**Provisional Report**

**Summary of the audited results of the Naspers group for the year ended 31 March 2008**

**Commentary**

**GROUP OVERVIEW**

Over the past year the group experienced growth, especially in the internet sector. Performance of the core operations was solid and the development of several business initiatives progressed. A number of new investments in Tradicom, and Gadu-Gadu, were included in our financial results for the first time.

The financial performance over the past year is analysed below. Income from operations grew by 22% (2007: 23%). Pay television expanded by 15%, despite increased development costs. Core headline earnings grew by 38% and core headline earnings per ordinary share increased by R1.16 for the year.

Looking ahead our growth strategy remains focused on three legs organically existing businesses, developing new opportunities for growing internet investments. Geographically, our attention remains mostly on the emerging markets, as these offer good opportunities for growth. The group has made some substantial investments over the past two years and these will be further developed. Our aim remains to deliver to our shareholders in the medium and longer term.

**FINANCIAL REVIEW**

The group reported revenue growth of 19% to R20.5 billion. The year-on-year comparison was complicated by the acquisition of Gadu-Gadu in December 2007, which contributed R615 million to the group's core headline earnings.

Net finance income for the period amounted to R1.0 billion, compared with net finance costs of R338 million in the prior year. This includes R411 million (2007: R1.5 billion) of interest free loans provided by affiliated group companies. The period included a three-year revolving credit facility of US$1.4 billion raised to fund the Tradus acquisition. The level of competition is also expected to intensify.

The pay-television segment expanded by 22% – subscriber growth over the period was 246,000 equated subscribers. The acquisition of 100% of Tradus was concluded in March 2008. Tradus operates leading trading platforms in the medium and longer term.

**INTERNET**

Total internet segment grew revenues by 42% to R1.6 billion. This increase came from a solid performance by all operations and the inclusion of the new investments in the current year. The operating loss was R1.5 billion but R654 million of this relates to impairment losses on equity-accounted investments. This loss arises largely from the incurrence of R291 million (2007: R103 million) of development costs in the current year.

The impairment of equity-accounted investments relates mostly to our investment in Beijing Media Corporation Limited and Titan Media. Whilst positive about the future prospects of these investments, we believe it prudent to record an impairment charge.

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**BROADBAND AND VIDEO**

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**BROADCAST AND PRINT**

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**GROUP OVERVIEW**

Our core pay television business remained buoyant in the year ahead.

**FINANCIAL REVIEW**

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**Segmental Review**

**Pay television**

- Revenue: R1.154 billion
- Rm
- Change: 22% (2007: 23%)
- Ebitda: R4.272 billion
- Rm
- Change: 22% (2007: 23%)

**Operating profit before amortisation and other gains/losses**

- Revenue: R1.154 billion
- Rm
- Change: 22% (2007: 23%)
- Ebitda: R4.272 billion
- Rm
- Change: 22% (2007: 23%)

**Book publishing**

- Revenue: R916 million
- Rm
- Change: 22% (2007: 23%)
- Ebitda: R82 million
- Rm
- Change: 22% (2007: 23%)

**Corporate services**

- Revenue: R20.518 billion
- Rm
- Change: 22% (2007: 23%)
- Ebitda: R4.900 billion
- Rm
- Change: 22% (2007: 23%)

**Operating profit before amortisation and other gains/losses**

- Revenue: R1.154 billion
- Rm
- Change: 22% (2007: 23%)
- Ebitda: R4.272 billion
- Rm
- Change: 22% (2007: 23%)

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- Change: 22% (2007: 23%)
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**Abridged Consolidated Cash Flow Statement**

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (R'm)</td>
<td>3,054</td>
<td>2,221</td>
</tr>
<tr>
<td>Ebitda (R'm)</td>
<td>3,054</td>
<td>2,221</td>
</tr>
<tr>
<td>Cash flow from operating activities (R'm)</td>
<td>1,562</td>
<td>1,080</td>
</tr>
<tr>
<td>Cash flow from investing activities (R'm)</td>
<td>328</td>
<td>279</td>
</tr>
<tr>
<td>Cash flow from financing activities (R'm)</td>
<td>3,079</td>
<td>2,620</td>
</tr>
<tr>
<td>Net movement in cash and cash equivalents (R'm)</td>
<td>3,939</td>
<td>3,161</td>
</tr>
</tbody>
</table>

**Calculation of Headline and Core Headline Earnings**

**Abridged Consolidated Balance Sheet**

<table>
<thead>
<tr>
<th>31 March</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headline earnings (R'm)</td>
<td>3,948</td>
<td>3,161</td>
</tr>
<tr>
<td>Core headline earnings (R'm)</td>
<td>3,948</td>
<td>3,161</td>
</tr>
</tbody>
</table>

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Naspers Limited
Registration Number: 1925/001431/06
Naspers Limited
30 June 2008
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For a more detailed exposition, visit the Naspers website at www.naspers.com

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**PAY TELEVISION**

The group’s revenue from pay television grew by 24% to R1 billion. However, operating profit before amortisation of intangible assets decreased by 16% to R210 million, largely due to a higher amortisation of intangible assets (R80 million). The group’s net income attributable to shareholders was flat at R260 million.

**Book publishing and education**

In April 2007 Media24 announced that it had accepted an offer to sell its private education business, Educor, which includes the management contracts for 57 secondary schools. Educor was part of the group’s Book publishing and education segment. The company generated a profit before amortisation of intangible assets and goodwill of R103 million, and a net profit after tax of R26 million.

**Mobile television**

In October 2007 Media24 announced that it had accepted an offer to sell its private education business, Educor, which includes the management contracts for 57 secondary schools. Educor was part of the group’s Book publishing and education segment. The company generated a profit before amortisation of intangible assets and goodwill of R103 million, and a net profit after tax of R26 million.

**FINANCIAL RESULTS**

The financial results were prepared in accordance with International Financial Reporting Standards (IFRS), the standard of the International Accounting Standards Board (IASB), for the year ended 31 March 2008.

**SIGNIFICANT ACQUISITIONS**

In December 2007 the group acquired 97% of the issued share capital of Gadu-Gadu SA, the leading instant messaging platform in South Africa. The consideration was based upon an appraisal as follows: net tangible assets (R191 million), intangible assets (R461 million) and the balance to goodwill.

In March 2008 the group acquired 100% of the issued share capital of Trackx plc, a company providing online software and email marketing services in the United Kingdom. The acquisition was accounted for using the purchase method whereby the consideration was calculated based upon an appraisal as follows: net tangible assets (R95 million), intangible assets (R296 million) and the balance to goodwill.

In March 2008 the group acquired 100% of the issued share capital of Trackx plc, a company providing online software and email marketing services in the United Kingdom. The acquisition was accounted for using the purchase method whereby the consideration was calculated based upon an appraisal as follows: net tangible assets (R95 million), intangible assets (R296 million) and the balance to goodwill.

In December 2007 the group acquired the remaining 19% of the issued share capital of Internet Africa, a leading internet service provider in South Africa. The consideration was calculated based upon an appraisal as follows: net tangible assets (R226 million), intangible assets (R528 million) and the balance to goodwill.

Net asset value per N ordinary share (cents) 8 661 6 135

Free cash flow and net cash from operating activities (R’m)

Net cash from operating activities 3 948 2 885

Core headline earnings

Depletion of goodwill and other intangible assets 105 105

Amortisation of intangible assets 8 8

Interest capitalized 40 40

Other gains/(losses) (R’m)

Net cash from operating activities 3 948 2 885

Amortisation of intangible assets 8 8

Interest capitalized 40 40

Other gains/(losses) (R’m)

Net cash from operating activities 3 948 2 885