MULTICHOICE GROUP LIMITED
(incorporated in the Republic of South Africa)
(Registration number: 2018/473845/06)
JSE Share Code: MCG ISIN: ZAE000265971
("MultiChoice", "MCG" or "the Company")

Trading statement
Shareholders are advised that the MultiChoice group ("the group") is finalising its condensed consolidated interim financial results for the six months ended 30 September 2019 ("current period").

Core headline earnings per share and trading profit
The board considers core headline earnings per share and trading profit as the two most appropriate indicators of the operating performance of the group, as they adjust for non-recurring and non-operational items.

Compared to the group´s results for the six months ended 30 September 2018 ("prior year"), the group expects core headline earnings per share for the current period to be between 20% (70 ZAR cents) and 25% (88 ZAR cents) higher than the prior year´s 352 ZAR cents.

Trading profit is expected to be between 20% (R0.8bn) and 25% (R1.0bn) higher than the prior year´s R3.9bn. On an organic basis (i.e. reflecting results on a constant currency basis, excluding any M&A) trading profit is expected to be between 30% (R1.2bn) and 35% (R1.4bn) higher than the prior year's reported R3.9bn.

The improved financial performance expected for the current period is despite continued macro-economic headwinds faced across the continent, which are impacting disposable income at a consumer level. Management has remained focused on tight cost controls to offset these challenges and continued to reduce losses in the Rest of Africa segment, which has been the largest contributor to the improvement in group performance.

Core headline earnings per share and organic trading profit constitute pro-forma financial information in terms of the JSE Listings Requirements. The pro forma financial information is the responsibility of the group's directors, has been prepared for illustrative purposes only, and may not fairly present the group's financial position, changes in equity, cash flows or results of operations. Core headline earnings is calculated by adjusting headline earnings for the following items, net of tax and non-controlling interests: a) amortisation of intangible assets arising from business combinations; b) accounting adjustments stemming from IFRS 3: Business Combinations; c) equity-settled share-based payment compensation; d) unrealised foreign currency gains/losses; e) certain fair-value adjustments under IFRS; and f) non-recurring current and deferred taxation impacts. Organic trading profit is calculated by excluding foreign currency movements and/changes in the composition of the group.

Earnings per share and headline earnings per share
Compared to the prior year, the group expects earnings per share for the current period to be between 249 ZAR cents and 264 ZAR cents higher than the prior year´s earnings per share of 79 ZAR cents.

Headline earnings per share for the current period is expected to be between 256 ZAR cents and 271 ZAR cents higher than the prior year´s headline earnings per share of 78 ZAR cents.

The key reasons for the movements above are:
a) an improvement in trading performance as highlighted in the discussion of the growth in trading profit and core headline earnings per share above; and
b) the lower depreciation of the SA Rand against the US dollar compared to the prior period which has led to a decrease in unrealised foreign exchange losses on translation of the group's US dollar denominated transponder lease liabilities.

Further details will be provided in the condensed consolidated interim financial results, due to be released on SENS on or about 11 November 2019.

The financial information on which this trading statement is based has not been reviewed and reported on by the Company´s external auditor.

Randburg
7 November 2019
Sponsor: Rand Merchant Bank (a division of FirstRand Bank Limited)

Important notice

Shareholders should take note that, pursuant to a provision of the MultiChoice memorandum of incorporation, MultiChoice is permitted to reduce the voting rights of shares in MultiChoice (including MultiChoice shares deposited in terms of the American Depositary Share ("ADS") facility) so that the aggregate voting power of MultiChoice shares that are presumptively owned or held by foreigners to South Africa (as envisaged in the MultiChoice memorandum of incorporation) will not exceed 20% of the total voting power in MultiChoice. This is to ensure compliance with certain statutory requirements applicable to South Africa. For this purpose MultiChoice will presume in particular that:

- **all MultiChoice shares deposited in terms of the MultiChoice ADS facility are owned or held by foreigners to South Africa, regardless of the actual nationality of the MultiChoice ADS holder; and**
- **all shareholders with an address outside of South Africa on the register of MultiChoice will be deemed to be foreigners to South Africa, irrespective of their actual nationality or domicilium, unless such shareholder can provide proof, to the satisfaction of the MultiChoice board, that it should not be deemed to be a foreigner to South Africa, as envisaged in article 40.1.3 of the MultiChoice memorandum of incorporation.**

Shareholders are referred to the provisions of the MultiChoice memorandum of incorporation available at www.multichoice.com for further detail. If shareholders are in any doubt as to what action to take, they should seek advice from their broker, attorney or other professional adviser.