Summarised annual financial statements

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Statement of responsibility by the board of directors

for the year ended 31 March 2012

The summarised annual financial statements of the group are the responsibility of the directors of Naspers Limited. In discharging this responsibility, they rely on the management of the group to prepare the annual financial statements separately available on **www.naspers.com** in accordance with International Financial Reporting Standards (IFRS) and the South African Companies Act No 71 of 2008. As such, the summarised annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the summarised annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective.

The directors believe that the company and group have adequate resources to continue operations as a going concern in the foreseeable future, based on forecasts and available cash resources. The annual financial statements support the viability of the company and the group.

The preparation of the financial results was supervised by the financial director, Steve Pacak CA(SA).

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the group annual annual financial statements from which the summarised annual financial statements were derived. The directors believe that all representations made to the independent auditor during his audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 128.

The summarised annual financial statements were approved by the board of directors on 26 June 2012 and are signed on its behalf by:

T Vosloo
Chairman

J P Bekker
Chief executive

26 June 2012

Report of the independent auditor on the summarised consolidated financial statements

to the shareholders of Naspers Limited

The summarised consolidated financial statements, which comprise the condensed consolidated statement of financial position as at 31 March 2012, and the consolidated income statement and condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, as set out on pages 129 to 140, are derived from the audited consolidated annual financial statements of Naspers Limited for the year ended 31 March 2012. We expressed an unmodified audit opinion on those consolidated annual financial statements in our report dated 26 June 2012.

The summarised consolidated annual financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements, therefore, is not a substitute for reading the audited consolidated annual financial statements of Naspers Limited.

Directors' responsibility for the summarised consolidated financial statements

The company's directors are responsible for the preparation of a summary of the audited consolidated annual financial statements in accordance with the requirements of Section 8.57 of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on the summarised consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summarised consolidated financial statements derived from the audited consolidated annual financial statements of Naspers Limited for the year ended 31 March 2012 are consistent, in all material respects, with those consolidated annual financial statements, in accordance with the requirements of Section 8.57 of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: A Wentzel
Registered auditor

Cape Town, South Africa
26 June 2012

Basis of presentation and accounting policies

These summarised annual financial statements for the year ended 31 March 2012 have been prepared in terms of the recognition and measurement requirements of the International Financial Reporting Standards (IFRS), the AC 500 series pronouncements as issued by the Accounting Practices Board, the JSE Listings Requirements, the requirements of the South African Companies Act No 71 of 2008, and the presentation and disclosure requirements of IAS 34. Accounting policies used are consistent with those applied in the previous annual financial statements and IFRS. These results have been audited by the company's auditor, PricewaterhouseCoopers Inc., whose unqualified report is presented on page 128.

Trading profit excludes amortisation of intangible assets (other than software) and other gains/losses, but includes the finance cost on transponder leases.

Core headline earnings exclude once-off and non-operating items. We believe that it is a useful measure for shareholders of the group's sustainable operating performance. However, this is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies.

Segmental review

for the year ended 31 March 2012

	Revenue Year ended 31 March		
	2012 R'm	2011 R'm	% change
Pay television	**24 093**	21 025	15
Internet	**19 192**	12 092	59
– Tencent	**11 455**	7 215	59
– Other	**7 737**	4 877	59
Print	**12 071**	10 758	12
Technology	**1 166**	1 228	(5)
Economic interest	**56 522**	45 103	25
Less: Associates	**(17 035)**	(12 018)	42
Consolidated	**39 487**	33 085	19

	EBITDA Year ended 31 March		
	2012 R'm	2011 R'm	% change
Pay television	**7 276**	6 542	11
Internet	**4 559**	3 945	16
– Tencent	**5 158**	3 795	36
– Other	**(599)**	150	+100
Print	**1 465**	1 194	23
Technology	**57**	188	(70)
Economic interest	**13 357**	11 869	13
Corporate services	**(198)**	(239)	—
Less: Associates	**(6 199)**	(4 481)	38
Consolidated	**6 960**	7 149	(3)

Segmental review *continued*

for the year ended 31 March 2012

	Trading profit Year ended 31 March		
	2012 R'm	2011 R'm	% change
Pay television	**6 331**	5 727	11
Internet	**3 800**	3 493	9
– Tencent	**4 659**	3 543	31
– Other	**(859)**	(50)	+100
Print	**1 090**	872	25
Technology	**(11)**	128	+100
Economic interest	**11 210**	10 220	10
Corporate services	**(199)**	(240)	—
Less: Associates	**(5 526)**	(4 142)	33
Consolidated	**5 485**	5 838	(6)

Reconciliation of trading profit to operating profit

for the year ended 31 March 2012

	Year ended 31 March	
	2012 R'm	2011 R'm
Trading profit	**5 485**	5 838
Finance cost on transponder leases	**132**	144
Amortisation of intangible assets	**(967)**	(1 045)
Other gains/(losses) – net	**(1 448)**	(881)
Operating profit	**3 202**	4 056

Note

For a reconciliation of operating profit to profit before taxation, refer to the consolidated income statement.

Consolidated income statement

for the year ended 31 March 2012

	31 March 2012 R'm	31 March 2011 R'm	% change
Revenue	**39 487**	33 085	19
Cost of providing services and sale of goods	**(20 863)**	(17 794)	
Selling, general and administration expenses	**(13 974)**	(10 354)	
Other gains/(losses) – net	**(1 448)**	(881)	
Operating profit	**3 202**	4 056	(21)
Interest received	**400**	401	
Interest paid	**(1 271)**	(1 389)	
Other finance income/(costs) – net	**174**	(30)	
Share of equity-accounted results	**3 869**	3 290	18
Impairment of equity-accounted investments	**(94)**	(23)	
Dilution (losses)/gains on equity-accounted investments	**(606)**	1 461	
(Losses)/gains on acquisitions and disposals	**(134)**	42	
Income before taxation	**5 540**	7 808	(29)
Taxation	**(2 059)**	(1 861)	
Profit for the year	**3 481**	5 947	(41)
Attributable to:			
Equity holders of the group	**2 894**	5 260	
Non-controlling interest	**587**	687	
	3 481	5 947	
Core headline earnings for the period (R'm)	**6 951**	6 036	15
Core headline earnings per N ordinary share (cents)	**1 850**	1 612	15
Fully diluted core headline earnings per N ordinary share (cents)	**1 789**	1 550	15
Headline earnings for the period (R'm)	**4 874**	4 213	16
Headline earnings per N ordinary share (cents)	**1 297**	1 125	15
Fully diluted headline earnings per N ordinary share (cents)	**1 254**	1 082	16
Earnings per N ordinary share (cents)	**770**	1 405	(45)
Fully diluted earnings per N ordinary share (cents)	**745**	1 351	(45)
Net number of shares issued ('000)			
– At period end	**384 714**	375 440	
– Weighted average for the period	**375 653**	374 501	
– Fully diluted weighted average	**388 567**	389 465	

Condensed consolidated statement of comprehensive income

for the year ended 31 March 2012

	31 March 2012 R'm	31 March 2011 R'm
Profit for the year	**3 481**	5 947
Total other comprehensive income, net of tax, for the year	**4 315**	2 277
Translation of foreign operations	**2 172**	(461)
Cash flow hedges	**162**	126
Share of associates' other comprehensive income and reserves	**2 109**	2 622
Tax on other comprehensive income	**(128)**	(10)
Total comprehensive income for the year	**7 796**	8 224
Attributable to:		
Equity holders of the group	**7 138**	7 543
Non-controlling interest	**658**	681
	7 796	8 224

Condensed consolidated statement of changes in equity

for the year ended 31 March 2012

	31 March 2012 R'm	31 March 2011 R'm
Balance at beginning of the year	**42 942**	35 634
Changes in share capital and premium		
Movement in treasury shares	**(1 603)**	(335)
Share capital and premium issued	**1 908**	253
Changes in reserves		
Total comprehensive income for the year	**7 138**	7 543
Movement in share-based compensation reserve	**401**	508
Movement in existing control business combination reserve	**17**	(63)
Direct retained earnings movements	**4**	(22)
Dividends paid to Naspers shareholders	**(1 012)**	(882)
Changes in non-controlling interest		
Total comprehensive income for the year	**658**	681
Dividends paid to non-controlling shareholders	**(1 362)**	(665)
Movement in non-controlling interest in reserves	**485**	290
Balance at end of year	**49 576**	42 942
Comprising:		
Share capital and premium	**14 689**	14 384
Retained earnings	**23 065**	21 179
Share-based compensation reserve	**3 134**	2 300
Existing control business combination reserve	**42**	25
Hedging reserve	**(328)**	(297)
Valuation reserve	**5 933**	4 256
Foreign currency translation reserve	**980**	(1 185)
Non-controlling interest	**2 061**	2 280
Total	**49 576**	42 942

Condensed consolidated statement of financial position

at 31 March 2012

	31 March 2012 R'm	31 March 2011 R'm
ASSETS		
Non-current assets	**62 037**	53 610
Property, plant and equipment	**8 879**	7 561
Goodwill	**17 884**	17 278
Other intangible assets	**3 884**	3 886
Investment in associates	**28 095**	20 767
Other investments and loans	**2 564**	3 301
Derivatives	**86**	—
Deferred taxation	**645**	817
Current assets	**19 241**	16 245
Inventory	**1 238**	731
Programme and film rights	**1 522**	1 487
Trade receivables	**3 296**	2 929
Other receivables and loans	**2 639**	2 330
Derivatives	**85**	—
Cash and cash equivalents	**9 825**	8 731
	18 605	16 208
Assets classified as held-for-sale	**636**	37
Total assets	**81 278**	69 855
EQUITY AND LIABILITIES		
Share capital and reserves	**47 515**	40 662
Share capital and premium	**14 689**	14 384
Other reserves	**9 761**	5 099
Retained earnings	**23 065**	21 179
Non-controlling shareholders' interest	**2 061**	2 280
Total equity	**49 576**	42 942
Non-current liabilities	**17 845**	14 950
Capitalised finance leases	**2 208**	1 893
Liabilities – interest-bearing	**12 996**	10 822
– non-interest-bearing	**348**	177
Post-retirement medical liability	**139**	179
Derivatives	**839**	714
Deferred taxation	**1 315**	1 165
Current liabilities	**13 857**	11 963
Current portion of long-term debt	**1 613**	1 510
Trade payables	**2 865**	1 916
Accrued expenses and other current liabilities	**7 980**	6 608
Derivatives	**206**	599
Bank overdrafts and call loans	**1 034**	1 330
	13 698	11 963
Liabilities classified as held-for-sale	**159**	—
Total equity and liabilities	**81 278**	69 855
Net asset value per N ordinary share (cents)	**12 351**	10 831

Condensed consolidated statement of cash flows

for the year ended 31 March 2012

	31 March 2012 R'm	31 March 2011 R'm
Cash flow from operating activities	**5 394**	5 271
Cash flow utilised in investing activities	**(2 360)**	(5 778)
Cash flow (utilised in)/generated from financing activities	**(1 745)**	2 513
Net movement in cash and cash equivalents	**1 289**	2 006
Foreign exchange translation adjustments	**139**	(431)
Cash and cash equivalents at beginning of the year	**7 401**	5 826
Cash and cash equivalents at end of the year	**8 829**	7 401
Included in:		
– Cash and cash equivalents	**8 791**	7 401
– Assets classified as held-for-sale	**38**	—
	8 829	7 401

Calculation of headline and core headline earnings

for the year ended 31 March 2012

	31 March 2012 R'm	31 March 2011 R'm
Net profit attributable to shareholders	**2 894**	5 260
Adjusted for:		
– insurance proceeds	**(2)**	(51)
– impairment of property, plant, equipment and other assets	**—**	25
– impairment of goodwill and intangible assets	**1 487**	1 035
– profit on sale of property, plant, equipment and intangible assets	**—**	(407)
– losses/(gains) on acquisitions and disposals of investments	**45**	(152)
– dilution losses/(gains) on equity-accounted investments	**606**	(1 461)
– remeasurements included in equity-accounted earnings	**32**	(28)
– impairment of equity-accounted investments	**94**	23
	5 156	4 244
Total tax effects of adjustments	**(207)**	(27)
Total adjustment for non-controlling interest	**(75)**	(4)
Headline earnings	**4 874**	4 213
Adjusted for:		
– treasury-settled share scheme charges	**652**	488
– (recognition)/reversal of deferrad tax assets	**(38)**	13
– amortisation of intangible assets	**1 191**	1 052
– fair value adjustments and currency translation differences	**162**	18
– revolving credit facility – accelerated amortisation of costs	**—**	128
– business combination related costs	**110**	124
Core headline earnings	**6 951**	6 036

Supplementary information

for the year ended 31 March 2012

	31 March 2012 R'm	31 March 2011 R'm
Depreciation of property, plant and equipment	**1 222**	1 040
Amortisation	**1 088**	1 172
– intangible assets	**967**	1 045
– software	**121**	127
Other gains/(losses) – net	**(1 448)**	(881)
– (loss)/profit on sale of property, plant, equipment and intangible assets	**(95)**	42
– impairment of goodwill and intangible assets	**(1 487)**	(1 035)
– impairment of tangible assets	**—**	(33)
– insurance proceeds	**2**	51
– profit on transponder lease settlement	**100**	88
– fair value adjustment on shareholders' liability	**32**	6
Interest received	**400**	401
– loans and bank accounts	**360**	308
– other	**40**	93
Interest paid	**(1 271)**	(1 389)
– loans and overdrafts	**(877)**	(883)
– transponder leases	**(132)**	(144)
– revolving credit facility costs – accelerated amortisation	**—**	(128)
– other	**(262)**	(234)
Other finance income/(cost) – net	**174**	(30)
– net foreign exchange differences and fair value adjustments on derivatives	**(135)**	(247)
– preference dividends received	**309**	217
(Losses)/gains on acquisitions and disposals	**(134)**	42
– (loss)/profit on sale of investments	**(7)**	34
– profit on partial disposal of investments	**—**	72
– acquisition-related costs	**(72)**	(109)
– other	**(55)**	45

Supplementary information *continued*

for the year ended 31 March 2012

	31 March 2012 R'm	31 March 2011 R'm
Goodwill		
– cost	**18 371**	17 051
– accumulated impairment	**(1 093)**	(431)
Opening balance	**17 278**	16 620
– foreign currency translation effects	**583**	(510)
– acquisitions	**1 184**	1 885
– disposals	**(99)**	—
– contingent consideration adjustment	**—**	(49)
– transferred to non-current assets held-for-sale	**(226)**	—
– impairment	**(836)**	(668)
Closing balance	**17 884**	17 278
– cost	**19 801**	18 371
– accumulated impairment	**(1 917)**	(1 093)
Investments and loans	**30 659**	24 068
– listed investments	**24 331**	16 874
– unlisted investments	**6 328**	7 194
Commitments	**22 502**	16 997
– capital expenditure	**299**	401
– programme and film rights	**12 143**	7 744
– network and other service commitments	**953**	700
– transponder leases	**7 796**	6 787
– operating lease commitments	**1 083**	896
– set-top box commitments	**228**	469
Share of equity-accounted results	**3 869**	3 290
– dilution losses/(gains)	**16**	(39)
– FCTR release	**—**	(29)
– impairment of investments	**122**	24
– gains on acquisitions and disposals	**(112)**	(262)
Contribution to headline earnings	**3 895**	2 984
– amortisation of intangible assets	**538**	355
– treasury-settled share scheme charges	**468**	227
– business combination costs	**22**	15
– fair value adjustments	**67**	—
– (recognition)/reversal of deferred tax assets	**(38)**	13
Contribution to core headline earnings	**4 952**	3 594
Tencent	**4 376**	3 164
Mail.ru	**364**	152
Abril	**205**	250
Other	**7**	28

Business combinations (IFRS 3)

In April 2011 the group acquired a 85% interest in 7Pixel, an e-commerce group operating in Western Europe. The fair value of the total purchase consideration was R228m (US$35m) in cash. The purchase price allocation: PP&E R22m; intangible assets R136m; cash R12m; trade and other receivables R25m; trade and other payables R17m; deferred tax liability R43m and the balance to goodwill. A non-controlling interest of R20m was recognised at the acquisition date.

In July 2011 the group acquired a 80% interest in Vipindirim Electronic Services plc (Markafoni), a Turkish e-commerce group. The fair value of the total purchase consideration was R672m (US$95m) in cash. The purchase price allocation: PP&E R18m; intangible assets R373m; cash R48m; inventory R42m; trade and other receivables R11m; trade and other payables R116m; deferred tax liability R69m and the balance to goodwill. A non-controlling interest of R104m was recognised at the acquisition date.

In July 2011 the group acquired 100% interest in Slando Limited, an online classifieds company in the Ukraine. The fair value of the total purchase consideration was R195m (US$29m) in cash. The purchase price allocation: intangible assets R21m; cash R2m; trade and other receivables R3m; trade and other payables R2m; deferred tax liability R5m and the balance to goodwill.

In December 2011 the group acquired a 90% interest in Fashion Days, an e-commerce group operating in several eastern European countries. The fair value of the total purchase consideration was R435m (US$54m) in cash. The preliminary purchase price allocation: PP&E R4m; intangible assets R342m; cash R7m; inventory R35m; trade and other receivables R123m; trade and other payables R76m; deferred tax liability R64m and the balance to goodwill. A non-controlling interest of R37m was recognised at the acquisition date.

The main factor contributing to the goodwill recognised in these acquisitions is their market presence. This goodwill is not expected to be deductible for income tax purposes. The non-controlling interest in these acquisitions was measured using the proportionate share of the identifiable net assets.

The group made various smaller acquisitions with a combined cost of R323m. Total acquisition-related costs of R72m were recorded in "(losses)/gains on acquisitions and disposals" in the income statement. Had the revenues and net results of all business combinations that occurred in the period been included from 1 April 2011, it would not have had a significant effect on the group's consolidated revenue and net results.