NASPERS

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

Provisional report

Summary of the audited results of the Naspers group for the year ended 31 March 2012

Commentary

Naspers experienced growth across most of its businesses. Full year consolidated revenues grew 19%. Core headline earnings were up 15%, achieved while accelerating organic development. This solid growth was achieved against the background of continued worldwide economic turmoil.

The internet segment remains the fastest-growing area, with several new services under development. The pay-television segment recorded satisfactory progress in subscribers and is currently focused on expanding into online services and the delivery of digital terrestrial television services.

The print media segment had a more favourable year, with improved revenue and earnings growth.

FINANCIAL REVIEW

The lift of 19% in consolidated revenues to R39,5bn was buoyed by our internet businesses, where revenues jumped 59%. Growth in the subscriber base resulted in pay-television revenues increasing 15%, while print revenues were up 12%. Consolidated development costs however, also accelerated to R2,8bn (2011: R1,5bn) resulting in a 6% decline in consolidated trading profit.

The interest cost on net borrowings decreased to R517m, a result of lower costs of funding. Core earnings from equity-accounted associates grew 38% to R5bn, mainly from Tencent, Mail.ru and Abril.

Total core headline earnings were R6,9bn – an increase of 15% on the prior year. The group impaired goodwill and intangible assets of R1,2bn, net of tax, in respect of investments where progress lagged our expectations. Positive free cash flows were R3,6bn. Our balance sheet remains sound, with total consolidated net debt, excluding capitalised satellite leases, of R4,6bn.

SEGMENTAL REVIEW

This segmental review includes our consolidated subsidiaries, plus the proportional consolidation of associated companies.

Pay television

The pay-television businesses recorded growth of 684 000 subscribers in the year and the total base now stands at 5,6 million homes. Revenues were up 15% to R24,1bn, while trading profits grew 11% to R6,3bn. We continue to reinvest in the business, including upgrading our technology and broadcast infrastructure.

In South Africa the gross base added 492 000 to some four million households, of which 293 000 new clients came from the lower-priced *Compact* bouquet. The roll-out of *BoxOffice*, where PVR subscribers view the latest blockbuster movies, proved popular with an average monthly rental of more than 300 000 movies.

In the rest of Africa our subscribers increased by 192 000 to reach 1,6 million homes. The lower-priced *Compact/Family* bouquets now account for 42% of the base. Trading margins were reduced by investment in local content, decoder subsidies and the development of new products.

Digital terrestrial services, under the brand name *GOtv*, were launched in Zambia, Uganda, Kenya and Nigeria. We plan to continue investing in the expansion of digital terrestrial networks.

Competitive pressures and regulatory scrutiny continue to intensify across the continent.

Internet

Overall the internet segment reported revenue growth of 59%. Increased focus on organic expansion and expensing that cost, meant that trading profits increased at a slower rate of 9% to R3,8bn.

In China, Tencent had a lively year in which it enhanced its core user experience and achieved growth in both revenue and earnings. Our share of its revenues grew by 59% to R11,5bn and core headline earnings were up 38% to R4,4bn. Peak simultaneous online instant messaging users increased by 22% to 167 million, while total user accounts grew to 752 million.

In Russia, Mail.ru delivered strong growth in communication, online gaming and social networks. Mail.ru's portal reached 33 million unique users. Our share of Mail.ru's reported revenues grew by 66% to R1,1bn and core headline earnings were up 139% to R364m.

In aggregate our other internet businesses together also reported robust revenue growth of 57% and a trading loss of R1,2bn, the direct result of increased organic development costs. In Eastern Europe Allegro grew revenues by 58% as it broadened its product offerings and diversified its revenue streams. In Latin America our e-commerce business BuscaPé continued to make headway as it more than doubled its revenue.

Print media

Our South African operations showed slightly improved revenue growth of 15%, largely the result of commercial print contracts. Trading profits recovered as the business continued to manage costs. Abril's operations in Brazil grew revenue by 10% and trading profit by 18%.

Technology

Growth in conditional access revenues was offset by lower revenues in other product lines. Investment in new products, which position Irdeto to secure internet distributed digital assets and content, resulted in a marginal trading loss.

Outlook

In general the broader markets and specific business sectors in which we operate remain vibrant. While significant competitive, regulatory and technology challenges present themselves, so do opportunities. We will continue to explore these opportunities with the objective of growing our businesses for the long term.

DIVIDEND NUMBER 83

The board has taken cognisance of recent amendments to the taxation of dividends, and recommends that the annual gross dividend be increased by 24% to 335 cents (previously 270 cents) per listed N ordinary share, and 67 cents (previously 54 cents) per unlisted A ordinary share. If approved by shareholders at the annual general meeting to be held on 31 August 2012, dividends will be payable to shareholders recorded in the books on Friday 21 September 2012, and will be paid on Tuesday 25 September 2012. The last date to trade cum dividend will be on Friday 14 September 2012. (The shares will therefore trade ex dividend from Monday 17 September 2012.) Share certificates may not be dematerialised or rematerialised between Monday 17 September 2012 and Friday 21 September 2012, both dates inclusive.

The dividend has been declared from income reserves. There are R502 122 976 STC credits available for utilisation. Accordingly the STC credit available is 121,91778 cents per listed N ordinary share and 24,37512 cents per unlisted A ordinary share. The amount per share subject to the 15% dividend tax (DT) is therefore 213,08222 cents per listed N ordinary share and 42,62488 cents per unlisted A ordinary share. DT will amount to 31,96233 cents per listed N ordinary share and 6,39373 cents per unlisted A ordinary share. As a result N ordinary shareholders will receive a net dividend amount of 303,03767 cents per share and A ordinary shareholders will receive a net dividend amount of 60,60627 cents per share. The issued ordinary share capital as at 26 June 2012 is 411 711 353 N ordinary shares and 712 131 A ordinary shares. The company's income tax reference number is 9550138714.

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

This provisional report for the year ended 31 March 2012 has 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. 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 available for inspection at the registered office of the company.

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

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.

On behalf of the board

Ton Vosloo
Chairman

Koos Bekker
Chief executive

Cape Town
26 June 2012

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 Willemse

Company secretary

G Kisbey-Green

Registered office

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Cape Town 8001
(PO Box 2271, Cape Town 8000)

Transfer secretaries

Link Market Services South Africa Proprietary Limited
11 Diagonal Street, Johannesburg 2001
(PO Box 4844, Johannesburg 2000)

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 Year ended 31 March			EBITDA Year ended 31 March			Trading profit Year ended 31 March		
	2012 R'm	2011 R'm	% Change	**2012 R'm**	2011 R'm	% Change	**2012 R'm**	2011 R'm	% Change
Pay television	**24 093**	21 025	15	**7 276**	6 542	11	**6 331**	5 727	11
Internet	**19 192**	12 092	59	**4 559**	3 945	16	**3 800**	3 493	9
– Tencent	**11 455**	7 215	59	**5 158**	3 795	36	**4 659**	3 543	31
– Other	**7 737**	4 877	59	**(599)**	150	+100	**(859)**	(50)	+100
Print	**12 071**	10 758	12	**1 465**	1 194	23	**1 090**	872	25
Technology	**1 166**	1 228	(5)	**57**	188	(70)	**(11)**	128	+100
Economic interest	**56 522**	45 103	25	**13 357**	11 869	13	**11 210**	10 220	10
Corporate services	**–**	–	–	**(198)**	(239)	–	**(199)**	(240)	–
Less: Associates	**(17 035)**	(12 018)	42	**(6 199)**	(4 481)	38	**(5 526)**	(4 142)	33
Consolidated	**39 487**	33 085	19	**6 960**	7 149	(3)	**5 485**	5 838	(6)

Reconciliation of trading profit to operating profit

	Year ended 31 March 2012 R'm	Year ended 31 March 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

	Year ended 31 March 2012 R'm	Year ended 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

	Year ended 31 March 2012 R'm	Year ended 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

	Year ended 31 March 2012 R'm	Year ended 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

	Year ended 31 March 2012 R'm	Year ended 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

	Year ended 31 March 2012 R'm	Year ended 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

	Year ended 31 March 2012 R'm	Year ended 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 deferred 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

Business combinations (IFRS 3)

In April 2011 the group acquired an 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 an 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.

Supplementary information

	Year ended 31 March 2012 R'm	Year ended 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
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)
– foreign currency translation reserve 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