

(Ook in Afrikaans beskikbaar)

**ADDRESS BY THE CHAIRMAN OF NASPERS, MR TON VOSLOO,  
AT THE GROUP'S 93RD AGM, FRIDAY 24 AUGUST 2007 AT 11:15,  
18TH FLOOR, NASPERS CENTRE, CAPE TOWN, SOUTH AFRICA**

Dear Naspers shareholders, fellow directors:

A warm welcome to everyone present at our ninety third annual general meeting.

The Naspers group had a busy financial year and I would like to expand on some of the core aspects referred to in our 2007 annual report. The annual report, detailing our operations, was made available in electronic and printed format approximately three weeks ago.

During the past year the group has made significant progress towards attaining its objective of becoming one of the leading media groups in the developing world. This follows on from organic growth, investment in internal developments and acquiring shareholdings in related businesses.

Naspers is eight years away from celebrating its centenary, and we remain intent upon playing a constructive role in particularly the local, but also the international community. In accordance with our country's aim, we would like to make our modest contribution towards bridging the gap between the rich and the poor, helping to expand the necessary expertise in various fields, including more skills and enterprise development – and ultimately helping people and countries to emerge and develop.

The past financial year was characterised by four key elements:

**Firstly**, we made significant progress with the implementation of black economic empowerment (BEE) in our South African businesses.

- The Welkom Share Scheme, launched in 1998, matured in the past year and generated an excellent return for participants. The total amount paid to the 17 000 previously disadvantaged participants was R235 million. Put differently, a participant who invested R1,000 received R31,000, a whopping yield.
- Our two empowerment schemes – last year we briefly informed you about what we were hoping to achieve – Media24's Welkom Yizani and MultiChoice South Africa's Phuthuma Nathi and Phuthuma Nathi 2, were launched in the year and exceeded our wildest dreams. I believe that in the chronicles of our group these schemes will be seen as a highlight.

These black economic empowerment schemes broadly reached out to ordinary people, individuals, groups and our qualifying staff, and up to now they are the biggest ever in our country. Each attracted far more than 100 000 investors – a clear indication of ordinary people's yearning to share in the formal economy.

Welkom Yizani was three times subscribed and its BEE shareholders now have an equity stake of 15% in our print media. Phuthuma Nathi was also three times subscribed and its BEE shareholders' equity interest in MultiChoice South Africa's pay-television and internet businesses, is 22,5%.

Both these schemes are defined as innovative initiatives that mainly empower across a broad basis.

**Secondly**, in March this year the group raised R7,2 billion by issuing new Naspers N ordinary shares to fund its international strategy.

**Thirdly**, our most significant investments over the past year were:

- The acquisition of the conditional-access business CryptoTec that should, as a technology business, further strengthen Irdeto.
- A 30% interest in the Brazilian magazine and book publisher, Abril S.A., to unlock synergy opportunities.
- A 30% stake in the leading Russian internet company, *Mail.ru*, into which we would now be able to plough back what we have learnt from other internet initiatives.
- The acquisition of a further 12% in the Greek pay-television business NetMed NV to increase our effective interest to 87,5%.
- We are also hoping to finalise the acquisition of Johncom's 39% interest in M-Net/SuperSport in the near future. We are only awaiting final feedback from the Competition Tribunal.

**Fourthly**, we invested R876 million in internal development opportunities in the field of mobile television, broadband and internet services and technologies, as well as in the print media. This expenditure is vital for the future growth of the group.

Next, with our two anchors – electronic media and print media – as foundation, a further perspective on the past financial year:

## **OUR ELECTRONIC MEDIA**

In South Africa, pay television's net subscriber base grew by 140 000. The subscriber base of the lower-priced Compact bouquet, refreshed with additional channels, has already been taken up by 106 000 households. The number of homes with personal video recorders (PVRs) reflected strong growth, and at the year end there were already 133 000 active subscribers. In May this year, MultiChoice launched a third package, *DStv Select*. Its subscription is R139 per month and, in cooperation with Vodacom, it is marketed through their distribution channel. DSTV also launched three additional channels: *Disney*, *Euronews* and *Crime & Investigation*.

SuperSport acquired the broadcasting rights for the South African Premier Soccer League (PSL) for the next five years. Other organisations desperately wanting these rights, included the SABC, Telkom Media and eTV. Since the purchase, SuperSport has sublicensed a package of these rights to the SABC.

The contract represents an investment of more than one billion rand in local soccer. We believe the organisers of the league will use this to promote soccer in South Africa to match world quality; something we need for the World Cup in 2010.

The net subscriber base in sub-Saharan Africa grew by a record net 85 000 subscribers during the year. The biggest growth was recorded in Angola and Nigeria. The Portuguese service recorded strong growth and currently has more than 100 000 subscribers. This growth was, among others, due to more local programmes such as Nigeria Big Brother, Western Africa Idols and even a Nigerian soap.

In Greece, 81% of the subscribers are now digital. Sport offerings were expanded with the broadcasting of the matches of 13 of the 16 Greek Super League Soccer teams.

In addition, the group is planning a considerable investment in mobile television businesses during the coming year. We have had a trial run in South Africa since 2006 and currently have a commercial service in Namibia and are planning to roll out to Nigeria and Kenya. Opportunities for mobile television in countries beyond Africa's borders are also being investigated.

Regarding conditional access, the content security business Irdeto experienced a strong year and more than doubled its revenue to R775 million. This growth was due to a combination of organic growth and the acquisition of the CryptoTec business in April 2006. Irdeto continued building on its performance in emerging markets. More than 10 million smart cards and mobile security chips were ordered from Irdeto during the past year.

Irdeto continued its global participation in technical mobile TV trials. This, in collaboration with *DStv Mobile*, included supporting initiatives in Africa, as well as trials in Hungary, Spain and France. Irdeto has already supplied more than three million security devices to the mobile TV business TU Media in South Korea.

Globally the broadband market is expanding. Entriq, our broadband technology concern based in the USA, is continuing its substantial investment in research and development in the broadband field.

A brief review of our most important internet activities:

- In South Africa and sub-Saharan Africa, we are continuing expansion of our internet activities. MWEB South Africa now has 340 000 subscribers and remains profitable.

- MWEB Thailand further expanded the leadership position of *Sanook!*, by launching new services.
- India, one of the fastest growing internet markets in the world, offers the opportunity of developing an internet product that focuses on the youth and a local search facility.
- In China, Tencent is presently well established as the primary instant-messaging portal.
- Tencent reached new heights in that its instant messaging service is currently being used by more than 30 million subscribers simultaneously. The service now has 278 million active, registered users.
- In Russia, MIH has a 30% stake in the leading Russian portal *Mail.ru*, the most popular Russian website with e-mail and instant messaging as core products.

## OUR PRINT MEDIA

We continued to benefit from robust economic conditions this year.

At **Media24 Newspapers**, the *Daily Sun* is the biggest daily in sub-Saharan Africa with a circulation of more than 500 000 a day. By the way, *Daily Sun* is still in its infancy – it celebrated its fifth birthday last month. Our tabloids, including *Son*, *Sunday Sun* and the weekly soccer magazine *Soccer Laduuuuuma!*, are beating the average market growth figure. *Soccer Laduuuuuma!* reached record circulation figures of more than 300 000.

*Sondag* is our new countrywide Sunday tabloid launched in May this year and is mainly targeted at modern Afrikaans-speakers. More new titles have been launched, among others the community newspapers *City Vision*, *Peoples Post* and *Cape Son*. Innovation is the lifeblood of a media company, and an initiative for us is the newly launched, free

community magazine *My Week*. It currently stands at seventeen editions with a total print run of 422 000.

The initiation of a multimedia news service was announced in March with the launch of News24. News24 is positioned as a national business news service to replace the old regional business newspapers, and to fulfil new needs.

Our newspaper journalists again received industry recognition by scooping up various awards, including Sanlam prizes for community newspapers and the prestigious Mondi Shanduka Newspaper Awards that cover the Frewin trophy. This trophy, currently in its 58th year, was this year awarded to *Beeld*, with *Die Burger* in second position. We also won prizes for print and production quality, lay-out and typography, and *Die Burger* flaunts two of the coveted Loerie prizes for creative advertising campaigns in South Africa.

Henry Jeffreys, *Die Burger's* editor, was elected as vice chairman of the South African National Editors' Forum (Sanef).

Dr. George Claassen was honoured by the National Science and Technology Forum through the Minister of this portfolio for his outstanding contribution to science, engineering and technology.

**Media24 Magazines** had an active year, launching a number of new titles, among others *InStyle*, *Maxpower*, *True Love Babe* and *Men's Health Living*. A number of motor

titles were acquired during the year, including *Topcar*, *Topbike*, *Topdeals* and *Drive Out*. An Afrikaans motoring magazine called *Topmotor* was launched in partnership with *Topcar*. Market conditions in the magazine market are competitive.

Destiny, South Africa's first magazine for professional South African women at the top end of the market will be launched in October 2007.

The group continues to make the most of print media opportunities in developing markets. As reported, we invested in Abril S.A. in Brazil and in Titan Media in China. In the rest of Africa we are continuing with the development of *Drum* (East Africa), *Kick Off* (West Africa), *True Love* (East and West Africa) and *TV24* (Portuguese pronunciation: Tê-vê-vintie-quatro), an Angolan TV programme magazine.

The professional quality of Media24 Magazines was also reconfirmed during the past year's award-presentation events. Our magazines won a number of categories in the prestigious annual 2006 Pica Awards. Some of the winners were *Men's Health Living*, *Real Simple*, *seventeen*, *tuis/home*, *Kick Off*, *Weg!*, *Fit Pregnancy*, *Lééf met hart & siel*, *Shape*, the *HUISgenoot 90 Gedenkuitgawe* and *Weg!Sleep*.

Patricia Scholtemeyer, chief executive of Media24 Magazines, was the overall winner of Vodacom's 2007 prize for Women in the Media.

Kaizer Ngwenya of *Drum* was awarded a CNN MultiChoice Africa Journalist award. They have been recognising professional journalists on the African Continent since 1995.

### **Internet**

Media24 is the top internet publisher in South Africa. The internet business *24.com*, combining Media24 Digital and relevant segments of MWEB South Africa, was established and its revenue has increased as the internet develops as an important media channel.

### **Paarl Media**

Paarl Media, the printing house, experienced a good year with strong volumes at the new plant Paarl Web Gauteng, where there was a need for an additional printing press that will be commissioned later in 2007. Additional printing equipment was also ordered for Paarl Print and Paarl Web to handle bigger business volumes.

### **Book publishing and education**

The book publishers experienced a good year. As part of our withdrawal from retail, some non-core businesses were sold, the latest one being Van Schaik Retail. This transaction has been approved by the Competition Board.

### **Milestones**

#### **International operational achievements**

At MultiChoice, DStv was 10th in the national *Sunday Times* Generation Next Prize as one of the most popular brand names among brands such as Sony, Vodacom, Adidas and Levi's. This award was based on a survey conducted among South African teenagers.

At the prestigious international Promax Convention in New York, DStv won a record number of 12 Promax awards for creativity (five gold, four silver and two bronze medals) and M-Net walked off with two gold, two silver and two bronze medals.

At NetMed, the official body of all advertising in Greece, the Greek advertising federation, nominated the Nova bouquet's TV advertisement the winner of the top gold Hermes prize.

Entriq was nominated for an Emmy in technological innovation, and MediaZone was included in the OnHollywood 100 List as one of the top 100 privately owned media companies.

Paarl Gravure, South Africa's biggest magazine printer, was the only local printing house this year to receive one of only eight international publication gravure awards from the European Rotogravure Association. This printing house was also honoured locally for excellent service and received one of only three annual suppliers' awards from the leading retail group, the JD Group.

### **Our people**

I also have to congratulate more of our people who reached milestones, be they achievements, promotions or appointments.

Koos Bekker, chief executive of Naspers, currently on an unpaid sabbatical, joined other giants when he became a member of the Global Entrepreneur's sought-after gallery of honour in Monte Carlo in June this year. This competition annually attracts more than 9 000 nominated entrepreneurs from participating countries. The sponsors attributed the transformation of Naspers from a traditional print media group to a worldwide media and

technology business to his initiatives. Last year Koos won the South African round of this Global Entrepreneur Competition.

### **Staff matters**

Professor Jakes Gerwel succeeded me as chairman of Media24. He is also the chairman of Media24 Holdings and Welkom Yizani Investments, the company for black economic empowerment shareholders who acquired an interest in Media24. I am still serving on the Media24 board and remain the chairman of the Naspers group and MIH. The council of the Suid-Afrikaanse Akademie vir Wetenskap en Kuns, this year nominated Professor Gerwel as one of four new honorary members.

Mandla Langa is the new chairman of MultiChoice South Africa, and a director of Phuthuma Nathi and Phuthuma Nathi 2. He was the chairman of the Independent Communication Authority of South Africa (ICASA) from 1999 to 2005 and is, among others, a director of the Institute for the Promotion of Journalism and the Rhodes University's School for Economic Journalism.

Professor Russel Botman, non-executive director of Media24 and Media24 Holdings, as well as chairman of the Klein Karoo Nasionale Kunstefees, was this year inaugurated as the new rector and vice-chancellor of the University of Stellenbosch. Professor Botman also received honorary membership of the United Nations Association of South Africa. This Association resolved to honour him in this manner for his contribution to the South African community and the promotion of the principles of the United Nations.

Fred Phaswana and Professor Rachel Jafta were appointed to the boards of Media24 and Media24 Holdings.

The newly composed board of MultiChoice South Africa Holdings, under the chairmanship of Mandla Langa, includes the following independent directors: Salukazi Dakile-Hlongwane, Don Eriksson, Kgomotso Moroka, Khulu Sibaya and Ton Vosloo.

**[Steve's enquiry = George, do we need this detail?]**

## **MIH APPOINTMENTS**

### **International**

Ivy Li was appointed chief of our operations in China.

Ashish Kashyap was appointed chief executive of our internet business in India.

Kim Reid was appointed chief executive, MIH mobile television international.

Francois Thereon was appointed chief executive, DStv mobile sub-Saharan Africa.

Katerina Kaskanoti was appointed chief executive, FilmNet, Greece.

### **South Africa**

Linda Vermaas was appointed chief executive, DStv mobile South Africa.

Imtiaz Patel was appointed chief executive of the SuperSport group.

Rudi Jansen was appointed chief executive, MWEB.

Joseph Hundah was appointed chief executive of M-Net in sub-Saharan Africa.

## **MEDIA24 APPOINTMENTS**

Francois Groepe was appointed chief executive of Media24's newspaper publishing and digital media.

Manie Mayman is Media24's new financial director.

Johan Vosloo became the chief executive of Media24's new printing and distribution unit.

Fergus Sampson is now the general manager of Northern Newspapers. This business unit comprises, among others, *Beeld*, *Daily Sun*, *Gauteng Business* and various other regional newspapers.

Fanie Schoeman was appointed managing director of Educor, Media24's private education segment.

Mathatha Tsedu is now the new editor-in-chief of *City Press*. Kathu Maimaila succeeded him as editor.

Marc Hasenfuss was appointed editor of *Finweek* and Rikus Delpont holds the newly created position of chief executive of the *Finweek* business unit.

We also have to pay a last tribute to a few Naspers stalwarts who passed away during the year under review:

Alf Ries, our friend, a brilliant journalist and news hound, in his day an influential political reporter. Over 40 years he was a shining light for Naspers and its newspapers.

P.A. Joubert, one of our most versatile and most respected journalists ever. With his loyalty to Afrikaans and Afrikaans institutions, he left an indelible mark on *Die Burger* and the Afrikaans world of books.

Desmond Craib, founder of the *Natal Witness* and one of the co-founders of M-Net, with whom we travelled a long way.

Alex Kellerman, a former sports editor of the then *Die Oosterlig* in Port Elizabeth and the journalist with whom I shared my first office.

Abrie van Zyl, a former news reporter of *Die Burger*.

Chris Koole, Cape journalist, chief reporter of *Volksblad* and *Die Burger* and one of Naspers' former London correspondents.

Lorna Vosloo, women's editorial chief of among others *Die Oosterlig*, *Die Beeld*, *Beeld* and contributor of *Sarie*.

Avhatakali Netshisaulu, son of Mathatha Tsedu, editor-in-chief of *City Press*.

The graphic designer Willem Jordaan, also known for his design of Naspers' sun logo.

## **CORPORATE GOVERNANCE**

The board is committed to high standards of corporate governance throughout the group. Our group recognises the need to conduct its business with integrity and in accordance with appropriate governance practices, and knows that it is accountable for good governance.

The board's audit and risk management committees, as well as human resources and nomination committees fulfil key roles in ensuring good corporate governance.

## **STOCK EXCHANGE LISTINGS/DELISTINGS**

Allow me a short brief on the group's decision to delist on the Nasdaq. This decision was taken based on the high costs related to this listing and the accompanying registration with the American SEC. Naspers believes that we and our shareholders will benefit from

the resulting savings in costs and management time.

We were successfully listed on the London Stock Exchange (LSE) yesterday in order to provide a platform for international investors who wish to trade Naspers N ordinary shares on stock exchanges other than the JSE. However, our primary listing remains on the JSE.

### **Looking back and the road ahead**

During the past year we once more enjoyed the benefit of favourable trading conditions in our key markets and this strengthened our businesses. Our core businesses are performing well, are profitable and render sound cash flows.

Regarding the road ahead, I have to point out that a downward phase in the macro-economic environment in which we operate, will influence our income and profit. I know I may be repeating myself, but the last few years have seen unprecedented growth in the South African advertising arena. How long this feast will last, is anyone's guess. The recent interest rate hikes must have an influence on the spending power of consumers. We have already seen advertising support in the print media softening in the first few months of the new financial year. Competition in many of our businesses will increase, especially in pay television in Africa.

To face competition and ensure our future growth, we will have to be resourceful and tough, and for this reason our development costs will rise, not only in the fields of internet, broadband and mobile technologies, but also as far as new concepts, content and value-added services are concerned.

We are deliberating a number of investments and will announce them once they have been finalised.

**Our strategy**

Further to this, our strategy:

Naspers focuses on media businesses in emerging countries where it has, or targets, strong, sustainable market leaders. Content, brands and distribution channels are used to build businesses. Naspers has incorporated the internet in most of its businesses to better reach and retain clients and increase the value of its content.

The group has a twofold growth strategy:

- Firstly, we concentrate on developing our existing businesses to their full potential.
- Secondly, we investigate new businesses within our sphere of expertise. We want to advance our ability to compete as a strategic partner in media companies in young markets, inter alia through our capital raising earlier this year which we regard as funding for this strategy.

We believe, but cannot guarantee, that this approach will bring growth in the future.

Finally, I thank all our people – locally and abroad – for their dedication and contributions during the past year. I also express my appreciation to my fellow board members for their guidance and support.

Let us continue to seek new opportunities and investments in terms of the group's growth strategy.

For those who cannot be here but who wish to share the day with us, a review of today's events will be published in various publications and put on Naspers' website.

Thank you.