

# TopTV attempting to raise capital

[TopTV](#) is in discussions with several companies that could result in the pay-TV provider selling equity in a bid to raise funds and gain other expertise to complement its business, it said last week.



In an interview with *Business Day*, TopTV's acting CEO, Eddie Mbalo, said the company needed a cash injection for among other things to secure more content, both local and international, and also for aggressive marketing that will ensure that its service is available to the target market.

The majority of its shareholders are black-owned and small entities making raising the amount of money needed from shareholders difficult hence a need for a strategic equity partner.

"Our shareholders are supporting the company's strategy and have been resilient. But if we can get an equity partner, it will give us a major boost. Running a business like us requires huge capital," said Mbalo.

When Telkom Media was given a license, it spoke of a R7bn investment and still did not get to launch. More than R1bn has already been invested in TopTV, but even that was not enough to run a payTV business, especially given that the competitor has deep pockets, said Mbalo.

## Teething problems

TopTV had teething problems and saw a slowdown in the take up of its services after a fanfare launch in 2010. Its founding CEO Dino Govender left the company early this year following a breakdown of relationship with the board.

The company has so far managed to sell 450 000 decoders but the number of paying customers fluctuates between 160 000 to 200 000.

This poses a big challenge as the company has heavily subsidised the cost of decoders and installations to entice users into subscribing to its service. However, through its recently launched pre-paid service the company has seen 60% of inactive decoders reconnect to payTV services.

To break even TopTV, owned by On Digital Media, will need 350 000 regular paying customers in the next 18 months to two

years. New initiatives are underway that the company believes will help it achieve its growth.

It is looking at adding more content, including alternative sports channels since it does not have the rights to the lucrative and popular Premier Soccer League and the English Premier League, rugby and cricket, and could introduce niche genres. Other platforms such as mobile TV, high definition and video streaming will be added later.

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