Naspers 2010 Sustainability report

Reporting parameters and management approach
This is our third sustainability report prepared in accordance with the guidelines of the Global Reporting Initiative (GRI). In the period under review, the group increased its focus on the potential impact on the environment as well as enhanced its reporting. Many of the aspects covered in the GRI guidelines are also included in the annual report on the Naspers corporate internet site (www.naspers.com).

Our South African operations publish separate annual and sustainability reports on www.media24.co.za and www.multichoice.co.za. The reporting period is in line with the group fiscal year, being 1 April 2009 to 31 March 2010.

Naspers’s view on sustainability is in line with that of the GRI and it aims to identify the areas where it can contribute most towards creating value for its shareholders. Any feedback can be communicated directly to gri@naspers.com.

Reporting scope
The activities of the operations in which Naspers has management control in South Africa are included in this report, except for areas where another scope is specifically indicated.
STRATEGY AND ANALYSIS

Balancing people profit planet
The Naspers group play a role in the sustainable development of South Africa. We pay taxes to government and remuneration to our employees. Socially we contribute via community involvement. We strive to protect the environment through our efforts to reduce the group impact by using sophisticated printing technologies, recycling and focusing on energy efficiency.

Several broad-based black economic empowerment schemes have been introduced over the years.

Naspers is one of the most empowered media companies in South Africa for the third year running, according to the Financial Mail empowerment survey that reviews the top listed companies on the JSE for black economic empowerment.

One of the group’s most important contributions in its home country has been education. We play a part in improving literacy levels. Television opens up the world to many people.

SuperSport has become the prime funder of sports leagues across the continent. Without SuperSport, sport across sub-Saharan Africa will be a lot poorer. It also promotes social and economic goals regarding sport across Africa.

Naspers’s international businesses are mostly internet platforms (focusing on commerce, communities, content, communication and games). Each has programmes in place to address training and staff wellness needs. Generally, internet businesses are considered to have a lower impact on the environment than print media, primarily use of electricity.

As we expand the group’s international presence in emerging markets, the focus will remain on sustainable development. We want to contribute to the communities in which we operate; develop our own people; contribute to economic prosperity at national and individual level; and minimise our impact on the environment.
Naspers operates platforms that link users to media services, content and means of communication.

The strategy is to provide entertainment, trading opportunities and information and the ability for users to participate in communities wherever they are.

The group’s expertise lies in the following:

- packaging content and creating communities
- building brand names around them, and
- running platforms that distribute media products, support e-commerce and sell advertising.

Naspers manages paying subscribers, concentrates on the media, trading and communication needs of individual users and also develops and sells useful media technologies. Through its various operations, the group wants to be useful to the communities it serves and use its expertise to that end.

During the past year Naspers’s revenue grew by 5% to R28bn. Our operational profit increased by 10% to R5,4bn (2009: R4,9bn). Using a stable currency, operational profit growth would have been around 17%. Group margins improved mainly due to cost management and delayed development spend.

In Latin America, BuscaPé was added to the group in September 2009. This internet unit is growing its core comparison shopping business and broadening its base by rolling out new services including electronic payments, classified advertising and affiliate advertising networks.

MultiChoice’s South African DStv subscriber base grew by 450 000, bringing total households to 2,85m at 31 March 2010. The Compact bouquet, which targets the emerging market, recorded growth of 245 000 to close the year on 716 000 homes. After a satisfactory festive season, MultiChoice experienced a slowdown of growth in new subscriptions in the last quarter of the financial year.

The popular personal video recorder (PVR) reached 364 000, whilst the number of homes subscribing to the XtraView service grew to 416 000. This enables subscribers to enjoy two
independent viewing environments by linking two decoders. The high-definition PVR (one of the most advanced in the world) and XtraView capability were developed by South African engineers.

The print media operations in South Africa recorded a top-line decline of 5%. Circulation of newspapers and magazines held up remarkably, but advertising felt the blows. In a recession people read more, but advertisers spend less. Operating costs have been reduced and capital expenditure reigned in. We were able to grow market share marginally.

The regulatory environment remains uncertain. The anticipated broadband policy is yet to be published, while doubt surrounds the South Africa’s standard for digital terrestrial television. Final regulations on the digital migration process have been published by the Independent Communications Authority of South Africa (Icas). These are intended to pave the way for a migration from the current analogue terrestrial to digital terrestrial broadcasting. Regulations and the invitation to apply for radio frequency spectrum to provide mobile television have been issued.

Looking ahead, we mostly have resilient businesses in emerging markets that are still expanding. Competition in pay TV, regulation and consumer spending remains a challenge.

Focussing on the internet, we plan to grow the group through a combination of organic growth and acquisitions. Stringent processes are applied when evaluating investment opportunities. We aim to deliver value to our shareholders over the medium to longer term. We continue to evaluate the group’s impact on the environment.
ORGANISATIONAL PROFILE AND OPERATIONAL REVIEW

Naspers Limited was incorporated in 1915 under the laws of the Republic of South Africa. It is a global group operating business segments: internet, pay television, print media and technology in emerging markets, as reflected in our global footprint.

Our mature businesses segments, namely print media and pay television, operate mainly from South Africa. Print media is a resource-intense segment employing most of our staff. The electronic platforms, being pay television and internet, are less resource intensive and employ proportionately fewer people than print media.

The group operates mainly in the following geographical areas:

**Africa** – The group derives revenues from television platform services, print media activities, internet services, technology products and services, and book publishing. The activities in the Republic of South Africa are the most significant in this segment. Mobile television licences were
activated in Ghana, Kenya, Namibia and Nigeria. Construction of DVB-H networks and employment of staff in these markets continue.

**Europe** – The group’s activities comprise its interest in internet activities based in Central and Eastern Europe and Russia. Furthermore, the group generates revenue from interactive television and technology products and services provided by subsidiaries based in the Netherlands. The largest markets of e-commerce platforms Allegro (Eastern Europe) and Ricardo (Western Europe) are Poland and Switzerland. New services were launched in some smaller markets. In Russia, Mail.ru continues to grow and is developing multiple revenue streams.

**Asia** – The group’s activities comprise its interest in internet and print activities based in China, India and South-east Asia. In China, the group has an investment in Tencent, listed on the Hong Kong stock exchange ([www.tencent.com](http://www.tencent.com)). In India, ibibo is growing its internet business, focusing on social media, search and advertising. An agreement was concluded with Tencent, whereby the two companies will jointly develop the Indian business.

**Latin America** – Includes the group’s provision of various products through subsidiaries and associates located mainly in Brazil where BuscaPê and Abril operate.

**Operational review of South African business**

In South Africa advertising revenues retreated on the back of a general slowdown. More competition across the continent is reflected in higher prices for some content.

**MultiChoice South Africa** is based in Johannesburg. The group has terrestrial analogue and digital direct-to-home (DTH) satellite television platforms.

The existing analogue system has been around for some 20 years, delivering the main M-Net entertainment channel and Community Services Network (CSN). The analogue system uses 72 transmitter sites to deliver content exclusively to South Africa.
Via our satellite broadcasting platforms, MultiChoice imports channels from all over the world. These are packaged with local channels originating in the countries in which we operate, to form compelling entertainment bouquets for subscribers.

A variety of new channels and programmes were added to the DStv offering to ensure it remains exciting. New channels include Discovery World, Ignition (motor), Koowee (children) and Vuzu (young adult). New media elements such as SMS and SNS were incorporated into the Vuzu offering. The DStv service offering was further enhanced with the launch of two more high-definition (HD) channels, namely Discovery HD showcase and SuperSport HD. Preparation is under way for Mzansi Magic, a new channel for the emerging market.

Local productions remain a drawcard. These include Carte Blanche, and its two new spin-offs, Carte Blanche Consumer and Carte Blanche Medical. Also popular were All Access, I Wanna Be and the popular reality shows Big Brother Africa and Survivor South Africa.

The year under review started on a high note with the Indian Premier League cricket being played in South Africa.

For the 2010 Fifa World Cup, SuperSport showcased five channels, with three broadcasting 24 hours daily. There were also four daily magazine shows: Chase the Makarapa, Woza Lunchtime, Supernova and Harambee.

Media24 is a leading print media business in Africa, with operations spread throughout South Africa. The Media24 group publishes magazines and newspapers, and is a printer and distributor of magazines, newspapers and related products in Africa. Media24 is also the holding company for the book publishing and distribution business, Via Afrika. Media24 experienced difficult trading conditions. Circulation of newspapers and magazines held up remarkably, but advertising and book
sales felt the pinch of the economic slowdown. In this environment, operating costs have been reduced and capital expenditure reigned in.

Newspapers

It was a year of intense cost management for our newspaper business. Loss-making publications were closed, and businesses streamlined and refocused to ensure that optimal structures are in place for growth. Cost savings were achieved through staff reductions and improved efficiency.

Despite difficult trading conditions, we grew both advertising and circulation market share.

Emerging-market products continue to perform well. Daily Sun is the largest daily newspaper in Africa, with an average circulation of almost 500 000 copies per day.

Magazines

The past year was one of the toughest for the magazine industry worldwide, marked by steep declines in advertising. Locally circulation remained remarkably stable. Thanks to the strength of our diverse portfolio of titles, Media24 magazines was able to grow its market share for both advertising and circulation.

The division established a dedicated business unit, Thought24, to focus on the growing needs of the female emerging market with titles such as True Love, Move! and Real.

Paarl Media

Margins came under pressure. We had numerous plant amalgamations or moves to ensure that efficiencies of scale and physical location are achieved. A new printing works is being developed in KwaZulu-Natal to enable Paarl Media to provide flexible production facilities to its target market.

24.com

24.com, is a leading internet publisher in South Africa, growing by 34% to 2,7m users across its network of sites. News24 remains the top local destination with 1,6m unique users per month. A variety of subbrands including Fin24, Sport24 and Health24 are category leaders. During the year News24 extended its brand into mobile applications for the iPhone, Android, Blackberry and Nokia
platforms, and increased its WAP (wireless application protocol) mobile audience. 24.com also launched innovative projects such as Afridocor and Flirtaroo.

Kalahari.net is a market leader in South African e-commerce. The company provides the broadest range of products at competitive prices and has grown by 32% over the past year. Several new product categories are showing growth. Kalahari.net Kenya and Kalahari.net Nigeria were launched and will leverage the product catalogue from South Africa. In addition, Kalahari.net’s Market Place was introduced in South Africa to offer consumer-to-consumer (C2C) trading for new and used products.

Via Afrika

The book publishing business had a tough year. Educational publishers underperformed, due mainly to reduced spend by government education departments, whilst general publishers were hit by the economic downturn. However some units, like NB Publishers sailed on.
The Naspers portfolio

Internet platforms mainly in Central and Eastern Europe, China, Russia, Latin America, Africa, India and Thailand. Services include e-commerce, communities, communication, social networks, entertainment and mobile applications.


Pay-television subscriber platforms and channels, including mobile television, in Africa

TECHNOLOGY: Developing some underlying technologies for internet, pay television and mobile platforms.


TECHNOLOGY: Indeto, Clockware, Entic.

Magazines, newspapers, printing, distribution and book publishing businesses in South Africa, as well as print media investments in Brazil and China


PRINTING – Paarl Gravure, Pearl Media, Pearl Print, Pearl Labels, Pearl Web, Pearl Web Gaukeng, Print24.

LOGISTICS – ON THE DOT.

GOVERNANCE

Governance and sustainability are essential for stakeholders of the Naspers group. The board of directors conducts the group’s business with integrity by applying appropriate corporate governance policies and practices in each company in the group.

Several of Naspers’s subsidiaries are governed by independent boards of directors, all of which have established their own governance practices and subcommittees that comply, as appropriate to the companies, with the necessary governance and regulatory requirements.

On an ongoing basis Naspers continues to evaluate areas where governance at a corporate and subsidiary level can be strengthened. The impact of the new Companies Act in South Africa, as well as the King III Code on Corporate Governance, was a focus over the past year. The Naspers board, its subcommittees and the boards and subcommittees of subsidiaries MIH, MultiChoice and Media24, made good progress in assessing the principles and practices contained in King III. Subsequent to the year end the Naspers board approved a plan to address aspects of King III, the implementation of which is under way. Where appropriate for the group, the necessary changes to our governance policies and practices will be made. If any principles or practices are found to be inappropriate for the group, the reason for not implementing King III’s recommendations will be disclosed.

Naspers will produce an integrated report for the financial year ended 31 March 2011 and report on the application of King III at that time.

Background

The board of directors conducts the group’s business with integrity by applying appropriate corporate governance policies and practices in each company in the group.

Naspers is a multinational media group with operations in various countries in Africa, South America, Europe, China, India, south-east Asia and the USA. Its primary listing is on the JSE Limited (JSE).
The company is therefore subject to the Listings Requirements of the JSE, the guidelines contained in the King Report on Corporate Governance for South Africa 2002 (King II), as well as legislation applicable to publicly listed companies in South Africa. The implications of the new Companies Act, No. 71 of 2008 in South Africa (signed into law on 8 April 2008), as well as the King III Code and Report on Corporate Governance in South Africa are presently being analysed. Naspers also has a secondary listing of its American Depositary Shares (ADSs) on the London Stock Exchange (LSE).

**Business ethics**

In support of the requirements of King II, the company has formalised its business ethics management process within the group. The group code of business ethics is compliant with appropriate regulatory requirements.

This code applies to all directors and employees in the group. Ensuring that controlled group companies adopt appropriate processes and establish supporting policies and procedures is an ongoing process. Policies and procedures that address key ethical risks, such as managing conflicts of interests and the acceptance of inappropriate gifts, are focussed on.

The human resources committee acts as the overall custodian of business ethics. The disciplinary codes and procedures of the various companies are used to ensure compliance with the policies and practices that underpin the overall code of business ethics. Unethical behaviour by senior staff members is reported to the human resources committee, as well as the manner in which the company’s disciplinary code was applied in such instances.

Naspers is committed to conducting its business with integrity. This commitment is captured in our integrity chain, which expresses the guiding principles. The group expects all directors and employees to share its commitment to business ethics and legal standards.

Compliance with both the JSE and applicable LSE Listings Requirements is monitored by the audit and risk management committees of the board.
The board’s audit, risk management, human resources and nomination committees fulfil key roles in ensuring good corporate governance. The group uses independent external advisers to monitor regulatory developments, locally and internationally, to enable management to make recommendations to the Naspers board on matters of corporate governance.

The board has a process to annually review the effectiveness and role of the board and its chair, as well as the effectiveness of the respective board committees. Assessment of the functioning of the audit and risk management committee includes a focus on the key competencies of the committee. Those subsidiaries with their own audit and risk management committees follow the same practice.

Whistle-blowing facilities are in place at most of the major subsidiaries. They make provision for employees to anonymously report unethical conduct in the workplace.

**Improvements made during the past year and plans for the year ahead**

The board, its subcommittees and the boards and subcommittees of subsidiaries MIH, MultiChoice and Media24, made good progress in assessing the principles and practices contained in King III. Subsequent to the year end the Naspers board approved revised board and subcommittee charters, which will come into effect in the new financial year. The responsibilities of the audit and risk management committee were separated and a new risk management committee was formed. Similar changes were approved by the boards of MIH, MultiChoice and Media24. A plan to address aspects of King III was approved, the implementation of which is well under way. Where appropriate for the group, the necessary changes to our governance policies and practices will be made. If any principles or practices are found to be inappropriate for the group, the reason for not implementing or not complying with King III’s recommendations will be disclosed. Naspers will produce an integrated report for the financial year ended 31 March 2011 and report on the application of King III at the time. The board recognises that practices and procedures can always be improved, and therefore reviews progress regularly.
The board

Composition
Naspers has a unitary board, which fulfils oversight and controlling functions. The board has a charter evidencing a clear division of responsibilities. The majority of board members are non-executive directors and independent of management, to ensure that no one individual has unfettered powers of decision making and authority. The roles of chair and managing director are separate, ensuring a clearly defined division of responsibilities.

On 1 April 2009 Mr Pacak was reappointed to the board as financial director after a three-month sabbatical. On 25 November 2009, Prof D Meyer was appointed as a new member of the board. Mr Boetie van Zyl fulfils the role of lead director in all matters not dealt with by the independent non-executive chair.

At 31 March 2010 the board comprised 11 independent non-executive directors, one non-executive director and two executive directors, as defined under the Listings Requirements of the JSE. Six directors (43%) are from previously disadvantaged groups and three directors (21%) are female. These figures are above the average for JSE-listed companies.

Please refer to the annual reports of Naspers, MultiChoice and Media24 for details about board members.
Short biographies of the Naspers board members appear in the annual report. The board members are:

Ton Vosloo  Rachel Jafta  Koos Bekker

Jakes Gerwel  Fred Phaswana  Debra Meyer  Steve Pacak

Boetie van Zyl  Francine-Ann du Plessis  Lambert Retief

Ben van der Ross  Lourens Jonker  Hein Willemse  Neil van Heerden
The chair

The chair is an independent, non-executive director. He provides guidance to the board as a whole and ensures that the board is efficient, focused and operates as a unit. He acts as facilitator at board meetings to ensure a flow of opinions and attempts to lead discussions to optimal outcomes in the interests of good governance. He also, on occasion, represents the board in external communications in consultation with the managing director and financial director.

Appointments to the board

The board has adopted a policy about procedures for the appointment and orientation of directors. The nomination committee periodically assesses the skills represented on the board by non-executive directors and determines whether these skills meet the company’s needs.

Annual self-evaluations conducted by the board and its subcommittees also assist with this. Directors are invited to give their input in identifying potential candidates. Members of the nomination committee, who are all non-executive, propose suitable candidates for consideration by the board. A “fit and proper” evaluation is performed for each candidate identified.

Retirement and re-election of directors

All non-executive directors are subject to retirement and re-election by shareholders every three years. In addition, all non-executive directors are subject to election by shareholders at the first suitable opportunity in the case of an interim appointment. The names of non-executive directors submitted for election or re-election are accompanied by brief biographical details in the annual report to enable shareholders to make an informed decision on their election. The reappointment of non-executive directors is not automatic.

Orientation and development

An induction programme is held for new members of the board and of key committees, specifically tailored to the needs of the individual appointees. This involves industry and company-specific orientation, such as meetings with senior management to facilitate an understanding of operations. Board members are also exposed to the main markets in which the group operates. The company secretary assists the chair with the induction and orientation of directors, including arranging specific training if required.
The company will continue director development to build on expertise and develop an understanding of the businesses and main markets in which the group operates.

**Conflicts of interest**
Potential conflicts of interest are appropriately managed to ensure that candidate directors, as well as existing directors, are free of conflicts of interest between the obligations they have to the company and their personal interests. Any interest in contracts with the company must be formally disclosed and documented. Directors must also adhere to a policy on the trading of securities of the company.

**Independent advice**
Individual directors may, after consulting with the chair or the managing director, seek independent professional advice, at the expense of the company, on any matter connected with the discharge of their responsibilities as directors.

Details of board charters and attendance are in the Naspers annual report.
ECONOMIC
Naspers reports its financial performance according to International Financial Reporting Standards (IFRS) and its complete annual financial statements are published in its annual report.

Consolidated view
The past financial year was characterised by challenging economic conditions. Also a strong rand, which had a negative impact on reported results when translating other currencies.

Revenue growth of 5% to R28bn (2009: R26.7bn) was recorded over the period. This muted growth was partly the result of pressure on print media, but mainly a stronger rand. Based on a stable currency, we estimate revenue growth would have been 11%.

In aggregate, the internet segment recorded revenue up by 24% to R9.2bn. Overall, the pay-television segment expanded revenues by 12%, due to subscriber growth of 634 000 net households. Both the print and technology segments suffered revenue declines due to economic conditions and the effects of a strong rand.
The revenue mix for 2010 is:

Our operational profit increased by 10% to R5,4bn (2009: R4,9bn). Using a stable currency, operational profit growth would have been around 17%. Group margins improved mainly due to cost management and delayed development spend.

Net interest costs for the year amounted to R535m (2009: R306m), the result of funding new acquisitions with debt and available cash balances. The group paid R1,8bn income tax in the reporting period, mostly to the South African government.

Naspers’s share of the equity-accounted results of its associates, mainly Tencent, and Abril, grew to R2,1bn (2009: R1,5bn).

A segmental analysis, reflecting the revenues and results per individual business segment, appears in note 36 to the consolidated annual financial statements.

Free cash flows of R4.1bn (2009: R2,4bn) were recorded. The financial position remains healthy with consolidated gearing, excluding transponder leases relevant to the Pay-tv business, of 5%.

During the year the group extended an offshore revolving credit facility with a syndicate of banks to March 2013 and increased the size of the facility to US$1,72bn. The drawdown on the facility at year-end was US$948m.
**Significant acquisitions**

- In September the group acquired 94.8% of Brazilian e-commerce group BuscaPé for approximately R2.7bn. This was funded from existing credit facilities.
- During October the group acquired 51% of Korbitec (Proprietary) Limited (an electronic platform for attorneys, banks, and other players in the property value chain) for cash of R158m, forming part of the South African internet operations.
- During November 2009 the group made a further cash investment of R771m into Mail.ru as part of its acquisition of Astrum Online. The group’s shareholding was diluted from 42% to 39%.
- The group also made some other acquisitions for a combined cost of approximately R700m. Revenues and profits from these were not material to consolidated results.

**South Africa**

Naspers started its operations in the print segment in South Africa almost 100 years ago, by publishing newspapers; it later grew its print businesses and established the pay television operations in the 1980’s. These businesses, namely the Media24 and MultiChoice South Africa groups are now mature operations and have been contributing to the South African economy for decades.
**MultiChoice South Africa group**

MultiChoice operates the Pay-TV interest of Naspers in South Africa. It also owns MWeb, the internet service provider as well as other smaller entities of which the details can be found on [www.multichoice.co.za](http://www.multichoice.co.za). MultiChoice South Africa provides certain services to the Pay-tv operations of Naspers in the rest of Africa. Both MWeb results and these intergroup service results are excluded from the analysis below, but included in the reported MultiChoice group statutory results in line with accounting standards.

The South African Pay-TV performance for the financial year 31 March 2010 is summarised in the slide below:

![Pay-TV: South Africa](http://www.naspers.com/)

**Continued growth**

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<th>Mar 09</th>
<th>Mar 10</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross subscribers ('000)</td>
<td>2,401</td>
<td>2,852</td>
<td>19%</td>
</tr>
<tr>
<td>ZARm</td>
<td>10,351</td>
<td>12,300</td>
<td>19%</td>
</tr>
<tr>
<td>Revenue</td>
<td>3,569</td>
<td>4,303</td>
<td>21%</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>34%</td>
<td>35%</td>
<td></td>
</tr>
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</table>

Despite tough economic conditions, the group (inclusive of MWeb and inter-Naspers group services) achieved satisfactory results, with revenues growing by 18% to R14,5bn (2009: 38% growth to R12,3bn). Subscriber revenue accounts for 67% of the revenues. The revenue mix has proven to be stable over recent reporting periods, representative of the group’s core business for the 2010 period.
Efficient spending is a priority for the group, closely managed specifically in the light of escalating pricing with respect to content. Investment in the future continues to be a priority in the areas where the group can make a difference.

**Tax**

The group has a history of significant contributions to the South African government through the taxes and levies it pays. Income tax paid at an effective rate of 27,1% amounted to over R1,2bn for 2010, a 16,4% increase from 2009 (R1,06bn).

Apart from income tax, employment taxes (PAYE) and levies, secondary tax on companies (10%), consumption tax in the form of value-added tax (14%), as well as capital gains tax (effective 14%) are paid on affected income.

**Dividends**

The group paid R36m dividends to its Phuthuma Nathi shareholders in 2009 and will propose a dividend to the board shortly. Details will be published in the MultiChoice annual report to Phuthuma Nathi shareholders that will be distributed in August 2010.

The company’s annual financial statements reflect a healthy balance sheet and it remains a going concern. Its most significant long-term liabilities are dollar-based satellite lease facilities.

Total *staff costs*, in line with company policy and compliant with minimum statutory requirements, increased by 33% to R1,4bn in 2010 (2009: 27% increase to R1,1bn) whilst the number of permanent employees increased by 6% to 3 147 (2009: 2 977). The staff costs for the 985 temporary employees during the year (2009: 624) are included in the total staff costs.

The group did not receive financial assistance from government and remains a going concern.
Media24 group

The print media business of Naspers in South Africa is housed in Media24. Media24 also operates 24.com, reported under the internet segment. On the Dot, its logistics division provides logistical services to MultiChoice with respect to the delivery of decoders. Both 24.com results and these intergroup service results are excluded from the analysis below, but included in the reported Media24 group statutory results in line with accounting standards.

Media24 group (Media24), like its competitors, faced challenging trading conditions over the past year with group revenues (inclusive of 24.com and service revenue to MultiChoice) contracting by 4.1% to R6,7bn, compared to the compound average growth rate of 14.2% achieved in the past five years. Net operating profits before amortisation and other gains and losses were lower than last year because of declining revenue, higher input costs, and retrenchment and restructuring costs, which were partially offset by staff reductions. The group cut back development spend to R133m (2009: R199m).
As a consequence of the above factors, net profit after tax of R48,9m for the year is significantly below last year.

The group did not receive financial assistance from government and remains a going concern.

**Tax**

The tax charge for the year increased substantially due to the write-down of unutilised deferred tax assets created in prior years of R207m.

The group has a history of significant contributions to the South African government through the taxes and levies it pays. Income tax paid amounted to over R164m for 2010 (2009: R258m).

Apart from income tax, employment taxes (PAYE) and levies, secondary tax on companies (10%), consumption tax in the form of value-added tax (14%), as well as capital gains tax (effective 14%) are paid on affected income. The group paid R338m PAYE and R365m VAT during 2010.

**Dividends**

The group paid R4,95m dividends to its Welkom Yizani shareholders in 2009 and will propose a dividend to the board shortly. Details will be published in the Media24 annual report to Welkom Yizani shareholders that will be distributed in August 2010.

Total *staff costs*, in line with company policy and compliant with minimum statutory requirements, decreased by 5.7% to R1,9bn in 2010 (2009: R2bn) whilst the number of permanent employees decreased by 10% to 6 382 (2009: 7 9085) as a result of the restructuring process. The staff costs for the 476 temporary employees during the year (2009: 462) are included in the total staff costs.
**Naspers group wide employee benefits**

The total cost of employment of all employees, including directors, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010 ZAR m</th>
<th>2009 ZAR m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries, wages and bonuses</td>
<td>4 689</td>
<td>4 666</td>
</tr>
<tr>
<td>Retirement benefit costs (defined contribution plan)</td>
<td>279</td>
<td>278</td>
</tr>
<tr>
<td>Medical aid fund contributions</td>
<td>194</td>
<td>203</td>
</tr>
<tr>
<td>Post-retirement benefits</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Training costs</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>Share-based compensation charges</td>
<td>484</td>
<td>424</td>
</tr>
<tr>
<td><strong>Total staff costs</strong></td>
<td><strong>5 718</strong></td>
<td><strong>5 644</strong></td>
</tr>
<tr>
<td><strong>Total number of permanent employees at 31 March</strong></td>
<td><strong>11 577</strong></td>
<td><strong>11 715</strong></td>
</tr>
</tbody>
</table>
Naspers dividends
The board recommends that the annual dividend be increased by 14% to 235 cents (previously 207 cents) per N ordinary share, and 47 cents (previously 41 cents) per unlisted A ordinary share. If approved by shareholders, dividends will be payable to shareholders recorded in the books on 23 September 2010, and will be paid on 27 September 2010. The last date to trade cum dividend will be on 16 September 2010.

In summary the Naspers group demonstrates a good track record of consistent growth.
ENVIRONMENT

In the past year, the group again evaluated its direct impact on the environment. Results show that the most significant direct impact on the environment remains the use of electricity (so-called scope 2 emissions) in print and pay-television operations in South Africa. The group’s South African operations, being Media24 and MultiChoice South Africa, measure their gross carbon footprint with respect to scope 1 and 2 emissions in accordance with the GHG Protocol.

The Greenhouse Gas Protocol (GHG Protocol) is an accounting tool used by business and governments. It was created in 2001 when the World Resources Institute and the World Business Council for Sustainable Development identified a need for consistency in how organisations accounted and reported emissions and together introduced the new standard.

The largest contributor to direct emissions remains electricity. Given that the primary source of electricity in South Africa is coal, which has a higher emission rate, electricity accounts for 100% of scope 2 emissions (95% of total emissions). Continuous supply of good quality electricity is vital to the continuity of the operations. South African operations installed generators a few years ago to ensure continuous supply of electricity hence mitigating the risk of disruptions in the power supply.

### MultiChoice South Africa

The Pay-TV segment represents 27% of the South African footprint. The broadcasting centre is included in the office buildings at the Randburg campus.

### Media24

The group implemented energy saving light fittings as well as motion sensors in its head office in Cape Town during the past year, resulting in an annual reduction of 5% in the building’s carbon footprint.

Media24’s paper suppliers are based in South Africa and Europe and are continuously investigating options to limit the impact on the environment while ensuring that top-
quality paper products are used in our publications.

Paarl Media is the first African printing organisation to receive the FSC (Forest Stewardship Council) chain-of-custody certification. This is an independent international verification that products printed can be traced back from their point of origin to responsible, well-managed forestry, controlled and recycled sources.

Paarl Media offers clients a range of environmentally sustainable paper and has taken the lead in the print industry in South Africa by recognising the impact of print-production processes on natural resources and implementing practices to minimise these effects. As part of its environmental policy, the company is seeking measures to eliminate emissions. The Paarl Media group strongly focuses on reduction and recycling projects. It recycles all paper not sold as part of the printed product to Mondi. Newspapers are printed from recycled paper.

Operations in the rest of the world under Naspers’s management control are mainly internet operations. As such, their environmental impact is limited mainly to the use of electricity.

**Eliminating emissions**
Paarl Media led the way in South Africa in 2005 by installing sophisticated technology to service web presses and eliminate emissions in line with stringent international standards. In 2007, certain web presses were fitted with advanced dryers to ensure emissions to air are free of odour, visual smoke and polluting substances. These dryers meet strict global emission compliance standards. In addition, energy is recovered from the oxidisation process to be reused in the drying section, reducing gas energy consumption.

**Fines**
In the past year there were no environmental accidents nor were any environmentally-related fines imposed by the South African government.
The group will continue to refine its processes with respect to managing the impact on the environment.

**SOCIAL PERFORMANCE**

**Transformation**

Transformation is a strategic imperative for Naspers, both to comply with South African legislation and to ensure our workforces reflect the demographics of the country. Various ongoing initiatives are in place to develop appropriate skills and responsible procurement practices.

In 2004 **Media24** established a transformation forum that functions as a policy-making body to monitor various elements of the South African black economic empowerment scorecard. The forum is chaired by Media24’s chief executive and includes senior management from each business unit. In recent years, Media24 has made progress with its transformation aims, which are monitored against a scorecard for the Department of Trade and Industry’s code of good practice for broad-based black economic empowerment (BBBEE). On this measure, Media24 has increased its score from 58 to 66, making it a level-four contributor with a 100% recognition level, receiving full marks on the enterprise development and socio-economic development elements of the scorecard.

**MultiChoice** is categorised as a level-four contributor with a score of 65%. MultiChoice has also made good progress in the elements of the scorecard pertaining to management control, employment equity, skills development and preferential procurement. Following its successful empowerment transaction in 2006, whereby 120 000 new shareholders were introduced the group achieved maximum points in the shareholding area. With its recent initiatives to promote the local film industry, it believes that such initiatives will improve scores in the area of enterprise development.
Direct empowerment

BBBEE

PHUTHUMA NATHI

In line with its commitment to BBBEE, MultiChoice created Phuthuma Nathi Investments and Phuthuma Nathi Investments 2, the largest empowerment transactions in the media sector. Together these wholly black-owned companies added 120 000 black shareholders to the company’s shareholder base. The success of Phuthuma Nathi lies in its unique structure: by making the schemes broad-based and accessible to people across various income levels, ordinary South Africans were able to invest in MultiChoice.

WELKOM YIZANI

In 2006 Media24 launched the biggest BBBEE share offer in the print media industry, Welkom Yizani, resulting in eligible black people and groups acquiring equity in Media24 Holdings. The offer was three times subscribed. In December 2009 to mitigate the impact of the recession on the value of their shares, Naspers partly wrote off R330m of its funding in Welkom Yizani and the scheme was extended by a further two years to December 2013. This proactive step has given Welkom Yizani shareholders a better opportunity to profit from their original investment.
Black economic empowerment partners

Media24, MultiChoice and other group companies have combined their buying power in South Africa in a centralised bargaining company called M-Web CommerceZone, which is mandated to implement a BEE procurement policy. Suppliers’ BEE performance is evaluated against specific criteria and suppliers are expected to boost their annual BEE rating.

Other company-specific procurement initiatives include:

- At Newspaper Leaflet Distributors (NLD) (a distribution business in Media24), about 95% of its contractors come from previously disadvantaged communities. They, in turn, provide jobs to over 2,000 employees countrywide.
- The establishment of an independent and black-owned postal service company Multi-Mail, following the rationalisation of Media24’s postal service.
- NND24, one of Media24’s distribution businesses, provides jobs for over 600 people through 119 private contractors who provide ancillary services.
- Several Media24 titles such as the Daily Sun, Son and City Press use contract staff to sell and distribute their products countrywide, providing job opportunities to more than 2,000 newspaper sellers.
- Media24 has partnerships with several BEE companies. Kurisani Investments has a 16% shareholding in Paarl Print and Paarl Web Gauteng, respectively. Kurisani also finances loveLife, a community organisation that runs life skills and HIV/Aids prevention campaigns for youngster countrywide.

In addition to the empowerment initiatives MultiChoice procures large numbers of decoders from a local manufacturer. This initiative resulted in the creation of several employment opportunities in the areas of manufacture, logistics for the distribution of decoders, as well as the creation of several sales channels. MultiChoice also created a network of some 900 installers as well as customer service touch points through the establishment of approximately 110 agencies across South Africa.


**Employees**

This section will focus on the South African business being the most resource intensive in the group, especially in the Media24 side of the business.

![Bar Chart](chart.png)

During the past two years, Media24 initiated a significant restructuring process with the objectives of unlocking synergies in the group and increase efficiency. It also resulted in a significant reduction in the total staff complement.
Retirement benefits
The group provides retirement benefits for its full-time employees, primarily by means of monthly contributions to a number of defined contribution pension and provident funds in the countries in which the group operates. The assets of these funds are generally held in separate trustee-administered funds. The group’s contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

Medical aid benefits
The group’s contributions to medical aid benefit funds for employees are recognised as an expense in the period during which the employees render services to the group.

Post-retirement medical aid benefit
Some group companies provide post-retirement healthcare benefits to their retirees. The entitlement to post-retirement healthcare benefits is based on the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. Independent qualified actuaries carry out annual valuations of these obligations. All actuarial gains and losses are recognised immediately in the income statement. The actuarial valuation method used to value the obligations is the Projected Unit Credit Method. Future benefits are projected using specific actuarial assumptions and the liability to in-service members is accrued over their expected working lifetime. These obligations are unfunded with the exception of the schemes of agreements entered into with employees from Media24 Limited and Via Afrika Limited.

Termination benefits
Termination benefits are employee benefits payable as a result of either an entity’s decision to terminate an employee’s employment before the normal retirement date or an employee’s decision to accept voluntary redundancy in exchange for those benefits. The group recognises these termination benefits when the group is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date, or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.
The group is demonstrably committed to a termination when the group has a detailed formal plan (with specified minimum contents) for the termination and it is without realistic possibility of withdrawal. Where termination benefits fall due more than 12 months after the reporting period, they are discounted. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits are based on the number of employees expected to accept the offer. Termination benefits are immediately recognised as an expense.

**Equity compensation benefits**

The group grants share options/share appreciation rights (“ARs”) to its employees under a number of equity compensation plans. In accordance with IFRS 2, the group has recognised an employee benefit expense in the income statement, representing the fair value of share options/ARs granted to the group’s employees. A corresponding credit to equity has been raised for equity-settled plans, whereas a corresponding credit to liabilities has been raised for cash-settled plans. The fair value of the options/ARs at the date of grant under equity-settled plans is charged to income over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the group re-measures the fair value of the recognised liability at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

A share option scheme/AR is considered equity-settled when the option/gain is settled by the issue of a Naspers N share. They are considered cash-settled when they are settled in cash or any other asset, ie not by the issue of a Naspers N share. Each share trust deed and AR plan, as appropriate, indicates whether a plan is to be settled by the issue of Naspers shares or not.

Where shares are held or acquired by subsidiary companies for equity compensation plans, they are treated as treasury shares (see below). When these shares are subsequently issued to participants of the equity compensation plans on the vesting date, any gains or losses realised by the plan is recorded in treasury shares.

**Treasury shares**

Where subsidiaries hold shares in the holding company’s equity share capital, the consideration paid to acquire these shares, including any attributable incremental external costs, is deducted
from total shareholders’ equity as treasury shares. Where such shares are subsequently sold or reissued, the cost of those shares is released, and any realised gains or losses are included in treasury shares. Shares issued to or held by share incentive plans within the group are treated as treasury shares until such time as participants pay for and take delivery of such shares. The same applies to treasury shares held by joint ventures.

**Employee relations**
The group complies with labour legislation in its areas of operation. In South Africa, MultiChoice and Media24 statutory reports are submitted. During the past year, Media24 restructured its operations in line with its revised strategy to ensure a cost-effective operation. While this reduced the workforce to right-size costs in a severe recession, forced retrenchments were kept to a minimum. In all retrenchment cases, severance benefits were significantly better than those prescribed by the Basic Conditions of Employment Act and so far no retrenchments have been successfully challenged at the Commission for Conciliation, Mediation and Arbitration (CCMA).

Appropriate consultative forums protect the interests of employees, provide representation and have become a valuable platform for joint decision making.

**Diversity and employment equity**
44% of the South African permanent workforce is female (2009:41%)
The group values diversity in its workforce.

### Training and development

The *MultiChoice* group embraces the principles of black empowerment, particularly in appointing staff and skills enhancement. Different programmes develop employees at various levels – ranging from supervisory to executive management. MultiChoice supports some students who have completed their tertiary studies through internship and learnership programmes. In the reporting period 29 students were part of this programme, bringing the total since 2008 to 91.

The management programmes for the year include:

- Management Advancement Programme (MAP) attended by 20 students (12 black, three coloured, one Indian, four white)
- New Managers Programme (NMP) attended by 16 students in conjunction with Wits Business School (11 black, two coloured, three Indian)
- Media Management Programme (MMP) attended by five students (one black, one coloured, two Indian, one white)
- Master of Business Administration (MBA) attended by one Indian student.

SuperSport initiated the SuperSport Management Advancement Programme in conjunction with the Wits Business School in 1997. The programme deals with a cross-section of issues confronting
Sport administrators in their daily work environment and equips senior managers with a sound foundation in the fundamentals of sports law, sponsorship and communication. Currently, 28 sport administrators are enrolled in the programme.

SuperSport was instrumental in the launch of the Certificate Programme in Management Development hosted by the University of Nigeria and the National Sports Commission in Abuja, where 18 Nigerian sport administrators are enrolled.

**Media24** views employment equity as a strategic advantage. Each business unit has an employment equity plan and strategy with specific objectives. Despite the overall reduction in staff numbers, the percentage of designated groups, particularly black people, has improved to 52%. Diversity training is actively promoted across the company. Media24 invested some R12,5m in the current financial year in developing employees at various levels.

In our international businesses, mainly internet businesses, we aim to attract young engineers and training and development is key to our strategy of operating leading internet platforms in emerging markets.

**Skills development**

Across the group, skills development is critical to maintain our competitive advantage.

With technology at the core of *MultiChoice’s* business, skills development is multi-faceted. The company’s learnership programmes combine vocational education and training modules towards qualifications registered on the National Qualifications Framework (NQF). Its learnerships and internships build skills, improve performance, create work opportunities and career advancement for people who cannot secure employment due to lack of skills, create a talent pipeline for scarce skills and recruit talent into entry positions.

MultiChoice awarded 51 bursaries in 2010, bringing the total number of bursaries awarded to 161 since 2008. Media24 invested R11m in developing current and future journalists through its Journalism Academy, delivering the first 29 graduates in the past year. Beneficiaries of the academy programme, some of whom are still enrolled in the programme, included:

- 17 bursary holders (five black, six coloured, one Indian, five white)
16 trainees (12 black, four white)

12 learners (eight white, three black, one coloured).

**Media24** also awarded 127 bursaries to employees for part-time studies in 2010.

The Paarl Media group learnership programme is entrenched at all plants. In collaboration with the Printing Industries Federation of South Africa (PIFSA), a revised printers’ trade curriculum was completed in 2009. The group management trainee programme gives previously disadvantaged graduates an opportunity to enter the organisation at trainee-management level. Given the need for skills development and specialised training in the printing industry, Paarl Media broke ground by establishing the Academy of Print (AOP) to address some of the most prevalent needs utilising the revised printers’ trade curriculum.
HEALTH AND SAFETY

The workplace
Implementing a healthy, safe workplace at both administrative and production facilities is a priority. Where required and in line with local legislation, health and safety committees – comprising responsible, trained individuals – ensure compliance with applicable regulations. Appropriate medical emergency and disaster recovery plans have been devised for operating businesses. Annual occupational health and safety risk-control audits are conducted by South African operational entities and improvements implemented as required.

Significant matters are reported to and monitored by the Naspers audit and risk management committee. The group aims to have a zero harm rate in terms of serious injuries and deaths on duty.

Media24’s distribution and printing operations make extensive use of contractors and organisers. Most of these workers are from previously disadvantaged backgrounds and receive training from Media24 to equip them to execute their jobs in a safe and effective manner. The nature of the print business, which owns and manages distribution networks and printing facilities, makes it the area in the Naspers group where the inherent risk for injuries on duty are most likely. The Media24 safety, health and environment committee, a sub-committee of the Media24 board was formed in 2008 and monitors significant related issues in the Media24 group.

Monitoring
Media24 and MultiChoice conduct annual health, safety and environmental compliance audits as well as building scans. Injuries on duty are stringently monitored, and the company aims to have as no injuries or deaths on duty.

Tragically, a fire at Paarl Print in April 2009 caused 13 deaths and serious injuries to four people, the worst in the group’s history. We feel deeply for the families affected. Group companies assisted the affected families financially paying out some R6.8m. A formal enquiry in terms of section 32 of the South African Occupational Health and Safety Act (Act 85 of
1993) is under way, with an outcome expected later this year. The formal enquiry will be followed by an inquest, a mandatory process.

Assistance was also provided in the submission of their Compensation for Occupational Injuries and Diseases Act, 1993 (COIDA) claims. The Paarl Media Group has conducted an extensive review and gap analysis of all its factories, and the following steps have been taken:

- Replacement of Kulite as the thermal under-roof insulation material at all facilities at a cost of approximately R50m.
- A communication plan was executed to ensure an adequate understanding of health and safety requirements within the Paarl Media Group.
- More stringent appointment and screening processes were instituted for the recruitment of professional teams.
- Improvements to systems were implemented in respect of health and safety elements such as hazard identification and risk assessments, related training (including fire drills) and reinspection of facilities by internal and external parties.

There were no other deaths on duty in the Media24 group.

Some SuperSport technical employees, commentators and presenters are required to travel to sports events broadcast by SuperSport. One of the regular rugby commentators was killed in a motor vehicle accident. In another incident, three technical employees were kidnapped in Nigeria following the broadcast of a regional football match. All three escaped.

**Wellness**

Several wellness programmes are operated by group subsidiaries in a preventative approach to employee health. These range from programmes to assist employees to stop smoking to HIV/AIDS tests. Regular medical, eye and hearing tests are performed on drivers and staff exposed to noise. Professional and independent psychosocial support is provided for staff in businesses.
MultiChoice offers a range of affordable wellness and work/life services to all employees on site. MultiChoice also provides a Montessori nursery school for its Randburg employees.

Media24 has a wellness centre at its Cape Town offices and certain printing facilities. Health services offered include hypertension and diabetes testing, free HIV/Aids counselling and testing, and a number of risk-control programmes. Ongoing wellness support is also provided by mobile clinics throughout the company.

**HIV/Aids**

We are acutely aware of the HIV/Aids pandemic in Africa, and the social and economic implications of this disease. Comprehensive programmes in Media24, MultiChoice South Africa and MultiChoice sub-Saharan Africa comprise:

- information and awareness campaigns
- voluntary free testing
- free counselling
- comprehensive medical treatment programmes.
Serving our communities

The group plays an active role in its communities, focusing mainly on literacy and educational programmes in Africa. In the review period, South African group companies spent R45m on corporate social investment initiatives.

Because MultiChoice operates in a highly regulated environment in South Africa, legal compliance is important. MultiChoice plays a constructive role in the regulatory process affecting the communications industry by participating in various public forums and debates to give inputs on formulating standards and strategies for this industry. The group received no significant fines for non-compliance in the past year.

MultiChoice South Africa plays a valued role in its communities. It also enables its staff and customers to benefit community organisations of their choice. Current initiatives include:

- The Carte Blanche *Making a Difference* campaign has to date raised over R60m from corporate and private sponsors to turn the wish lists of state hospitals and certain charity organisations in South Africa into reality.
- The SuperSport *Let’s Play* initiative is getting children active, and is now entrenched in schools, suburbs and townships across South Africa after raising R2,7m in sponsorship since April 2009.
The MultiChoice Orphaned and Vulnerable Children programme assists care centres by providing new and refurbished buildings and homes, as well as training care personnel. Five children’s centres and over 100 orphans have benefited to date.

The Film Talent Incubator aims to fast-track development of previously disadvantaged individuals in the local film industry. Since inception in 2007, 48 students have graduated and are now valued members of the film industry in South Africa.

The MultiChoice Information Communication Technology (ICT) in Schools initiative equips schools with multimedia centres – new computers, television sets, video recorders, satellite decoders and dishes. This has helped participating schools enhance learning by equipping learners to manage in a technologically-driven society. So far, MultiChoice has helped over 6 500 learners in 15 schools.

A customer-focused initiative, Reach Out, gives subscribers the opportunity to make a difference to the charity organisations of their choice.

The entire MultiChoice group is involved in MultiChoice Make a Difference. To date, over 1 000 employees have embarked on 23 projects to improve the lives of others within the community, which MultiChoice funds.

Through the CNN MultiChoice African Journalist Awards, now in their sixth year, we recognise excellence in journalism on the continent by encouraging journalists to tell African stories.

Media24 wants all South Africans to read. Accordingly, the company has invested in numerous projects that educate, uplift and develop, especially projects related to its industry, such as literacy initiatives. In the past year, Media24 invested some R16 million in community projects throughout South Africa. The main focus was on welfare, health and education:

Through the Media24 Lapdesk Challenge, the company has donated almost 30 000 lapdesks to needy schools. Several Media24 publications, such as Rapport, Sunday Sun, City Press, Tuis/Home and the community newspaper, City Vision, have supported this initiative. As its flagship project, the Media24 Lapdesk Challenge received advertising support of over R4m.
Media24’s support for the arts continued with financial sponsorship and editorial support for festivals in particular. The aim is to provide opportunities for emerging young artists and to make productions accessible to previously disadvantaged communities.

Media24 supported the development of several high-school-prescribed reading books into stage productions which attracted thousands of learners to city-based theatres.

An active Volunteers24 team (now over 200 individuals) worked on numerous projects including WWF’s Earth Hour (supported by extensive advertising and editorial support from Media24 publications), the Rachel’s Angels mentorship programme and various media-in-the-classroom projects. The volunteer corps also upgraded community, administration and computer centres of a primary school and developed a green initiative in Elsies River, Cape Town; raised funds for an HIV/Aids project in KwaZulu-Natal and participated in toy drives for preschools in underprivileged communities. Mentorship programmes in association with the University of Stellenbosch (Rachel’s Angels Trust) and Fort Hare University (Inkwenkwezi Trusts) are progressing well. In the past financial year, over 226 grade 12 learners from 28 high schools in the Western and Eastern Cape participated in these programmes. Final matriculation results were encouraging, with the best mentored learner scoring five distinctions and a pass rate of 83.6%. Two participating schools achieved fifth and sixth spots on the Western Cape Education Department’s list of schools with the best progress in 2009. Both trusts also initiated an extensive programme for teachers, which include project management courses and school management training.

Media24’s MiK project helps learners use newspapers for their daily schoolwork. MiK aims to create a culture of reading and learning among learners, teachers and the broader community.

The Paarl Media Group is active in its communities at both social and environmental levels. Some of its current projects:

The Paarl Mountain project that aims to clear the area of indigenous plants and alien vegetation. In early 2009, Paarl was hit with three major fires, including a series of blazes raging over the Paarl mountain. Paarl Media partnered with other local businesses to
initiate a R1,2 million project to offer sustainable employment for affected workers while addressing environmental issues in the region.

Paarl Web supports *The Big Issue* by sponsoring printing and binding services. The Big Issue is a socially responsible organisation that enables willing, unemployed and marginalised adults to take responsibility for their own lives through a developmental employment programme. Its vendors are mainly long-term unemployed people from Cape townships.

The *Paarl Media Bursary Trust* provides funding for previously disadvantaged students, mainly from the Paarl community, to study at tertiary level at the University of Stellenbosch, University of the Western Cape, Cape Peninsula University of Technology or Elsenburg Agricultural College. The trust provided bursaries to seven tertiary students in 2008, nine in 2009 and 10 students in 2010. Currently 22 students are completing their degrees.

MultiChoice, in partnership with the ministries of education in African countries, establishes MultiChoice Resource Centres as a learning tool for learners in under resourced schools. MultiChoice provides and installs decoders, televisions and DVD recorders. The *Dstv Educational bouquet*, comprising eight educational channels namely the *History Channel, National Geographic, National Geographic Wild, BBC World, BBC Knowledge, Discovery, Mindset Learn and Animal Planet*, is provided free of charge to MultiChoice Resource Centres in over 800 schools in 24 countries. Additionally educators in these schools are trained by MultiChoice on how to integrate this educational programming into curricula and lesson plans.
STAKEHOLDERS

Relations with shareholders
The company maintains communications with its key financial audiences, including institutional shareholders and analysts. The investor relations unit, headed up by Mrs Meloy Horn, manages interaction with these audiences and presentations take place after the publication of interim and final results.

The company’s website (www.naspers.com) provides the latest and historical financial and other information, including financial reports.

The board encourages shareholders to attend its annual general meeting, notice of which is contained in the annual report, where shareholders have the opportunity to put questions to the board, management and the chairs of the various subcommittees.