

Commentary

Over the past year the Naspers group continued to grow. Most emerging markets in which we operate survived the global economic downturn reasonably well, particularly when compared to developed economies.

The internet industry showed bold growth in emerging markets. Our pay-television operations held up well whilst the technology business returned to operating profitability. Print businesses globally, including our own, suffered in the recession. Overall, however, it was a good year for the group.

In summary, Naspers recorded a 5% increase in revenues to R28bn for the past financial year. Operational profit climbed 10% to R5,4bn, whilst core headline earnings grew 22% to R5,3bn.

The internet segment, comprising mainly Allegro in Central Europe, Tencent in China and Mail.ru in Russia, continued to reflect growth, with revenues up 24%.

Our pay-television businesses largely proved resilient to prevailing economic conditions and recorded revenue growth of 12%, with slightly lower operating margins as we invested to grow the subscriber base. Irdeto, the TV technology business, felt economic headwinds, but nevertheless cut costs.

The print media businesses, however, suffered a 5% decline in its top line because of pressure on advertising revenues.

Free cash flow of R4,1bn (2009: R2,4bn) was recorded. The financial position remains healthy with consolidated gearing, excluding satellite transponder leases, of 5%.

Looking ahead, we mostly have resilient businesses in emerging markets that are still expanding. Competition in pay TV, regulation and consumer spending levels remain challenges.

We plan to continue growing the group through a combination of organic growth and acquisitions, focusing on internet.

FINANCIAL REVIEW

The past financial year was characterised by tough economic conditions and a strong rand which negatively impacts reported results when translating other currencies.

Revenue growth of 5% in the aggregate was recorded over the period. This muted growth was partly the result of pressure on print media, but mainly the consequence of a stronger rand. Based on a stable currency, we estimate revenue growth would have been 11%.

Our operational profit increased by 10% to R5,4bn (2009: R4,9bn). Using a stable currency we estimate operational profit growth would have been 17%. Group margins improved largely due to cost management.

Net interest costs for the year increased to R535m (2009: R306m), the result of funding new acquisitions with debt and available cash balances.

Naspers's share of the equity-accounted results of our associates, mainly Tencent, Mail.ru and Abril, increased to R2,1bn (2009: R1,5bn).

The profit on sale of investments relates mainly to MWEB's business in the rest of Africa. These proceeds are once-off in nature.

The net effect of all the above is that core headline earnings for the year grew 22% to R5,3bn.

During the year, MultiChoice launched the W7 satellite resulting in an increase in our transponder leases and commitments.

SEGMENTAL REVIEW

This review includes our consolidated subsidiaries plus the proportional consolidation of our economic interest in associates. This allows for improved analysis of the contribution of all our investments to the group's results.

Our primary measurement of profitability is defined as operational profit, which excludes other gains/losses and amortisation of intangible assets (other than software). It includes the finance cost on transponder leases which the group treats as an operating cost.

Internet

In aggregate, the internet segment recorded revenue up by 24% to R9,2bn. Operational profit grew to R2,4bn.

In China, Tencent performed ahead of expectations with revenue growth of 49%. The number of peak concurrent users now stands at around 105 million. Tencent's contribution to core headline earnings increased by 76% to R2,1bn.

The strong rand had a significant effect on the other internet businesses where, nominally, revenues were marginally up and operational profits down. Calculated on a stable currency basis, we estimate that both revenues and operational profits would have advanced 19%.

The Allegro platform in Poland delivered solid growth. In local currency, the gross merchandising value transacted on the platform grew by 20%, generating revenue of 24% higher. New services were launched.

In India, ibibo, our joint venture with Tencent, is developing social gaming and e-commerce platforms.

In Russia, Mail.ru expanded its base to 81 million active email users. This business contributed R70m (2009: R87m) to our core headline earnings. The decrease relates mainly to the impact of the strong rand. Mail.ru has acquired Astrum, the online games platform operator in Russia.

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

In South Africa, 24.com remains a leading local internet publisher, growing its users by 34%.

Pay television

Overall, the pay-television segment expanded revenues by 12%, due to subscriber growth of 634 000 net households. After a satisfactory festive season, subscriber growth did slow in the last quarter of the financial year. Operating margins were slightly lower due to the cost of building the subscriber base, as well as higher content costs resulting from increased competition and more local production.

In South Africa the base grew by 450 000 to 2,85 million homes. The service now offers nine different bouquet offerings and three high definition channels. With a strong content offering of soccer, general entertainment and movies, the mid-priced *Compact* bouquet attracted many customers. Advertising revenues were marginally better. The coming year will see even more competitors entering this market.

In the other 47 countries in the rest of Africa, a focus on local content and additional sport delivered 184 000 additional subscribers, taking the base to 1,1 million homes. The *Compact* and *Family* bouquets stand at 447 000. Hausa and Yoruba language content was added in Nigeria. SuperSport is now one of the main funders of local sports leagues across the African continent, which means higher content costs for the group. However, if African sport is to become globally competitive, it needs funding by someone.

Mobile TV operations were launched in Ghana, Kenya, Namibia and Nigeria, whilst we still await a licence in South Africa.

Technology

Irdeto delivered some 15,8 million conditional access units in the period, a 5% increase. Revenues in other divisions were flat due to the global slow-down. Consolidation of various technology businesses into Irdeto has reduced operating costs, and the segment reversed an operational loss last year into a profit of R47m.

Print media

Our 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.

In Brazil, the magazine publisher Abril also experienced a challenging year, particularly for advertising. This was largely offset through cost controls. Abril's contribution to our core headline earnings amounted to R318m (2009: R414m), partly influenced by the strong rand and a higher tax charge.

DIVIDEND NUMBER 81

The board recommends that the annual dividend be increased 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 at the annual general meeting to be held on Friday, 27 August 2010, dividends will be payable to shareholders recorded in the books on Thursday, 23 September 2010, and will be paid on Monday, 27 September 2010. The last date to trade cum dividend will be on Thursday, 16 September 2010. The shares will therefore trade ex dividend from Friday, 17 September 2010.

Share certificates may not be dematerialised or rematerialised between Friday, 17 September 2010 and Thursday, 23 September 2010, both days inclusive.

CORPORATE GOVERNANCE

The impact of the new South African Companies Act and the King Report on Governance for South Africa 2009 (King III) was a focus over the past year. Subsequent to the year-end the Naspers board approved a plan to address aspects of King III, 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 also report on the application of King III.

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Financial results for the year ended 31 March 2010 have been prepared in accordance with IAS 34 and International Financial Reporting Standards ("IFRS"), the requirements of the South African Companies Act, No 61 of 1973, and in compliance with the Listings Requirements of the JSE Limited. Except as noted below, 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 group adopted the following new standards, amendments and circulars for the year ended 31 March 2010:

- The revised IAS 1 "Presentation of Financial Statements" was issued, requiring certain changes to existing disclosures as well as the introduction of the "statement of comprehensive income". These changes had no effect on the financial position or results of the group.
- IFRS 8 "Operating Segments" replaced IAS 14 "Segment Reporting". Segment information is now presented on the same basis as for internal management reporting purposes. The only significant change is that the results of our investments in associates are now proportionately consolidated for segmental reporting and Tencent is shown as a separate reportable segment. The amendment to IFRS 8 which allows an entity not to disclose segmental assets, if not reviewed by management, has been early adopted. Comparative information was restated accordingly.
- IAS 23 "Borrowing Cost (Revised)" requires entities to capitalise qualifying interest cost. This amendment had no material effect on the group.

- Circular 3/2009 "Headline Earnings" was issued by the South African Institute of Chartered Accountants. The circular was changed to incorporate the latest amendments and revisions to IFRS. This circular is effective for the current year, but had no material effect on the group.

Core headline earnings exclude once-off and non-operating items. We remain of the view that it is an appropriate measure of the group's sustainable operating performance. This measure is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies.

SIGNIFICANT ACQUISITIONS

In September 2009 the group acquired 94,8% of Brazilian e-commerce group, BuscaPé.com Inc. for approximately R2,7bn. This was funded from existing debt facilities. A put option of R89m over minorities is part of the purchase consideration. The preliminary purchase price allocation is: tangible assets R180m, intangible assets R394m, liabilities R228m and the balance to goodwill.

During October 2009 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 with an additional R51m contingent consideration. The preliminary purchase price allocation shows: tangible assets R48m, intangible assets R135m, liabilities R21m and the balance to goodwill. Minorities' share of the above is R79m.

During November 2009 the group made a further cash investment of R771m into Mail.ru as a result of its acquisition of Astrum Online Entertainment Holdings. The group's shareholding was diluted from 42% to 39%.

Subsequent to the initial 83% interest acquired in Bankier.pl in August 2009, the group also acquired the remaining minorities. The total consideration of R178m was allocated as follows: tangible assets R52m, intangible assets R33m and the balance to goodwill.

The group also made some other acquisitions for a combined cost of approximately R522m. Revenues and profits from all acquisitions were not significant to consolidated results.

On behalf of the board

Ton Vosloo
Chairman

Koos Bekker
Managing director

Cape Town
29 June 2010

Segmental Review	Revenue			Ebitda			Operational profit		
	2010 R'm	2009 R'm	% Change	2010 R'm	2009 R'm	% Change	2010 R'm	2009 R'm	% Change
Pay television	16 659	14 858	12	5 744	5 197	11	5 171	4 624	12
Internet	9 181	7 411	24	2 804	1 973	42	2 423	1 626	49
- Tencent	4 874	3 281	49	2 542	1 588	60	2 363	1 447	63
- Other	4 307	4 130	4	262	385	(32)	60	179	(66)
Print	10 204	10 722	(5)	1 232	1 389	(11)	896	1 062	(16)
Technology	1 207	1 514	(20)	98	(75)	+100	47	(139)	+100
Economic interest	37 251	34 505	8	9 878	8 484	16	8 537	7 173	19
Corporate services				(230)	(210)	10	(232)	(213)	9
Less: Associates	(9 253)	(7 815)	18	(3 152)	(2 248)	40	(2 858)	(2 020)	42
Consolidated	27 998	26 690	5	6 496	6 026	8	5 447	4 940	10

Note: Operational profit excludes amortisation of intangible assets (other than software) and other gains/losses and includes the finance cost on transponder leases.

ADR programme

The Bank of New York Mellon maintains a GlobalBuyDIRECT™ plan for Naspers Limited. For additional information, 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.

Reconciliation of Operational Profit to Operating Profit	Year ended	Year ended	
	31 March	31 March	
	2010	2009	%
	R'm	R'm	Change
Operational profit	5 447	4 940	
Finance cost on transponder leases	93	109	
Amortisation	(1 135)	(1 179)	
Other gains/(losses) - net	(364)	(87)	
Operating profit	4 041	3 783	

Note: For a reconciliation of operating profit to profit before taxation, refer to the "Consolidated income statement".

Consolidated Income Statement	Year ended	Year ended	
	31 March	31 March	
	2010	2009	%
	R'm	R'm	Change
Revenue	27 998	26 690	5
Cost of providing services and sale of goods	(14 438)	(13 531)	
Selling, general and administration expenses	(9 155)	(9 289)	
Other gains/(losses) - net	(364)	(87)	
Operating profit	4 041	3 783	7
Interest received	348	572	
Interest paid	(883)	(878)	
Other finance income/(costs) - net	114	3	
Share of equity-accounted results	2 058	1 473	40
Profit on sale of investments	144	36	
Impairment of equity-accounted investments	(62)	(214)	
Profit before taxation	5 760	4 775	21
Taxation	(1 808)	(1 436)	
Profit after taxation	3 952	3 339	18
Profit from discontinued operations	-	3 092	
Profit for the year	3 952	6 431	
Attributable to:			
Equity holders of the group	3 257	5 761	
Minority shareholders	695	670	
	3 952	6 431	
Core headline earnings for the period (R'm)	5 319	4 373	22
Core headline earnings per N ordinary share (cents)	1 426	1 179	21
Fully diluted core headline earnings per N ordinary share (cents)	1 386	1 169	19
Headline earnings for the period (R'm)	3 297	3 065	8
Headline earnings per N ordinary share (cents)	884	826	7
Fully diluted headline earnings per N ordinary share (cents)	859	819	5
Earnings per N ordinary share (cents)	873	1 553	
Fully diluted earnings per N ordinary share (cents)	848	1 540	
Net number of shares issued ('000)			
- At period-end	374 308	372 451	
- Weighted average for the period	372 951	371 004	
- Fully diluted weighted average	383 820	374 108	

Condensed Consolidated Statement of Comprehensive Income	Year ended	Year ended
	31 March	31 March
	2010	2009
	R'm	R'm
Profit for the year	3 952	6 431
Total other comprehensive income, net of tax, for the year	(2 047)	(4 123)
Translation of foreign operations	(1 918)	(3 544)
Cash flow hedges	(560)	(347)
Share of associates' other comprehensive income and reserves	250	(258)
Tax on other comprehensive income	181	26
Total comprehensive income for the year	1 905	2 308
Attributable to:		
Equity holders of the group	1 308	1 648
Minority shareholders	597	660
	1 905	2 308

Condensed Consolidated Statement of Changes in Equity	Year ended	Year ended
	31 March	31 March
	2010	2009
	R'm	R'm
Balance at beginning of the year	35 217	33 147
Changes in share capital and premium		
Movement in treasury shares	(1 041)	(405)
Share capital and premium issued	433	123
Changes in reserves		
Total comprehensive income for the year	1 308	1 648
Movement in share-based compensation reserve	498	445
Movement in existing control business combination reserve	(334)	548
Direct retained earnings movement	(22)	(9)
Dividends paid to Naspers shareholders	(773)	(669)
Changes in minority interest		
Total comprehensive income for the year	597	660
Dividends paid to minorities	(311)	(307)
Movement in minority interest in reserves	62	36
Balance at end of the year	35 634	35 217
Comprising:		
Share capital and premium	14 466	15 074
Retained earnings	16 823	14 361
Share-based compensation reserve	1 573	927
Existing control business combination reserve	98	331
Hedging reserve	(408)	(116)
Valuation reserve	1 844	1 843
Foreign currency translation reserve	(736)	1 171
Minority interest	1 974	1 626
Total	35 634	35 217

Condensed Consolidated Statement of Cash Flows	Year ended	Year ended
	31 March	31 March
	2010	2009
	R'm	R'm
Cash flow from operating activities	5 622	3 913
Cash flow (utilised in)/generated from investment activities	(5 156)	1 217
Cash flow generated from/(utilised in) financing activities	235	(6 839)
Net movement in cash and cash equivalents	701	(1 709)
Foreign exchange translation adjustments	(678)	187
Cash and cash equivalents at beginning of the year	5 803	7 325
Cash and cash equivalents at end of the year	5 826	5 803

Condensed Consolidated Statement of Financial Position

	Year ended 31 March 2010 R'm	Year ended 31 March 2009 R'm
ASSETS		
Non-current assets	44 342	40 873
Property, plant and equipment	6 490	4 754
Goodwill and other intangible assets	21 596	20 916
Investment in associates	11 942	10 667
Other investments and loans	3 500	3 609
Deferred taxation	814	871
Other non-current assets	-	56
Current assets	13 126	13 687
TOTAL ASSETS	57 468	54 560
EQUITY AND LIABILITIES		
Share capital and reserves	33 660	33 591
Minority shareholders' interest	1 974	1 626
Total equity	35 634	35 217
Non-current liabilities	10 892	8 991
Capitalised finance leases	1 736	865
Liabilities – interest-bearing	6 983	5 934
– non-interest-bearing	51	118
Post-retirement medical liability	178	155
Derivatives	684	543
Deferred taxation	1 260	1 376
Current liabilities	10 942	10 352
TOTAL EQUITY AND LIABILITIES	57 468	54 560
Net asset value per N ordinary share (cents)	8 993	9 019

Calculation of Headline and Core Headline Earnings

	Year ended 31 March 2010 R'm	Year ended 31 March 2009 R'm
Net profit attributable to shareholders	3 257	5 761
Adjusted for:		
– insurance proceeds	(369)	(113)
– impairment of property, plant, equipment and other assets	225	117
– impairment of goodwill and intangible assets	384	22
– (profit)/loss on sale of property, plant and equipment	(156)	27
– profit on sale of intangibles	(73)	-
– discontinuance of operations	-	(2 965)
– profit on sale of investments	(120)	(10)
– remeasurements included in equity-accounted earnings	30	-
– impairment of equity-accounted investments	62	214
	3 240	3 053
Total tax effects of adjustments	7	5
Total minority interest of adjustments	50	7
Headline earnings	3 297	3 065
Discontinued operations	-	(129)
Headline earnings from continuing operations	3 297	2 936
Adjusted for:		
– treasury-settled share scheme charges	418	258
– prior year withholding taxes	121	-
– reversal/(creation) of deferred tax assets	253	(58)
– amortisation of intangible assets	922	958
– Welkom Yizani refinancing	330	-
– fair value adjustments and currency translation differences	(22)	279
Core headline earnings	5 319	4 373

Supplementary Information

	Year ended 31 March 2010 R'm	Year ended 31 March 2009 R'm
Depreciation of property, plant and equipment	878	910
Amortisation	1 213	1 246
– intangible assets	1 135	1 179
– software	78	67
Interest on finance leases	93	109
Other gains/(losses) – net	(364)	(87)
– loss on sale of property, plant and equipment	(47)	(25)
– impairment of goodwill and intangible assets	(384)	(18)
– impairment of tangible assets	(225)	(143)
– Welkom Yizani refinancing	(330)	-
– insurance proceeds	369	113
– profit on transponder lease settlement	253	-
– fair value adjustment on shareholders' liability	-	(14)
Other finance income/(costs) – net	114	3
– net foreign exchange differences and fair value adjustments on derivatives	(154)	(374)
– preference dividends received	268	377
Investments and loans	15 442	14 276
– listed investments	4 646	3 591
– unlisted investments	10 796	10 685
Market value of listed investments	92 843	44 491
Directors' valuation of unlisted investments	10 796	10 685
Commitments	18 626	14 205
– capital expenditure	527	359
– programme and film rights	8 698	8 063
– network and other services commitments	656	480
– transponder leases	7 689	4 290
– operating lease commitments	697	701
– set-top box commitments	359	312
Share of equity-accounted results	2 058	1 473
Dilution profits	(64)	-
Sale of assets	23	17
Sale of investments	77	8
Contribution to headline earnings	2 094	1 498
Amortisation on intangible assets	180	179
Treasury-settled share scheme charges	148	-
Reversal of deferred taxation	101	-
Contribution to core headline earnings	2 523	1 677
Tencent	2 148	1 217
Mail.ru	70	87
Abril	318	414
Other	(13)	(41)

Directors

T Vosloo (chairman), J P Bekker (managing director), 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 Willemsse

Company secretary

G Kisbey-Green

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