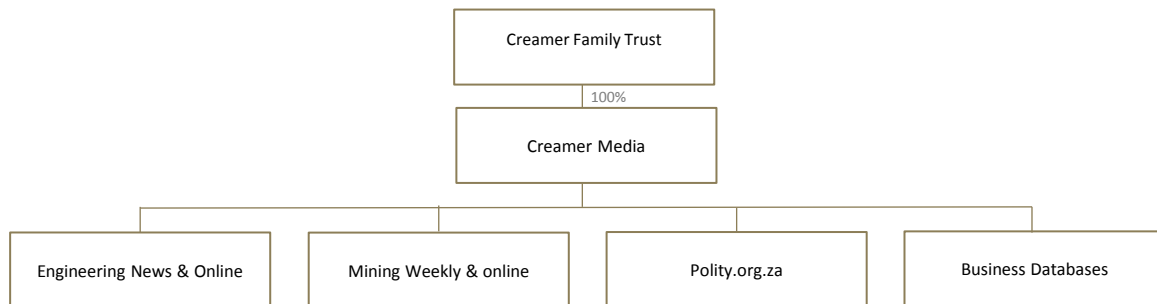
Classic FM main titles

RADIO		
Station	Audience	% of adult population
Classic FM	153,000	0.40%

4.4 CREAMER MEDIA

A relatively small player in the media market with one radio station. Black ownership seems to be at least 23% although the company did not respond to requests for information.

Creamer Media ownership structure



Sources: <http://www.creamermedia.co.za/>
 Note: Organogram confirmed by company

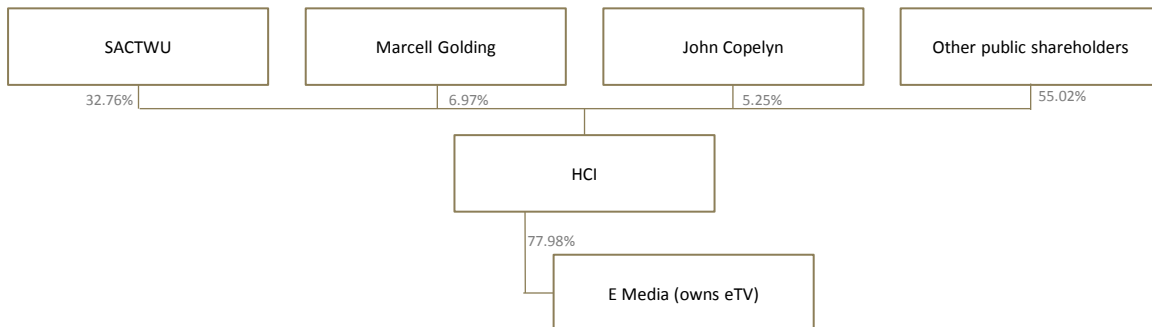
Creamer Media main titles

PRINT			
Title	Readership (Amps)	Readership as % of adult population	Circulation (ABC July-Sept 2015)
Engineering News	58,971	0.2%	10,722
Mining Weekly	48,668	0.1%	10,935
ONLINE			
Site	Daily average unique browsers	Unique browsers % reach	
engineeringnews.co.za	3,487	0.40%	
polity.org.za	1,586	0.20%	
miningweekly.com	1,779	0.20%	

4.5 HOSKEN CONSOLIDATED INVESTMENTS

South Africa’s only privately held free-to-air TV channel eTV is the main media asset in the group. The primary shareholder is the listed Hosken Consolidated Investments (HCI). HCI’s black ownership is at 67.8%, according to its BEE scorecard. There is strong union ownership in this group with the Southern African Clothing and Textile Workers' Union owning a third of HCI.

E Media ownership structure



Source: Inet Bridge
 Note: Organogram confirmed by company

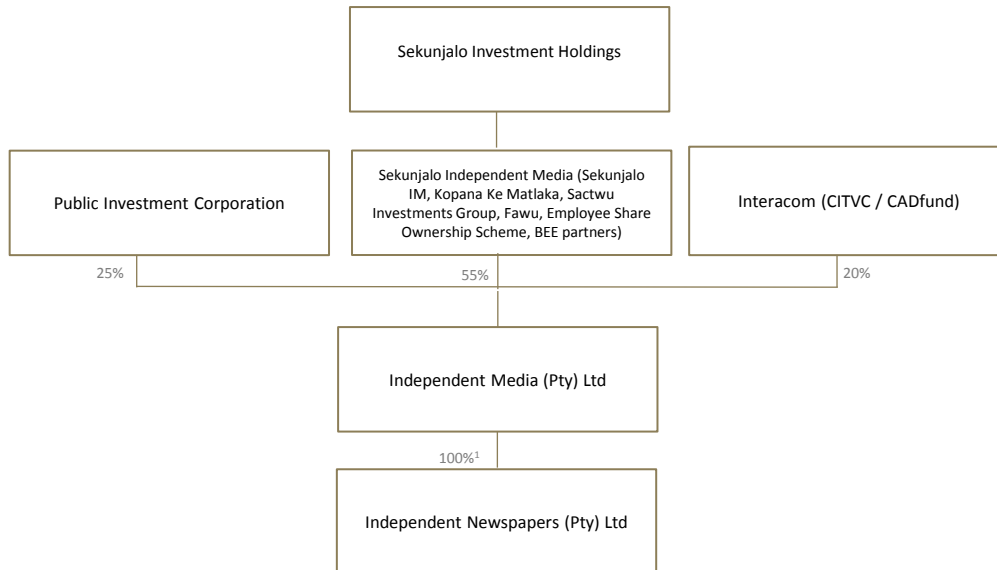
E Media main titles

TELEVISION		
Station	Number of viewers	Cumulative reach
e.TV	41,167,380	93.0%
eNCA (DSTV)	n/a	21.0%
ONLINE		
Site	Daily average unique browsers	Unique browsers % reach
enca.com (Sabido is owner)	72,104	7.5%

4.6 INDEPENDENT NEWSPAPERS

Independent Newspapers is the operating entity of the Independent group, which is majority held by Sekunjalo Investment Holdings. A major player in the media market, it publishes 18 newspaper titles. It has no radio or TV interests. Independent Media is 55% black-owned according to its BEE scorecard.

Independent ownership structure



Source: Independent media
 Note: Organogram confirmed by company

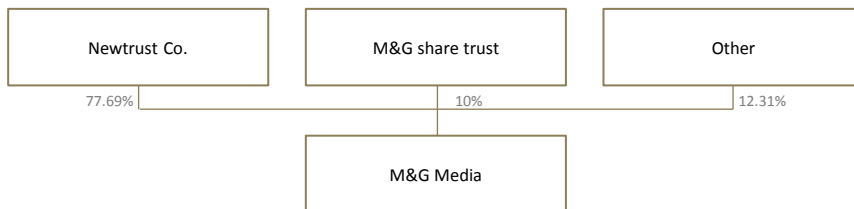
Independent main titles

PRINT			
Title	Readership (Amps)	Readership as % of adult population	Circulation (ABC July-Sept 2015)
Business Report	1,129,000	2,90%	n/a
Sunday Independent	68,000	0.20%	41,464
Independent on Saturday	92,000	0.20%	39,061
Pretoria News	127,000	0.30%	14,401
Pretoria News Saturday	NA	0.00%	7,408
Mercury	185,000	0.50%	25,656
Daily News	281,000	0.70%	25,091
The Post	234,000	0.60%	43,567
Isolezwe	1,128,000	2.90%	104,510
Isolezwe ngeSonto (Sunday)	755,000	2.00%	84,144
Isolezwe ngoMgqibelo (Saturday)	432,000	1.10%	79,112
Sunday Tribune	289,000	0.80%	61,035
Cape Argus	358,000	0.90%	30,322
Cape Times	234,000	0.60%	31,197
The Voice (Daily)	437,000	1.10%	23,297
Weekend Argus Saturday	108,000	0.30%	35,834
Weekend Argus Sunday	169,000	0.40%	17,747
Diamond Fields Advertiser	89,000	0.20%	8,700
ONLINE			
Site	Daily average unique browsers	Unique browsers % reach	
iol.co.za	164,829	14.20%	

4.7 MAIL & GUARDIAN

The Mail & Guardian is the only title in this company. It is a newspaper with relatively small reach but it is influential. Newtrust is Botswana-based. According to the company's BEE certificate it has 0% black ownership.

Mail and Guardian ownership structure



Sources
<http://mg.co.za/page/about-us/>
 Note: Organogram not confirmed by company

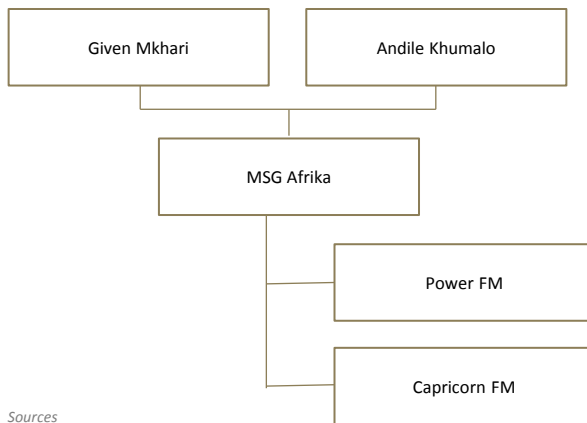
Mail & Guardian main titles

PRINT			
Title	Readership (Amps)	Readership as % of adult population	Circulation (ABC July-Sept 2015)
Mail & Guardian	55,500	1.5%	30,286
ONLINE			
Site	Daily average unique browsers	Unique browsers % reach	
mg.co.za	61,017	6.40%	

4.8 MSG AFRIKA

MSG Afrika is fully black-owned by Given Mkhari and Andile Khumalo. However, despite repeated requests the company did not provide us with confirmation of shareholding or a BEE certificate.

MSG Afrika ownership structure



Sources
<http://www.powerfm.co.za/executives/>
 Note: Organogram not confirmed by company

MSG Afrika main titles

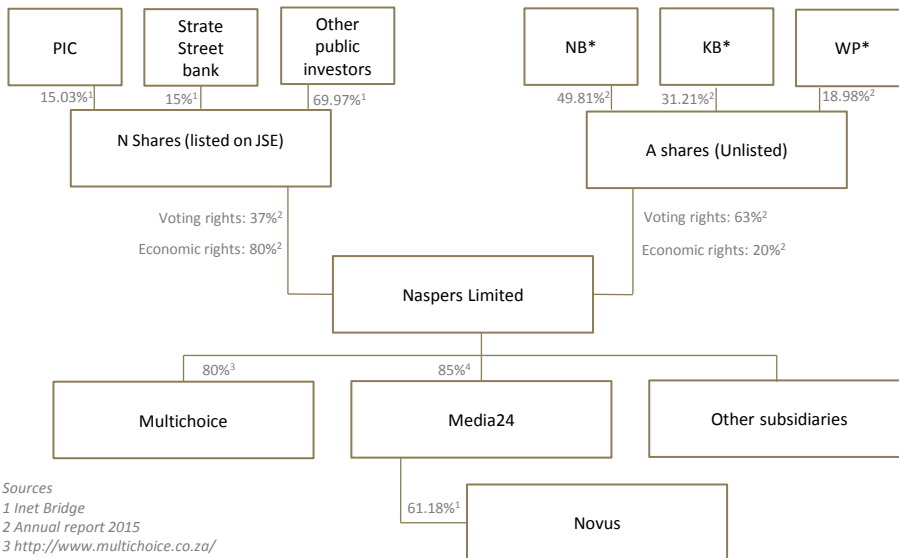
RADIO		
Station	Audience	% of adult population
Capricorn FM	890,000	n/a
Power FM	118,000	n/a

4.9 NASPERS

A major media player through its various print titles, satellite TV and strong news websites, its total reach is 75% of the adult population. Naspers, the holding company, does not have a BEE rating but its South African operating subsidiaries do: Media 24 is 46% black owned and Multichoice is 61.7% black-owned. Naspers provided BEE certificates and shareholder information on request.

A shares (which are not publicly traded) control 62.95% of the votes of Naspers Limited whereas the N shares, which are publicly traded, control 37.05%. A shares are entitled to 20% of Naspers dividends and N shares have an 80% claim.

Naspers ownership structure



Sources
 1 Inet Bridge
 2 Annual report 2015
 3 <http://www.multichoice.co.za/>
 Phuthuma Nathi BEE partner owns the balance of 20% in Multichoice
 4 <http://www.media24.com/>
 Welkom Yizani BEE partner owns the balance of 15% in Media24
 Note: Organogram not confirmed by company

*NB stands for Naspers Beleggings (RF) Limited
 *KB stands for Keeromstraat 30 Beleggings (RF) Limited
 *WP stands for Wheatfields 221 Proprietary Limited

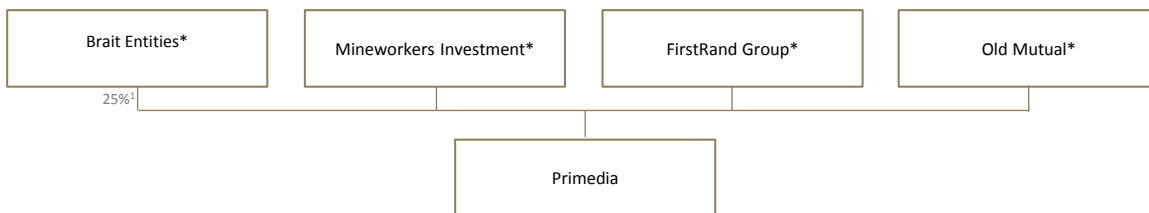
Naspers main titles

PRINT			
Title	Readership (Amps)	Readership as % of adult population	Circulation (ABC July-Sept 2015)
Beeld	384,000	1.0%	48,647
Beeld Saturday	n/a	0.0%	42,729
Witness	92,000	0.2%	14,879
Weekend Witness (Saturday) 59000	n/a	0.2%	15,841
City Press	1,761,000	4.6%	94,290
Die Burger (Daily, Ecape and Wcape total)	400,000	1.0%	105,946
Di Burger Saturday (E & W Cape)	n/a	0.0%	67,469
Volksblad	118,000	0.3%	17,406
Volksblad Saturday	n/a	0.0%	15,948
Rapport	1,065,000	2.8%	143,670
Son (daily)	934,000	2.4%	79,114
Son op Sondag	373,000	1.0%	49,162
Daily Sun	5,157,000	13.5%	224,616
Sunday Sun	2,413,000	6.3%	136,968
Finweek	44,000	0.1%	11,170
TELEVISION			
Station	Number of viewers	Annual cumulative reach	
Multichoice/ DSTV (sub-Saharan subscribers)	4,670,894	n/a	
ONLINE			
Site	Daily average unique browsers	Unique browsers % reach	
news24.com		491,614	32.2%
Netwerk24		79,025	6.6%
DailySun		65,185	4.0%
CityPress		31,115	2.7%
son.co.za		19,547	1.2%

4.10 PRIMEDIA

Primedia has four radio stations with a total reach for more than 3-million people. It is 41.73% black-owned, according to its BEE scorecard, which the company provided to us. It is held in an unlisted entity and no further information was available about its shareholding.

Primedia ownership structure



Sources
 1 <http://www.bdlive.co.za/business/retail/2016/02/11/brait-plans-to-offload-consol-and-primedia>
 * <http://www.primedia.co.za/#2>
 Note: Organogram not confirmed by company

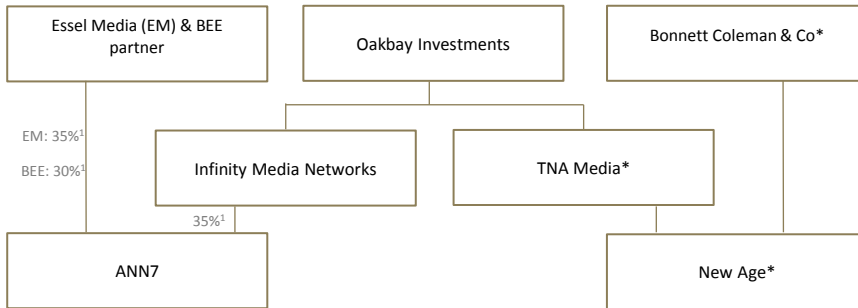
Primedia main titles

RADIO		
Station	Audience	% of adult population
702 Talk Radio	931,000	2.4%
94.7 Highveld Stereo	1,232,000	3.2%
567 AM Cape Talk	100,000	0.3%
KFM	785,000	2.1%
ONLINE		
Site	Daily average unique browsers	Unique browsers % reach
ewn.co.za	111,200	9.9%
newsiafrica.com	2,249	0.2%

4.11 OAKBAY INVESTMENTS

These media assets are controlled by the Gupta family. Circulation of the New Age newspaper does not get audited through ABC so we have not provided details on the reach of titles. According to TNA Media’s BEE scorecard it is 21.58% black-owned. TNA Media is the holding company of The New Age. ANN7 is held by Infinity Media Networks. The company did not provide any other BEE certificates or ownership information. We have focused here only on the media assets of Oakbay.

Oakbay ownership structure



Sources

¹ <http://www.bdlive.co.za/business/media/2013/02/08/new-age-parent-company-plans-tv-channel>

* http://www.tnamedia.co.za/index.php?option=com_content&view=article&id=128&Itemid=95

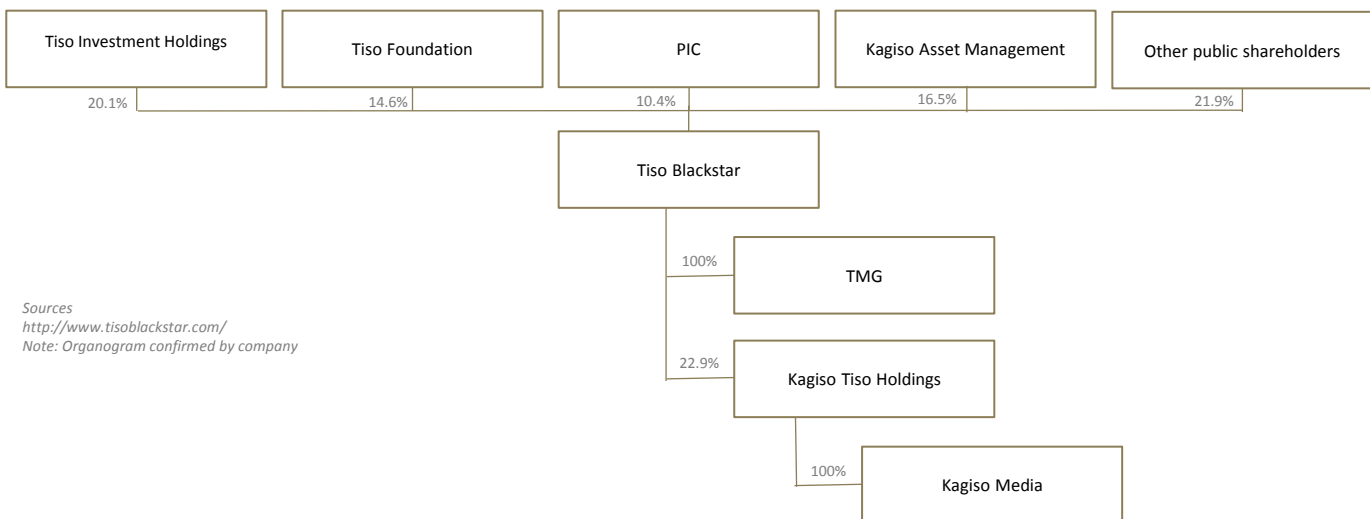
Note: Organogram not confirmed by company

4.12 TIMES MEDIA GROUP/KAGISO MEDIA

Tiso Blackstar owns 100% of Times Media Group (TMG) and 22.9% of Kagiso Tiso Holdings, which owns Kagiso Media, making it a major player especially in print media with a combined reach of more than 8-million people, but also strong in radio through Kagiso Media. Through the two businesses, the company reaches 50% of the adult population.

Times Media has a black ownership level of 58.5%, with Tiso Blackstar's at 48.1%. The reason for the differing ownership percentages is a result of continuing consequences of TMG's previous shareholders.

TMG/Kagiso ownership structure



Sources
<http://www.tisoblackstar.com/>
Note: Organogram confirmed by company

Kagiso main titles

RADIO		
Station	Audience	% of adult population
East Coast Radio	1,499,000	3.9%
Gagasi FM	1,712,000	4.5%
Heart 104.9FM	549,000	1.4%
Jacaranda	1,903,000	5.0%
Kaya FM	1,678,000	4.4%
OFM	416,000	1.1%

TMG main titles

PRINT			
Title	Readership (Amps)	Readership as % of adult population	Circulation (ABC July-Sept 2015)
Business Day	62,000	0.002	25,753
The Times	331,000	0.90%	109,484
Sunday Times	3,738,000	9.80%	338,532
Financial Mail	109,000	0.30%	15,346
Daily Dispatch	252,000	0.70%	23,585
Saturday Dispatch	102,000	0.30%	19,761
Sowetan	1,611,000	4.20%	92,453
Sunday World	1,526,000	4.00%	93,537
Herald (EP)	199,000	0.50%	21,285
Weekend Post	152,000	0.40%	18,441
Algoa Sun	n/a		
Ilizwe	n/a		
TELEVISION			
Station	Number of viewers	Annual cumulative reach	
Business Day TV	885,320	2.00%	
RADIO			
Station	Audience	% of adult population	
Rise FM (prev Mpower)	103,000	0.30%	
Vuma 173FM	385,000	1.00%	
ONLINE			
Site	Daily average unique browsers	Unique browsers % reach	
timeslive.co.za	200,490	15.3%	
sowetanlive.co.za	84,202	6.5%	
bdlive.co.za	40,513	3.7%	
sundayworld.co.za	34,814	3.2%	
rdm.co.za	10,448	1.2%	
heraldlive.co.za	11,243	1.1%	
dispatchlive.co.za	7,844	0.8%	
financialmail.co.za	5,481	0.7%	

4.13 SOUTH AFRICAN BROADCASTING CORPORATION

For the sake of completeness we also include the SA Broadcasting Corporation's titles, although it is 100% government owned and therefore does not have a BEE certificate.

SABC main titles

RADIO		
Station	Audience	% of adult population
5FM	1,745,000	4.6%
Good Hope FM	574,000	1.5%
Ikwewezi FM	1,658,000	4.3%
Lesedi FM	4,054,000	10.6%
Ligwalagwala	1,179,000	3.1%
Lotus FM	366,000	1.0%
Metro FM	6,613,000	17.3%
Motsweding FM	3,171,000	8.3%
Munghana Lonene FM	1,033,000	2.7%
Phalaphala FM	853,000	2.2%
Radio 2000	837,000	2.2%
RSG	1,783,000	4.7%
SAFM	523,000	1.4%
Thobela FM	2,920,000	7.6%
truFM	170,000	0.4%
Ukhozi FM	7,434,000	19.4%
Umhlobo Wenene FM	4,523,000	11.8%
ONLINE		
Site	Daily average unique browsers	Unique browsers % reach
sabc.co.za- news	20,412	2.4%
TELEVISION		
Station	Number of viewers	Annual cumulative reach
SABC 1	42,938,020	97.0%
SABC 2	n/a	97.0%
SABC 3	n/a	94.0%
SABC News (DSTV)	n/a	21.0%

4.14 OTHER ONLINE

The following websites are prominent in the South Africa news media landscape but we did not obtain ownership information on them save as listed in the table on page 4.

OTHER ONLINE NEWS WEBSITES		
Site	Daily Average Unique Browsers	UB % reach
BBC sites	97,690	7.7%
zaneews (owned by Both Worlds)	3,590	0.5%
maroelamedia.co.za	61,435	4.5%
itweb.co.za	49,293	3.7%
Daily Maverick	23,899	2.4%

4.14 OTHER TELEVISION

DSTV carries several foreign-based news broadcasting channels which we list here for interest.

OTHER DSTV NEWS CHANNELS		
Television station	Number of viewers	Annual cumulative reach
CNN International	5,311,920	12.0%
Al Jazeera	5,211,920	12.0%
BBC World News	5,754,580	13.0%
Sky News	3,983,940	9.0%
CNBC Africa	2,213,300	5.0%
CCTV News	1,327,980	3.0%
Bloomberg	3,541,280	8.0%
Euronews	885,320	2.0%

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Researching Capital Markets & Financial Services

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