



Naspers Limited
Incorporated in the Republic of South Africa
(Registration number: 1925/001431/06)
("Naspers")
JSE share code: NPN ISIN: ZAE000015889
LSE share code: NPSN ISIN: US 6315121003

Interim Report

The reviewed results of the Naspers group for the six months to 30 September 2012 are as follows:

Commentary

Over the past six months the group continued to expand its businesses with an increasing focus on ecommerce. This is reflected in consolidated revenues growing 22% over the period. The internet segment remains our area of fastest growth, whilst pay television put in a solid performance. Core headline earnings per share grew 15%, higher than expected, as we benefitted from a weaker rand and as much of the planned development spend will only occur in the second half of the year.

Looking ahead we will persist with the strategy to build our pay television subscriber base and to expand ecommerce businesses across emerging markets. To date we have invested US\$530m in new ecommerce businesses such as Netretail, Flipkart and eMag.

Given the planned acceleration in development spend, as well as the increased focus on ecommerce we anticipate that group trading margins will trend down in the second half. The aim is to increase our absolute profits and returns over the medium and long term.

FINANCIAL REVIEW

The 22% increase in consolidated revenues to R23bn came mostly from organic growth in existing businesses, supplemented by a few acquisitions.

As previously indicated, we are developing digital terrestrial television (DTT) services in markets across Africa, as well as scaling our ecommerce operations in emerging markets. Development spend over the period accelerated to R1,6bn (2011: R1,1bn). Consequently, trading profits grew at a slower pace of 6% and trading margins narrowed to 15%.

Net interest cost increased to R488m (2011: R383m) - largely a function of increased levels of debt utilised to fund acquisitions.

Our associates, Tencent and Mail.ru, continued to grow strongly. Their contribution to core headline earnings is R3,2bn. In addition, we recorded a non-recurring book profit of R1,5bn arising from Mail.ru's partial sale of its stake in Facebook. This profit is excluded from core headline earnings.

Assets impaired over the period amounted to R343m (2011: R746m).

The net result of the above is that core headline earnings per share grew 15% to R10,62 per N ordinary share. Free cash flow for the period was R1,7bn and benefited from delays in our DTT capex spend as we await new licences. Consolidated balance sheet gearing is a healthy 14%.

SEGMENTAL REVIEW

This segmental review reflects consolidated subsidiaries, plus a proportional consolidation of associated companies.

Pay television

After recording net growth of 393 000 subscribers during the six-month period, the pay television base now stands at just over 6 million homes. Revenues were up 19% to R14,4bn, whilst trading profits grew 18% to R4bn. Trading margins remained stable. We continue to upgrade our broadcast infrastructure and expand online services. *GOtv*, our recently-launched DTT service, is gaining traction. Competitive pressures and regulatory scrutiny continued to intensify across the continent.

In South Africa, we added 187 000 subscribers and now reach 4,2 million households. The *Compact* bouquet, benefiting from our local content offering, accounted for 87% of growth. The *DStv* service was successfully migrated to the new IntelSat-20 satellite, providing capacity for new subscriber services. Several new channels aimed at improving the viewer's experience were added to *DStv* bouquets. This included 8 additional high definition channels, bringing the total to 14. We increased sales

of the popular personal video recorder (PVR) by 90 000, with the cumulative base now at 747 000 households. The *BoxOffice* service, which allows PVR subscribers to view the latest blockbuster movies on-demand, reached monthly movie rentals of 400 000. This service was recently made available online.

In the rest of sub-Saharan Africa our subscribers increased by 206 000 to reach 1,8 million homes. Growth was spread across all bouquets and platforms. Profitability was affected by our investment in DTT and the addition of more local content. Our DTT transmitters now reach six countries and 18 cities. We expect to continue this rollout in coming months.

Internet

Overall managed internet revenues, which includes our share of associates, increased 70% to R14,1bn and yielded trading profits of R3,1bn.

Tencent delivered another solid performance, despite a more challenging macro environment. The core businesses registered healthy growth and progress was made in advertising and open platform initiatives. Monthly active instant-messaging accounts increased to 784 million, whilst peak simultaneous online users increased to 167 million. WeChat is starting to address international audiences. Given growth opportunities in Chinese ecommerce, Tencent has started investing in this area.

Mail.ru continues to expand across most of its business units. Diversification of revenue streams and an increase in paying user engagement are driving growth. The Mail.ru portal now attracts 32 million unique Russian users and is also expanding its mobile audience.

Ecommerce

Revenues from our ecommerce segment grew robustly by 61% to R4bn in the period. This came mainly from existing businesses, augmented by the inclusion of a few acquisitions such as Netretail. The R1bn development spend, fully expensed through the income statement, resulted in a trading loss of R767m. Given our drive to scale these operations and to expand across the ecommerce value chain, we anticipate a further ramp-up in development spend in the second half of the year.

Print media

The performance of the print businesses in South Africa and Brazil were strained by the challenging economic climate and combined delivered pedestrian revenue growth of 5%, whilst trading profits were broadly flat.

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The financial results for the six months to 30 September 2012 have been prepared in terms of the recognition and measurement requirements of 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. Except as noted below, the accounting policies used for the interim results are consistent with those applied in the previous annual financial statements and with IFRS. These results have been reviewed by the company's auditor, PricewaterhouseCoopers Inc., whose unqualified report is available for inspection at the registered office of the company.

The group adopted the following amendments for the period ended 30 September 2012:

The pay television and technology segments have been combined as these segments are interdependent in the provision of pay television services. Our internet segment has previously been disclosed as "Tencent" and "Other internet". "Other internet" will in future be disclosed as three separate reporting units, being "Mail.ru", "Ecommerce" and "Other

internet". The group's focus on ecommerce, and the listing of Mail.ru, prompted us to disclose these units on their own. The definition of trading profit has been updated to exclude equity-settled share scheme charges. This resulted in the September 2011 trading profit being restated from R3,1bn to R3,2bn. This is in line with our core headline earnings definition, where these non-cash expenses are excluded from the sustainable earnings measurements of the group. Comparative segmental results have been restated in accordance with IFRS 8 "Operating segments".

Transponder lease commitments disclosed at 31 March 2012 and 30 September 2011 have been restated by R3,3bn (March 2012) and R3,6bn (September 2011) to exclude assets already capitalised.

Trading profit excludes amortisation of intangible assets (other than software), equity-settled share scheme charges and other gains or losses, but includes the finance cost on transponder leases.

Core headline earnings exclude once-off and non-operating items such as unrealised foreign exchange gains or losses. We believe that it is a useful measure for our 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.

The preparation of the financial results was supervised by our financial director Steve Pacak, CA(SA). These results were made public on 27 November 2012.

SUBSEQUENT EVENTS

During October 2012 the group invested US\$120m in total, acquiring a controlling stake of Dante International S.A. trading as eMag, a leading online retailer in Romania, and a minority stake of Souq Group Ltd, an online retailer in the Middle East.

On behalf of the board:

Ton Vosloo
Chairman

Cape Town
27 November 2012

Koos Bekker
Chief executive

Directors

T Vosloo (chairman), J P Bekker (chief executive), F-A du Plessis, G J Gerwel, R C C Jafta, L N Jonker, D Meyer, S J Z Pacak, T M F Phaswana, L P Retief, B J van der Ross, N P van Heerden, J J M van Zyl, H S S Willemsse

Company secretary

G Kisbey-Green

Registered office

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Transfer secretaries

Link Market Services South Africa (Pty) Limited
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ADR programme

The Bank of New York Mellon maintains a GlobalBuyDIRECT™ plan for Naspers Limited. For additional information, please visit The Bank of New York Mellon's website at (www.globalbuydirect.com) or call Shareholder Relations at 1-888-BNY-ADRS or 1-800-345-1612 or write to: The Bank of New York Mellon, Shareholder Relations Department - GlobalBuyDIRECT™, Church Street Station, PO Box 11258, New York, NY 10286-1258, USA.

Important information

The report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These include factors that could adversely affect our businesses and financial performance. We are not under any obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

Segmental review	Revenue				EBITDA				Trading profit			
	Six months ended 30 September 2011		Year ended 31 March 2012	Audited R'm	Six months ended 30 September 2011		Year ended 31 March 2012	Audited R'm	Six months ended 30 September 2011		Year ended 31 March 2012	Audited R'm
	2012 Reviewed R'm	Reviewed R'm			% Change	2012 Reviewed R'm			Reviewed R'm	% Change		
Pay television	14 426	12 141	19	25 259	4 617	3 880	19	7 392	4 020	3 415	18	6 379
Internet	14 108	8 285	70	19 192	3 621	2 425	49	5 051	3 089	2 095	47	4 293
- Tencent	8 978	4 874	84	11 455	3 986	2 445	63	5 487	3 590	2 255	59	4 988
- Mail.ru	721	456	58	1 094	386	227	70	591	342	199	72	517
- Ecommerce	3 991	2 478	61	5 736	(686)	(118)	+100	(760)	(767)	(211)	+100	(914)
- Other internet	418	477	(12)	907	(65)	(129)	50	(267)	(76)	(148)	49	(298)
Print	5 638	5 376	5	12 071	458	431	6	1 464	247	247	-	1 090
Economic interest	34 172	25 802	32	56 522	8 696	6 736	29	13 907	7 356	5 757	28	11 762
Corporate services	-	-	-	-	(77)	(43)	-	(99)	(77)	(44)	-	(100)
Less: Associates	(11 575)	(7 320)	-	(17 035)	(4 411)	(2 811)	-	(6 667)	(3 911)	(2 545)	-	(5 993)
Consolidated	22 597	18 482	22	39 487	4 208	3 882	8	7 141	3 368	3 168	6	5 669

	Six months ended 30 September		Year ended 31 March
	2012	2011	2012
	Reviewed	Reviewed	Audited
	R'm	R'm	R'm
Reconciliation of trading profit to operating profit			
Trading profit	3 368	3 168	5 669
Finance cost on transponder leases	72	66	132
Amortisation of intangible assets	(482)	(470)	(967)
Other gains/(losses) - net	(378)	(722)	(1 448)
Equity-settled share-based charge	(88)	(89)	(184)
Operating profit	2 492	1 953	3 202

Note: For a reconciliation of operating profit to profit before taxation, refer to the "Consolidated income statement".

	Six months ended 30 September		Year ended 31 March
	2012	2011	2012
	Reviewed	Reviewed	Audited
	R'm	R'm	R'm
Consolidated income statement			
Revenue	22 597	18 482	39 487
Cost of providing services and sale of goods	(11 808)	(9 623)	(20 863)
Selling, general and administration expenses	(7 919)	(6 184)	(13 974)
Other gains/(losses) - net	(378)	(722)	(1 448)
Operating profit	2 492	1 953	3 202
Interest received	218	200	400
Interest paid	(706)	(583)	(1 271)
Other finance income/(costs) - net	-	235	174
Share of equity-accounted results	4 064	1 618	3 869
Impairment of equity-accounted investments	-	-	(94)
Dilution losses on equity-accounted investments	(41)	(89)	(606)
Gains/(losses) on acquisitions and disposals	25	(62)	(134)
Profit before taxation	6 052	3 272	5 540
Taxation	(1 394)	(1 008)	(2 059)
Profit for the period	4 658	2 264	3 481
Attributable to:			
Equity holders of the group	4 150	1 869	2 894
Non-controlling interest	508	395	587
	4 658	2 264	3 481
Core headline earnings for the period (R'm)	4 086	3 458	6 951
Core headline earnings per N ordinary share (cents)	1 062	921	1 850
Fully diluted core headline earnings per N ordinary share (cents)	1 024	884	1 789
Headline earnings for the period (R'm)	3 194	2 597	4 874
Headline earnings per N ordinary share (cents)	830	692	1 297
Fully diluted headline earnings per N ordinary share (cents)	800	664	1 254
Earnings per N ordinary share (cents)	1 079	498	770
Fully diluted earnings per N ordinary share (cents)	1 040	478	745
Net number of shares issued ('000)			
- At period-end	385 414	375 865	384 714
- Weighted average for the period	384 714	375 440	375 653
- Fully diluted weighted average	399 131	391 206	388 567

	Six months ended 30 September		Year ended 31 March
	2012	2011	2012
	Reviewed	Reviewed	Audited
	R'm	R'm	R'm
Condensed consolidated statement of comprehensive income			
Profit for the period	4 658	2 264	3 481
Total other comprehensive income, net of tax, for the period	(1 817)	3 019	4 315
Translation of foreign operations	1 090	2 040	2 172
Cash flow hedges	37	394	162
Share of associates' other comprehensive income and reserves	(2 925)	763	2 109
Tax on other comprehensive income	(19)	(178)	(128)
Total comprehensive income for the period	2 841	5 283	7 796
Attributable to:			
Equity holders of the group	2 324	4 768	7 138
Non-controlling interest	517	515	658
	2 841	5 283	7 796

	Six months ended 30 September		Year ended 31 March
	2012	2011	2012
	Reviewed	Reviewed	Audited
	R'm	R'm	R'm
Condensed consolidated statement of changes in equity			
Balance at beginning of the period	49 576	42 942	42 942
Changes in share capital and premium			
Movement in treasury shares	(269)	(163)	(1 603)
Share capital and premium issued	288	224	1 908
Changes in reserves			
Total comprehensive income for the period	2 324	4 768	7 138
Movement in share-based compensation reserve	201	203	401
Movement in existing control business combination reserve	(333)	2	17
Direct retained earnings movements	-	-	4
Dividends paid to Naspers shareholders	(1 292)	(1 013)	(1 012)
Changes in non-controlling interest			
Total comprehensive income for the period	517	515	658
Dividends paid to non-controlling shareholders	(1 102)	(1 281)	(1 362)
Movement in non-controlling interest in reserves	209	328	485
Balance at end of the period	50 119	46 525	49 576
Comprising:			
Share capital and premium	14 708	14 445	14 689
Retained earnings	25 919	22 035	23 065
Share-based compensation reserve	3 563	2 631	3 134
Existing control business combination reserve	(291)	26	42
Hedging reserve	(319)	(175)	(328)
Valuation reserve	2 778	4 893	5 933
Foreign currency translation reserve	2 076	828	980
Non-controlling interest	1 685	1 842	2 061
Total	50 119	46 525	49 576

	As at 30 September		As at 31 March
	2012	2011	2012
	Reviewed	Reviewed	Audited
	R'm	R'm	R'm
Consolidated statement of financial position			
Assets			
Non-current assets	68 172	59 842	62 037
Property, plant and equipment	12 574	8 460	8 879
Goodwill	19 708	18 606	17 884
Other intangible assets	4 319	4 108	3 884
Investment in associates	29 070	25 155	28 095
Other investments and loans	1 768	2 587	2 564
Derivatives	70	298	86
Deferred taxation	663	628	645
Current assets	22 546	18 638	19 241
Inventory	1 592	1 194	1 238
Programme and film rights	2 830	2 362	1 522
Trade receivables	4 373	3 655	3 296
Other receivables and loans	2 872	2 692	2 639
Derivatives	284	111	85
Cash and cash equivalents	10 565	7 902	9 825
	22 516	17 916	18 605
Assets classified as held-for-sale	30	722	636
Total assets	90 718	78 480	81 278
Equity and liabilities			
Share capital and reserves	48 434	44 683	47 515
Share capital and premium	14 708	14 445	14 689
Other reserves	7 807	8 203	9 761
Retained earnings	25 919	22 035	23 065
Non-controlling shareholders' interest	1 685	1 842	2 061
Total equity	50 119	46 525	49 576
Non-current liabilities	23 312	17 467	17 845
Capitalised finance leases	5 355	2 398	2 208
Liabilities - interest bearing	15 466	12 503	12 996
- non-interest bearing	248	224	348
Post-retirement medical liability	148	133	139
Derivatives	937	956	839
Deferred taxation	1 158	1 253	1 315
Current liabilities	17 287	14 488	13 857
Current portion of long-term debt	1 786	1 465	1 613
Trade payables	4 117	2 964	2 865
Accrued expenses and other current liabilities	9 659	7 979	7 980
Derivatives	149	118	206
Bank overdrafts and call loans	1 576	1 835	1 034
	17 287	14 361	13 698
Liabilities classified as held-for-sale	-	127	159
Total equity and liabilities	90 718	78 480	81 278
Net asset value per N ordinary share (cents)	12 567	11 888	12 351

	Six months ended 30 September		Year ended 31 March
	2012 Reviewed R'm	2011 Reviewed R'm	2012 Audited R'm
Condensed consolidated statement of cash flows			
Cash flow from operating activities	4 092	1 912	5 394
Cash flow utilised in investing activities	(2 590)	(501)	(2 360)
Cash flow utilised in financing activities	(1 488)	(2 886)	(1 745)
Net movement in cash and cash equivalents	14	(1 475)	1 289
Foreign exchange translation adjustments	184	222	139
Cash and cash equivalents at beginning of the period	8 791	7 401	7 401
Cash and cash equivalents at end of the period	8 989	6 148	8 829
Included in:			
- Cash and cash equivalents	8 989	6 067	8 791
- Assets classified as held-for-sale	-	81	38
	8 989	6 148	8 829

Calculation of headline and core headline earnings

	Six months ended 30 September		Year ended 31 March
	2012 Reviewed R'm	2011 Reviewed R'm	2012 Audited R'm
Net profit attributable to shareholders	4 150	1 869	2 894
Adjusted for:			
- insurance proceeds	-	(1)	(2)
- impairment of property, plant and equipment and other assets	41	4	-
- impairment of goodwill and intangible assets	289	749	1 487
- profit on sale of property, plant and equipment and intangible assets	(3)	(26)	-
- losses/(gains) on acquisitions and disposals of investments	2	(7)	45
- step-up acquisition loss	21	35	-
- dilution losses on equity-accounted investments	41	89	606
- remeasurements included in equity-accounted earnings	(1 331)	-	32
- impairment of equity-accounted investments	-	12	94
	3 210	2 724	5 156
Total tax effects of adjustments	(6)	(131)	(207)
Total adjustment for non-controlling interest	(10)	4	(75)
Headline earnings	3 194	2 597	4 874
Adjusted for:			
- equity-settled share scheme charges	339	271	652
- recognition of deferred tax assets	(26)	(24)	(38)
- amortisation of intangible assets	583	586	1 191
- fair value adjustments and currency translation differences	35	(25)	162
- business combination (gains)/losses	(39)	53	110
Core headline earnings	4 086	3 458	6 951

Business combinations

In June 2012 the group acquired a 79% interest in Netretail, an online retailer with operations in Czech Republic, Poland, Hungary, Slovakia and Slovenia. The fair value of the total purchase consideration was R1,7bn in cash. The purchase price allocation: PP&E R36m; intangible assets R626m; cash R79m; trade and other receivables R213m; inventory R116m; trade and other payables R507m; deferred tax liability R14m and the balance to goodwill. A non-controlling interest of R55m was recognised at the acquisition date.

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

The group made various smaller acquisitions with a combined cost of R65m. Total acquisition-related costs of R37m were recorded in "Gains/(losses) on acquisitions and disposals" in the income statement. Had the revenues and net results of Netretail been included from 1 April 2012, the group's consolidated revenue would have been R362m higher and the net results would have decreased by R16m. The smaller acquisitions made during the period would not have had a significant effect on the group's consolidated revenue and net results.

Supplementary information

	Six months ended 30 September		Year ended 31 March
	2012 Reviewed R'm	2011 Reviewed R'm	2012 Audited R'm
Depreciation of property, plant and equipment	698	558	1 222
Amortisation	552	560	1 088
- intangible assets	482	470	967
- software	70	90	121
Other gains/(losses) - net	(378)	(722)	(1 448)
- profit/(loss) on sale of property, plant and equipment and intangible assets	3	21	(95)
- impairment of goodwill and intangible assets	(289)	(742)	(1 487)
- impairment of tangible and other assets	(54)	(4)	-
- insurance proceeds	-	1	2
- profit on transponder lease settlement	-	3	100
- fair value adjustment on shareholders' liability	(38)	(1)	32
Interest received	218	200	400
- loans and bank accounts	205	169	360
- other	13	31	40
Interest paid	(706)	(583)	(1 271)
- loans and overdrafts	(481)	(390)	(877)
- transponder leases	(72)	(66)	(132)
- other	(153)	(127)	(262)
Other finance income/(cost) - net	-	235	174
- net foreign exchange differences and fair value adjustments on derivatives	(76)	5	(135)
- preference dividends received	76	230	309
Gains/(losses) on acquisitions and disposals	25	(62)	(134)
- profit/(loss) on sale of investments	42	7	(7)
- loss on partial disposal of investments	(44)	-	-
- remeasurement of contingent consideration	75	-	(17)
- acquisition-related costs	(37)	(33)	(72)
- other	(11)	(36)	(38)
Goodwill	19 801	18 371	18 371
- cost	(1 917)	(1 093)	(1 093)
Opening balance	17 884	17 278	17 278
- foreign currency translation effects	563	1 101	583
- acquisitions	1 533	966	1 184
- disposals	(31)	(8)	(99)
- transferred to non-current assets held-for-sale	-	(360)	(226)
- impairment	(241)	(371)	(836)
Closing balance	19 708	18 606	17 884
- cost	21 811	20 077	19 801
- accumulated impairment	(2 103)	(1 471)	(1 917)
Investments and loans	30 838	27 742	30 659
- listed investments	24 481	21 245	24 331
- unlisted investments	6 357	6 497	6 328
Commitments	16 988	16 415	19 202
- capital expenditure	416	644	299
- programme and film rights	13 500	8 839	12 143
- network and other service commitments	1 287	1 269	953
- transponder leases	372	4 607	4 496
- operating lease commitments	1 015	755	1 083
- set-top box commitments	398	301	228
Share of equity-accounted results	4 064	1 618	3 869
- dilution gains	-	-	16
- sale of assets	(1 544)	(4)	-
- impairment of investments and other assets	213	18	122
- gains on acquisitions and disposals	-	-	(112)
Contribution to headline earnings	2 733	1 632	3 895
- amortisation of intangible assets	259	261	538
- equity-settled share scheme charges	251	183	468
- business combination costs	-	20	22
- fair value adjustments and currency translation differences	(75)	36	67
- (recognition)/reversal of deferred tax assets	(26)	19	(38)
Contribution to core headline earnings	3 142	2 151	4 952
Tencent	2 986	1 973	4 376
Mail.ru	250	178	364
Abril	(95)	18	205
Other	1	(18)	7