**Press Statement**

2013-12-09

Dr Iqbal Surve

Executive Chairman

Independent Media SA

Independent News and Media SA (INMSA) would like to respond to the campaign of distortions peddled in public regarding the changes the group is making in its Cape and national business. While it is not the practice to discuss staff changes in public because of how it could affect the integrity and privacy of my employees, the sustained campaign to vilify me and INMSA has forced me to outline some aspects of the strategic repositioning of the business publicly.

When the Sekunjalo consortium acquired a controlling share in Independent earlier this year, the company was forthright about its intent to institute changes that would be aimed at launching Independent’s print titles and other platforms towards a new growth path. The need for change is indisputable and borne out by the simple fact that judged by all the relevant performance indicators for a media company, Independent lags behind its competitors and is caught in a vortex of stagnation that will require immediate bold action and substantial financial investment to halt.

This situation is the result of years of neglect and under-resourcing by the Irish that have had a negative impact on editorial quality, and delayed the investments necessary to bring Independent into the 21st century world of news gathering and dissemination. Because of a lack of funds and the absence of a strategic vision from the owners, our print titles still look and feel much the same way they did before the turn of the century, and have predictably lost readership and circulation share to both our traditional competitors and newer print entrants. Our online offer is suboptimal and cannot hold its own against the diverse and often innovative offerings available on the web. We have so far failed to make any substantive steps towards the technological convergence that is key to the survival of the business. Another undesirable outcome of neglect and underinvestment has been the virtual balkanization of Independent into various regional entities, with no coherent corporate structure, identity and no internal systems of cooperation and direction.

As executive chairman I, together with the senior management and editorial leadership, intend to arrest this decline through, inter alia, reinvestment in technology and human resources, as well as articulating and driving a new vision for the group which will allow for greater enhancement of our editorial content so as to become attractive to the groups consumers and advertisers. The new plan for Independent’s future is in the process of being rolled out and communicated to internal stakeholders. This process began at an internal workshop in Cape Town last Thursday, December 5, but this was unfortunately cut short by the news of tragic death of Madiba. The strategic sessions were also to occur in our Durban and Gauteng regions because of the centrality of the inputs and expertise from all our staff in senior management positions in all spheres of the business. This process will now continue in early January 2014. Whilst there has been an almost desperate attempt to present changes in Independent in a negative light by our competitors, I want to say categorically that all decisions are driven by sound commercial and fiduciary considerations.

In line with the new plan, a number of key decisions have been made and continue to be made and implemented throughout the group. I am delighted to announce the appointment of:

* Ms Karima Brown as Group Executive Editor, responsible for group editorial strategy and charged with implementing the turn-around plan of the new owners. Karima’s appointment is a coup for the group. I welcome her diverse media experience which encompasses print (both general titles and the financial press), radio, television, magazines and online. I believe she is uniquely placed to lead the bold changes together with other senior editorial managers to ensure high quality products which will be used in an optimum way in order to diversify and improve our offering, protect and grow market share for Independent, and deliver high quality editorial for our audiences across titles and platforms. Ms Brown’s plans for achieving these goals will be communicated in due course, following extensive consultations with editors and other stakeholders.
* I am also happy to announce with immediate effect, that former Cape regional editor Chris Whitfield becomes Group Executive in charge of launching new regional and national titles as well as vernacular offerings and other initiatives aimed at expanding Independent’s reach and market share. This is in line with global trends which saw Johan Rupert and Warren Buffet invest substantially in print titles, which many had wrongly predicted was no longer viable. I am confident that Chris’s experience at getting new products off the ground will come in handy when he starts to roll out my decision to reinvest in the print side of our business given my belief in its bright future. One of the most potent signs of neglect in the group is the complete absence of Independent from the Eastern Cape, and among the market segments that have shown the highest growth in readership and sales. Correcting that situation will be among his immediate responsibilities.
* Let me also welcome back senior journalist and ex-Independent staffer Gasant Abader to the post of Editor of the Cape Times, with current Cape Times night editor Anees Sallie as his deputy. I wish Gasant well in his new post and look forward to the positive changes he intends to make to take the Cape Times to new heights. I am also pleased that long time trooper Anees Salie will be part of this dynamic team that will expand the Cape Times to the growing middle class across the board and I know the paper will also through its recalibration become business friendly. I am happy that I could convince Gasant to leave Prime Media where he was employed to come back home. The appointment Anees as Gasant’s deputy is a testimony to my belief that institutional memory which the former embodies is an important variable in a dynamic and fast paced newsroom. I wish them well and know they will make an excellent team.
* At this point we would like to state it unequivocally on the record that the decision to make changes at the Cape Times is in line with our medium term plans to ensure that Independent is competitive and ensures the sustainability of the business and the security of its employees. As I have said before, it is not the practice to comment publicly on any staff changes however due to repeated defamatory and unsubstantiated claims I now feel it necessary to set the record straight. In a concerted public campaign of lies and distortions, some have stated it as fact – without a shred of proof offered in evidence – that Alide Dasnois’s replacement was the result of the story published as the lead in the paper last Friday, regarding adverse findings by the Public Protector against a government minister in the award of a tender to one of the companies in the Sekunjalo Group.
* For the record I and Independent deny this version of events categorically. Ms Dasnois was not fired. When she was removed as executive editor she was offered various other positions in the company to which I still await a response. I also want to point out that all editors have fiduciary responsibilities to ensure performance. I will not tolerate under performance of titles especially if it undercuts the papers ability to grow market share. Given the distorted picture now being peddled in the public about the motives for the changes at the paper, it is necessary to remind everyone of the wholly unsatisfactory sales performance of that title over the last few years. Between 2008 and 2012, the Cape Times’ compounded loss of sales amounts to 28%. In 2012 alone, the last year for which consolidated records are available, sales declined 16,8%. It is likely that the 2013 figures will be no better, and might be worse. Under these circumstances, the new owners of the paper have every right and an obligation to make changes aimed at arresting the situation.
* It should also be pointed out that generally new owners of media assets in South Africa and the world over have the right and even a responsibility to make drastic changes to their newly acquired assets to protect the value of their investment. Often this may involve shifting people around (as is happening at the Cape Times) or removing some people completely (as happened recently at Times Media). There is nothing sinister about making changes to restructure a newspaper or media house that has been underperforming for years.

In conclusion I want to state for the record that I together with the leadership of this group remain fully committed to the editorial independence of all our journalists and editors. To suggest otherwise is patently false and devoid of truth. More over in this regard we are awaiting the final report into the establishment of an Editorial Charter and an Advisory Board which would have been presented at our strategic session which started in Cape Town. This process which will now continue in January next year will provide clear guidelines and directives to ensure that we remain truly entrenched as a company that values editorial independence , ethics, balance, fairness and accuracy.