NASPERS

Naspers Limited
(Registration Number: 1925/001431/06)
("Naspers")
ISIN ZAE000015889
JSE Share Code: NPN
LSE Share Code: NPSN

Provisional Report

Summary of the audited results of the Naspers group for the year ended 31 March 2009

Commentary

GROUP OVERVIEW

Naspers reports revenues up 30% to R26,7 billion for the past financial year. Operating profit before amortisation and gains/losses advanced 21% to R5,1 billion, whilst core headline earnings grew 9% to R4,4 billion.

The past twelve months evidenced a global economic downturn. Each business in the group played the field as it found it and each adapted as fast as possible to these new conditions. Overall, the group's growth was satisfactory.

Emerging markets are at the centre of our strategy. In the aggregate and at consumer level, they were under pressure, but fared better than developed economies.

Our recent internet acquisitions – Allegro, Ricardo and Gadu-Gadu – performed steadily. Our associates, Tencent in China and mail.ru in Russia, expanded.

Our pay-TV businesses proved resilient. When people experience economic pressure, they spend more time at home and pay TV is an affordable form of entertainment. We invested substantially to grow, and the gross subscriber base improved.

Our technology business, Irdeto, was more impacted by the economy than our consumer-facing units.

Print circulations in South Africa and China held up, but advertising revenues were stagnant. In Brazil, however, Abril had a good year.

Looking ahead, we mostly have resilient businesses in economies that are on average doing better than the developed world. Competition in pay TV, regulation and consumer spending levels remain concerns.

We will continue our growth strategy. Rigorous evaluation processes are applied when new investments are considered. We continue to strive to deliver value to our shareholders over the medium and longer term. The group has a strong balance sheet.

FINANCIAL REVIEW

Revenue growth of 30% in the aggregate was recorded over the period. Drivers were both existing operations, which accounted for 19%, and new acquisitions, which added 11%.

The internet segment was boosted by the inclusion of Allegro and Ricardo (formerly Tradus). Pay-TV revenues increased by 29% as a result of its gross subscriber growth of 683 000 households.

Our operating profit before amortisation and other gains/losses increased by 21% to R5,1 billion (2008: R4,2 billion). A reduction in group margins followed sharper competition in pay-TV markets. Various new services were launched and total development costs were R1,2 billion (2008: R1,1 billion).

Net interest costs for the year amounted to R306 million, compared with net income of R502 million in the prior year. This resulted from funding new acquisitions. Other finance income includes preference dividends of R377 million (2008: R336 million) and mark-to-market losses of R374 million, compared with gains of R167 million in the prior year.

Naspers's share of the equity-accounted results of our associates, mainly Tencent, mail.ru and Abril, grew to R1,47 billion (2008: R654 million). All three enterprises performed excellently under exceptional leadership teams.

As reported at the interim stage, the impairment of equity-accounted investments refers mostly to our withdrawal from a German mobile TV project due to an unfavourable regulatory environment. A R2,97 billion profit was made on the sale of pay-TV businesses in Greece and Cyprus. The proceeds are once-off in nature and were applied to long-term debt.

The net effect of the above is that core headline earnings for the year grew by 9% to R4,4 billion. A calculation of headline and core headline earnings is detailed below.

INTERNET

The internet segment recorded revenue of R3,8 billion, which stepped up after the inclusion of Allegro, Ricardo and Gadu-Gadu. Operating profit before amortisation and other gains/losses of R128 million was recorded.

The e-commerce operations of Allegro (Eastern Europe) and Ricardo (Western Europe) generated revenues of R1,9 billion. The aggregate e-businesses achieved ahead of expectations. New services were launched in some countries.

Gadu-Gadu in Poland bedded down and now has 15 million registered users. A casual gaming portal and virtual network was added and further expansion is planned.

In China Tencent performed ahead of expectations with growth on most platforms. The Olympics increased traffic to around one billion page views per day and peak concurrent users exceeded 57 million. The addition of several new games produced steady growth. Tencent's contribution to core headline earnings increased to R1,2 billion (2008: R615 million).

In India ibibo is growing its small internet business and focuses on social media, search and advertising. In terms of an agreement with Tencent, the two companies will jointly develop the Indian business.

In Russia mail.ru expanded its base to 58 million active email users. This business contributed R87 million (2008: R49 million) to our core headline earnings. It is maturing by developing multiple revenue streams.

PAY TELEVISION

Overall, the pay-TV segment expanded revenues by 29%, owing to subscriber growth. Operating margins diminished due to costs of building the subscriber base, as well as higher content costs resulting from increased competition.

In South Africa the base grew by 453 000 gross subscribers to 2 401 000 households. The mid-priced *Compact* bouquet proved the most popular. Advertising revenues retreated on the back of an economic slowdown.

Segmental Review

	Revenue 2009 R'm	Revenue 2008 R'm	Revenue % Change	Ebitda 2009 R'm	Ebitda 2008 R'm	Ebitda % Change
Pay television	**14 858**	11 542	29	**5 197**	4 272	22
Internet *	**3 833**	1 624	+100	**292**	(64)	+100
Technology	**1 514**	1 081	40	**(75)**	(126)	41
Print **	**6 480**	6 271	3	**822**	858	(4)
Corporate services	**5**	–	–	**(210)**	(40)	–
	26 690	20 518	30	**6 026**	4 900	23

	Operating profit before amortisation and other gains/(losses) 2009 R'm	2008 R'm	% Change	Operating profit 2009 R'm	Operating profit 2008 R'm	Operating profit % Change
Pay television	**4 737**	3 940	20	**4 269**	3 845	11
Internet *	**128**	(142)	+100	**(507)**	(234)	+100
Technology	**(132)**	(168)	21	**(308)**	(250)	23
Print **	**596**	650	(8)	**541**	560	(3)
Corporate services	**(213)**	(42)	–	**(212)**	(43)	–
	5 116	4 238	21	**3 783**	3 878	(2)

* Excluding our share of Tencent and mail.ru.
** Excluding Abril.

Consolidated Income Statement

	Year ended 31 March 2009 R'm	Year ended 31 March 2008 R'm	% Change
Revenue	**26 690**	20 518	+30
Cost of providing services and sale of goods	**(13 531)**	(10 778)	
Selling, general and administration expenses	**(9 289)**	(5 877)	
Other (losses)/gains – net	**(87)**	15	
Operating profit	**3 783**	3 878	
Interest received	**572**	826	
Interest paid	**(878)**	(324)	
Other finance income – net	**3**	503	
Share of equity-accounted results	**1 473**	654	
Impairment of equity-accounted investments	**(214)**	(279)	
Profit on sale of investments	**36**	16	
Profit before taxation	**4 775**	5 274	
Taxation	**(1 436)**	(1 378)	
Profit after taxation	**3 339**	3 896	
Profit from discontinued operations	**127**	243	
Profit/(loss) arising on discontinuance of operations	**2 965**	(82)	
Profit for the year	**6 431**	4 057	
Attributable to:			
Naspers shareholders	**5 761**	3 418	
Minority shareholders	**670**	639	
	6 431	4 057	+58
Core headline earnings for the period (R'm)	**4 373**	3 996	+9
Core headline earnings per N ordinary share (cents)	**1 179**	1 130	+4
Fully diluted core headline earnings per N ordinary share (cents)	**1 169**	1 104	+6
Headline earnings for the period (R'm)	**3 065**	3 806	(19)
Headline earnings per N ordinary share (cents)	**826**	1 076	(23)
Fully diluted headline earnings per N ordinary share (cents)	**819**	1 051	(22)
Earnings per N ordinary share (cents)	**1 553**	967	+61
Fully diluted earnings per N ordinary share (cents)	**1 540**	944	+63

Abridged Consolidated Statement of Changes in Equity

	Year ended 31 March 2009 R'm	Year ended 31 March 2008 R'm
Balance at beginning of year	**33 147**	21 570
Movement in treasury shares	**(405)**	(2 180)
Share capital and premium issued	**123**	4 752
Foreign currency translations	**(3 544)**	3 529
Movement in valuation reserve	**(6)**	1 849
Movement in cash flow hedging reserve	**(321)**	218
Movement in share-based compensation	**432**	155
Transactions with minority shareholders	**336**	24
Net profit for the year	**6 431**	4 057
Dividends	**(976)**	(827)
Balance at end of year	**35 217**	33 147

Abridged Consolidated Cash Flow Statement

	Year ended 31 March 2009 R'm	Year ended 31 March 2008 R'm
Cash flow from operating activities	**3 913**	4 411
Cash flow generated from/(utilised in) investment activities	**1 217**	(18 331)
Cash flow (utilised in)/from financing activities	**(6 839)**	8 856
Net movement in cash and cash equivalents	**(1 709)**	(5 064)
Foreign exchange translation adjustments	**187**	908
Cash and cash equivalents at beginning of year	**7 325**	11 481
Cash and cash equivalents at end of year	**5 803**	7 325
Included in:		
– Cash and cash equivalents	**5 724**	6 690
– Assets classified as held for sale	**79**	635
	5 803	7 325

Calculation of Headline and Core Headline Earnings

	Year ended 31 March 2009 R'm	Year ended 31 March 2008 R'm
Net profit attributable to shareholders	**5 761**	3 418

In South Africa the base grew by 453 000 gross subscribers to 2 401 000 households. The mid-priced *Compact* bouquet proved the most popular. Advertising revenues retreated on the back of an economic slowdown.

In the rest of sub-Saharan Africa, a focus on local content and SuperSport's coverage of the Olympics reached 230 000 additional gross subscribers, taking the base to 916 000 homes. The *Compact* bouquet stands at 313 000. More competition across the continent is reflected in higher prices for sports content.

Mobile-TV licences were activated in Ghana, Kenya, Namibia and Nigeria. Construction of DVB-H networks and employment of staff in these markets continues.

Irdeto delivered some 15 million conditional access units in the period. Serving operators rather than consumers, its business model was more impacted by the recession. Consolidation of various businesses into the Irdeto group has reduced development spend and operating costs.

PRINT MEDIA

Our printing business, Paarl Media, suffered two fires of which the latter caused the most serious loss of life and injury in the company's history. Our thoughts are with the bereaved families.

Print media operations in South Africa generated marginal revenue growth of 3%. Circulation and readership of newspapers and magazines mostly held up, whilst advertising felt the pinch of the economic slowdown. In this environment, operating costs have been reduced and capital expenditure reined in. The impact of these savings should materialise in the future.

The printing sector had revenue growth of 4%, although margins were affected by lower print volumes and exchange rates. The book publishing business is operating satisfactorily.

In Brazil Abril had an excellent year and its contribution to our core headline earnings increased to R414 million (2008: R150 million).

DIVIDEND

The board has recommended that the annual dividend be increased by 15% to 207 cents (previously 180 cents) per N ordinary share, and 41 cents (previously 36 cents) per unlisted A ordinary share. If approved by shareholders, dividends will be payable to shareholders recorded in the books on 11 September 2009. It will be paid on 14 September 2009. The last date to trade cum dividend will be on 4 September 2009.

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Our financial results for the year ended 31 March 2009 have been prepared according to IAS 34 "Interim Financial Reporting" in accordance with International Financial Reporting Standards ("IFRS"), the requirements of the South African Companies Act, No 61 of 1973 and in compliance with the Listings Requirements of the JSE Limited. Accounting policies are consistent with those applied in the previous period and IFRS. These results have been audited by the company's auditor, PricewaterhouseCoopers Inc., whose unqualified report is available for inspection at the registered office of the company.

Some aspects: Preference dividend income was previously included in "interest received", but has been reclassified to "other finance income" to better reflect its nature. During the year the purchase price allocation for the acquisition of Tradus plc was finalised as follows: goodwill decreased by R3,2 billion, intangible assets increased by R3,9 billion and deferred tax liabilities increased by R731 million. The group restated its balance sheet at 31 March 2008 accordingly.

SIGNIFICANT ACQUISITIONS

In September 2008 the group acquired 100% of Vatera.hu, an online auction company in Hungary, for cash of approximately R183 million (US$23 million). We are currently finalising the purchase price allocation and have recorded it, based upon a preliminary appraisal, as follows: net tangible assets R2 million, intangible assets R54 million and the balance to goodwill.

In December 2008 the group closed an agreement to acquire a 37% interest in Xin An Media, a leading newspaper publisher in China, for a cash consideration of R315 million (US$31 million). The purchase price allocation is being finalised. A preliminary appraisal shows: net tangible assets R133 million, intangible assets R162 million and the balance to goodwill.

In December 2008 the group bought 10% more of mail.ru (together with an investment that increased our interest in Molotok) for cash of R1,03 billion (US$101 million), bringing our total shareholding in mail.ru to 42,9%. We recorded the purchase consideration, based upon a preliminary appraisal, as follows: net tangible assets R270 million and the balance to goodwill.

The group also made some smaller acquisitions for a combined cost of approximately R598 million (US$68 million). Revenues and profits from these acquisitions were not material to consolidated results.

DISCONTINUED OPERATIONS

In April 2008 the group announced a process to sell NetMed, the pay-TV business in Greece and Cyprus, to ForthNet SA. The transaction was concluded in August 2008 and accounting profit on disposal of R2,97 billion recorded. The transaction was accounted for as a discontinued operation in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

SUBSEQUENT EVENTS

On 10 November 2008 the group announced an agreement for the sale of MWEB's sub-Saharan Africa business, excluding South Africa. The purchase price for our share was some R500 million and the transaction closed after year-end in April 2009.

On 9 June 2009 the group announced that it had made a public tender offer to acquire up to 100% of Warsaw-listed financial portal Bankier.pl. Bankier provides financial news, analysis and comparison-shopping information on consumer financial products. If successful, Allegro, a subsidiary of the group, intends to integrate Bankier.pl's products and services into its e-commerce platform in Poland. Assuming 100% acceptance of the offer, the total investment will be approximately R156 million (PLN62,8 million).

On behalf of the board

Ton Vosloo
Chairman

Koos Bekker
Managing director

Cape Town
30 June 2009

N ordinary share (cents)	**819**	1 051	(22)
Earnings per N ordinary share (cents)	**1 553**	967	+61
Fully diluted earnings per N ordinary share (cents)	**1 540**	944	+63
Net number of shares issued ('000)			
– At period-end	**372 451**	370 558	
– Weighted average for the period	**371 004**	353 622	
– Fully diluted weighted average	**374 108**	362 106	

Abridged Consolidated Balance Sheet

	31 March 2009 R'm	31 March 2008 R'm
ASSETS		
Non-current assets	**40 873**	42 553
Property, plant and equipment	**4 754**	4 541
Goodwill and other intangible assets	**20 916**	24 914
Investments and loans	**14 276**	12 507
Deferred taxation	**871**	466
Other non-current assets	**56**	125
Current assets	**13 001**	12 940
Assets classified as held for sale	**686**	2 030
TOTAL ASSETS	**54 560**	57 523
EQUITY AND LIABILITIES		
Share capital and reserves	**33 591**	31 909
Minority shareholders' interest	**1 626**	1 238
Total equity	**35 217**	33 147
Non-current liabilities	**8 991**	13 784
Capitalised finance leases	**865**	1 112
Liabilities – interest-bearing	**5 934**	10 629
– non-interest-bearing	**118**	181
Post-retirement medical liability	**155**	142
Derivatives	**543**	8
Deferred taxation	**1 376**	1 712
Current liabilities	**10 088**	8 935
Liabilities classified as held for sale	**264**	1 657
TOTAL EQUITY AND LIABILITIES	**54 560**	57 523
Net asset value per N ordinary share (cents)	**9 019**	8 611

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 as we are human and the future unknowable.

Directors
T Vosloo (chairman), J P Bekker (managing director), F-A du Plessis, G J Gerwel, R C C Jafta, L N Jonker, 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 Willemse

Company secretary
G Kisbey-Green

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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.

	2009 R'm	2008 R'm
Net profit attributable to shareholders	**5 761**	3 418
Adjusted for:		
– impairment of goodwill and other assets	**26**	48
– loss/(profit) on sale of assets, plant and equipment	**27**	(15)
– discontinuance of operations	**(2 965)**	82
– gain on loan settlement	**–**	(87)
– (profit)/loss on sale of investments	**(10)**	512
– impairment of equity-accounted investments	**214**	348
	3 053	4 306
Total tax effect of adjustments	**5**	(486)
Total minority interest of adjustments	**7**	(14)
Headline earnings	**3 065**	3 806
Discontinued operations	**(129)**	(258)
Headline earnings from continuing operations	**2 936**	3 548
Headline earnings	**3 065**	3 806
Adjusted for:		
– (profit)/loss from discontinued operations	**(129)**	48
– treasury settled share scheme charges	**258**	47
– creation of deferred tax assets	**(58)**	(244)
– amortisation of intangible assets	**958**	410
– fair-value adjustments and currency translation differences	**279**	(71)
Core headline earnings	**4 373**	3 996

Supplementary Information

	Year ended 31 March 2009 R'm	Year ended 31 March 2008 R'm
Depreciation of property, plant and equipment	**910**	662
Amortisation of intangible assets	**1 246**	375
Other (losses)/gains – net	**(87)**	15
– (loss)/profit on sale of property, plant and equipment and intangible assets	**(25)**	8
– impairments of goodwill and intangible assets	**(18)**	(20)
– impairments of tangible assets	**(30)**	(28)
– dividends received	**–**	1
– gain on loan settlement	**–**	87
– fair-value adjustment on financial instruments	**(14)**	(33)
Net finance costs/(income)	**303**	(1 005)
– interest received	**(572)**	(826)
– interest paid	**769**	224
– interest on finance leases	**109**	100
– net foreign exchange translation differences and fair-value adjustments on derivative instruments	**374**	(167)
– preference dividends received	**(377)**	(336)
Investments and loans	**14 276**	12 507
– listed investments	**3 591**	2 282
– unlisted investments	**10 685**	10 225
Market value of listed investments	**44 491**	29 306
Directors' valuation of unlisted investments	**10 685**	10 225
Commitments	**14 205**	8 682
– capital expenditure	**359**	642
– programme and film rights	**8 063**	4 804
– network and other services commitments	**4 770**	2 138
– operating lease commitments	**701**	802
– set-top box commitments	**312**	296
Analysis of equity-accounted results		
Tencent	**1 217**	615
Abril	**414**	150
mail.ru	**87**	49
Other	**(41)**	(42)
Contribution to core headline earnings	**1 677**	772
Amortisation – intangible assets	**(179)**	(214)
Deferred tax assets created	**–**	244
Discontinued operations	**–**	(62)
Contribution to headline earnings	**1 498**	740
Impairment of assets	**–**	(18)
Sale of assets	**(17)**	–
Sale of investments	**(8)**	(68)
Share of equity-accounted results	**1 473**	654