



NASPERS

Naspers Limited

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

INTERIM REPORT

The reviewed results of the Naspers group
for the six months ended 30 September 2009
are as follows:

Commentary

Over the past six months the group experienced satisfactory growth. Core headline earnings for the period grew by 36% to R6,48 per N ordinary share. Shareholders are reminded that the board considers core headline earnings an appropriate indicator of the sustainable operating performance of the group, as it adjusts for non-recurring and non-operational items.

Consolidated operating profit before amortisation and other gains/losses increased by 19% to R2,8bn, reflecting a net improvement in operating margins. Growth was driven by the internet and pay-television segments, whilst the print businesses remained under pressure.

Recently the group acquired a 91% interest in BuscaPé, an e-commerce platform operating in Latin America. Several smaller transactions were also concluded.

Looking ahead, we plan to grow the group through a combination of organic expansion from existing businesses, the application of new technologies and the pursuit of some acquisitions within our field of interest and expertise.

FINANCIAL REVIEW

Consolidated revenue growth of 6% to R13,5bn was recorded over the period. Costs were closely managed and, as a consequence, consolidated operating profit before amortisation and other gains/losses expanded by 19% to R2,8bn (2008: R2,4bn).

"Other losses" include a write-down of R330m flowing from the refinancing of the Welkom Yizani black economic empowerment scheme in Media24. The Naspers board decided to assist our 107 000 emerging co-shareholders at a time when print ventures are struggling globally.

Our earnings from equity-accounted associates grew to R872m, mostly via Tencent and Mail.ru.

A profit of R107m arose from the sale of M-Web's sub-Saharan Africa business.

The net result of the above was core headline earnings of R2,4bn – an increase of 37% on the prior period.

Free cash flow was positive at R1,6bn (2008: R759m). Our financial position remains sound, with total consolidated net debt, excluding satellite leases, of R2,6bn. This represents a net debt:equity ratio of 8%.

The group recently extended to March 2013 an offshore revolving credit facility with a syndicate of banks and increased the size of the facility to US\$1,6bn. The current drawdown on the facility is US\$948m.

SEGMENTAL REVIEW

This review includes consolidated subsidiaries and our economic interest in associated companies, as permitted by recently introduced accounting standards.

Pay television

The pay-television segment proved resilient in tough economic conditions. Revenue increased by 15% to R8bn, largely by growth of 352 000 gross subscribers for the six-month period. Operating margins held despite cost pressures from growing the subscriber base and increased sports content costs. SuperSport is now the largest funder of sport in Africa.

In South Africa the base grew by 238 000 gross to 2 639 000 households. Decoders were subsidised and lower-priced tiers

promoted in the emerging market. The *Compact* bouquet delivered growth of 132 000 gross subscribers. Advertising revenues, however, decreased in line with consumer spending.

In the rest of sub-Saharan Africa our base grew by 114 000 gross to 1 030 000 homes. The lower-priced *Compact/Family* bouquets now reach 391 000 homes. Several competitors are active in the market. Operating results from the sub-Saharan business were affected by a strong rand and a devaluation of the naira in Nigeria.

Internet

Overall the internet segment performed well, growing revenues by 29% and operating profit before amortisation and other gains/losses by 49%.

A major profit driver was Tencent, which upped revenues to R2,2bn and operating profit before amortisation and other gains/losses to R1,1bn. Platform statistics include active user accounts up to 485 million and peak simultaneous instant messaging users of 75m. Online gaming revenues were robust.

The other internet activities, in aggregate, reported lower operating profit before amortisation and other gains/losses of R53m – largely the effect of a firm rand, volatility in some currencies like the rouble and zloty, as well as development costs of new products or markets.

The e-commerce operations of Allegro (Eastern Europe) and Ricardo (Western Europe) continued expanding. Gross merchandising value grew 39% in local currency. Both businesses developed their product offerings through organic growth and selective bolt-on acquisitions. A consequence was that operating profit before amortisation and other gains/losses showed a marginal decline.

In Russia Mail.ru expanded its user base to 75m unique visitors. This business is diversifying its revenue streams and continues to perform ahead of expectations.

Print media

Globally print operations felt the full impact of economic headwinds.

The operations in South Africa showed no topline growth due to weak advertising revenues, whilst operating profits before amortisation and other gains/losses were down 27%. In general, the circulation of our magazines and newspapers proved remarkably resilient. The book publishing business suffered due to government spending patterns. Our printing business, Paarl Media, had only marginal revenue growth. There is a focus on cost and efficiencies. Capital expenditure has declined and working capital is being tightly managed.

In Brazil Abril experienced similar trends, with marginal revenue growth and a 42% lower operating profit in local currency. Abril has also implemented tougher cost controls, the benefits of which will follow.

Technology

Generally, orders from existing conditional access clients held up. However, new sales slowed and client projects were slow, with India and Africa exceptions. The consolidation of technology assets reduced costs. As a consequence, whilst revenues were down, operating performance improved.

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Our financial results for the six months ended 30 September 2009 have been prepared in accordance with IAS 34 "Interim Financial Reporting", 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, the accounting policies used for the interim results are consistent with those applied in the previous annual financial statements and IFRS. These results have been reviewed by the company's auditor, PricewaterhouseCoopers Inc., whose unqualified report is available for inspection at the registered office of the company.

During the prior year, we finalised the purchase price allocation for the acquisition of Tradus plc. The effect on the September 2008 results was as follows: goodwill decreased by R3,01bn, intangible assets increased by R3,45bn and deferred tax liabilities increased by R638m. Amortisation of intangible assets for the six months increased by R235m gross of deferred tax of R41m. Prior period information was restated accordingly.

The group recorded a provisional amount of R2,57bn profit from the sale of NetMed in September 2008. The final profit arising from the sale amounted to R2,97bn and the group restated the income statement for the period ended 30 September 2008 accordingly, with no effect on the statement of financial position.

The group adopted the following new standards, amendments and circulars for the period ended 30 September 2009:

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, with Tencent 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 borrowing costs. 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 period under review, but had no material effect on the group.

ACQUISITIONS

During September the group acquired 91% of Brazilian e-commerce group BuscaPé.com Inc. for approximately R2,6bn (US\$342m), financed from existing facilities. The preliminary purchase price allocation: tangible assets R157m, intangible assets R41m, liabilities R227m and the balance to goodwill.

In August the group finalised a public tender offer to acquire 83% of Bankier.pl in Poland for cash of R145m (PLN53m). The preliminary purchase price allocation: tangible assets R44m, intangible assets R2m, liabilities R16m and the balance to goodwill.

The group made some smaller acquisitions for a combined cost of R245m. Revenues and profits from all acquisitions closed during the period were immaterial to the consolidated results.

SUBSEQUENT EVENTS

During October 2009 the group acquired 51% of Korbitec (Proprietary) Limited for R158m. Korbitec is a South African company who develops and commercialises software, with a focus on the e-commerce property sector.

On behalf of the board

Ton Vosloo
Chairman

Koos Bekker
Managing director

Cape Town
26 November 2009

Segmental Review	Revenue			Ebitda			Operating profit before amortisation and other gains/(losses)		
	Six months ended 30 September			Six months ended 30 September			Six months ended 30 September		
	2009	2008	%	2009	2008	%	2009	2008	%
	R'm	R'm	Change	R'm	R'm	Change	R'm	R'm	Change
Pay television	8 019	6 985	15	2 911	2 309	26	2 694	2 099	28
Internet	4 061	3 144	29	1 255	865	45	1 098	735	49
- Tencent	2 175	1 199	81	1 118	628	78	1 045	584	79
- Other internet	1 886	1 945	(3)	137	237	(42)	53	151	(65)
Print	4 836	5 001	(3)	472	663	(29)	327	484	(32)
Technology	605	725	(17)	11	(24)	+100	(11)	(49)	78
Economic interest	17 521	15 855	11	4 649	3 813	22	4 108	3 269	26
Corporate services	-	-	-	(110)	(103)	-	(113)	(104)	-
Less: Associates	(4 066)	(3 203)	27	(1 315)	(915)	44	(1 196)	(803)	49
Consolidated	13 455	12 652	6	3 224	2 795	15	2 799	2 362	19

Note: The segmental review includes our share of our associates' results.

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 web site 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, P O 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.

	Six months ended 30 September 2009 Reviewed R'm	Six months ended 30 September 2008 Reviewed R'm	Year ended 31 March 2009 Audited R'm
Consolidated Income Statement			
Revenue	13 455	12 652	26 690
Cost of providing services and sale of goods	(6 893)	(6 703)	(13 531)
Selling, general and administration expenses	(4 343)	(4 269)	(9 289)
Other losses – net	(293)	(17)	(87)
Operating profit	1 926	1 663	3 783
Interest received	195	321	572
Interest paid	(345)	(454)	(878)
Other finance income – net	179	38	3
Share of equity-accounted results	872	405	1 473
Profit on sale of investments	107	34	36
Impairment of equity-accounted investments	–	(216)	(214)
Profit before taxation	2 934	1 791	4 775
Taxation	(1 051)	(796)	(1 436)
Profit after taxation	1 883	995	3 339
Profit from discontinued operations	–	127	127
Profit arising on discontinuance of operations	–	2 965	2 965
Profit for the period	1 883	4 087	6 431
Attributable to:			
Naspers shareholders	1 579	3 763	5 761
Minority shareholders	304	324	670
	1 883	4 087	6 431
Core headline earnings for the period (R'm)	2 414	1 763	4 373
Core headline earnings per N ordinary share (cents)	648	476	1 179
Fully diluted core headline earnings per N ordinary share (cents)	634	470	1 169
Headline earnings for the period (R'm)	1 466	1 078	3 065
Headline earnings per N ordinary share (cents)	394	291	826
Fully diluted headline earnings per N ordinary share (cents)	385	287	819
Earnings per N ordinary share (cents)	424	1 015	1 553
Fully diluted earnings per N ordinary share (cents)	415	1 002	1 540
Net number of shares issued ('000)			
– At period-end	373 451	371 449	372 451
– Weighted average for the period	372 451	370 558	371 004
– Fully diluted weighted average	380 852	375 517	374 108

	Six months ended 30 September 2009 Reviewed R'm	Six months ended 30 September 2008 Reviewed R'm	Year ended 31 March 2009 Audited R'm
Consolidated Statement of Comprehensive Income			
Profit for the period	1 883	4 087	6 431
Total other comprehensive income, net of tax for the period	(1 817)	(921)	(3 871)
Translation of foreign operations	(1 318)	(826)	(3 544)
Cash flow hedges	(654)	(97)	(347)
Share of associates' other comprehensive income	–	–	(6)
Tax on other comprehensive income	155	2	26
Total comprehensive income for the period	66	3 166	2 560
Attributable to:			
Naspers shareholders	(142)	2 859	1 900
Minority shareholders	208	307	660
	66	3 166	2 560

	Six months ended 30 September 2009 Reviewed R'm	Six months ended 30 September 2008 Reviewed R'm	Year ended 31 March 2009 Audited R'm
Condensed Consolidated Statement of Changes in Equity			
Balance at beginning of period	35 217	33 147	33 147
Changes in share capital and premium			
Movement in treasury shares	(435)	(9)	(405)
Share capital and premium issued	–	46	123
Changes in reserves			
Total comprehensive income for the period	(142)	2 859	1 900
Movement in share-based compensation reserve	247	(17)	445
Movement in business combination reserve	(260)	575	548
Share of associates' reserve movements	–	–	(252)
Direct retained earnings movement	(11)	(1)	(9)
Dividends paid to Naspers shareholders	(773)	(669)	(669)
Changes in minority interest			
Total comprehensive income for the period	208	307	660
Dividends paid to minorities	(249)	(222)	(307)
Movement in minority interest in reserves	(43)	(26)	36
Balance at end of period	33 759	35 990	35 217
Comprising:			
Share capital and premium	14 639	15 393	15 074
Share-based compensation reserve	1 174	465	927
Business combination reserve	71	609	331
Hedging reserve	(480)	107	(116)
Valuation reserve	1 844	1 849	1 843
Foreign currency translation reserve	(188)	3 898	1 171
Retained earnings	15 157	12 371	14 361
Minority interest	1 542	1 298	1 626
Total	33 759	35 990	35 217

	30 September 2009 Reviewed R'm	30 September 2008 Reviewed R'm	31 March 2009 Audited R'm
Condensed Consolidated Statement of Financial Position			
ASSETS			
Non-current assets	41 198	40 640	40 873
Property, plant and equipment	4 616	4 529	4 754
Goodwill and other intangible assets	22 179	22 757	20 916
Investments and loans	13 757	12 773	14 276
Deferred taxation	646	482	871
Other non-current assets	–	99	56
Current assets	12 684	12 601	13 001
Assets classified as held for sale	21	537	686
TOTAL ASSETS	53 903	53 778	54 560
EQUITY AND LIABILITIES			
Share capital and reserves	32 217	34 692	33 591
Minority shareholders' interest	1 542	1 298	1 626
Total equity	33 759	35 990	35 217
Non-current liabilities	10 364	8 542	8 991
Capitalised finance leases	542	924	865
Liabilities – interest-bearing	7 504	5 640	5 934
– non-interest-bearing	50	101	118
Post-retirement medical liability	169	149	155
Derivatives	975	333	543
Deferred taxation	1 124	1 395	1 376
Current liabilities	9 780	9 057	10 088
Liabilities classified as held for sale	–	189	264
TOTAL EQUITY AND LIABILITIES	53 903	53 778	54 560
Net asset value per N ordinary share (cents)	8 627	9 340	9 019

Reconciliation of Ebitda to Operating Profit

	Six months ended 30 September	
	2009 R'm	2008 R'm
Ebitda	3 224	2 795
Depreciation	(425)	(433)
Operating profit before amortisation and other losses	2 799	2 362
Amortisation	(580)	(682)
Other losses	(293)	(17)
Operating profit	1 926	1 663

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

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 September 2009 Reviewed R'm	Six months ended 30 September 2008 Reviewed R'm	Year ended 31 March 2009 Audited R'm
Cash flow from operating activities	2 254	1 449	3 913
Cash flow (utilised in)/ generated from investment activities	(3 012)	3 313	1 217
Cash flow from/(utilised in) financing activities	992	(6 259)	(6 839)
Net movement in cash and cash equivalents	234	(1 497)	(1 709)
Foreign exchange translation adjustments	(520)	(64)	187
Cash and cash equivalents at beginning of period	5 803	7 325	7 325
Cash and cash equivalents at end of period	5 517	5 764	5 803
Included in:			
- Cash and cash equivalents	5 517	5 728	5 724
- Assets classified as held for sale	-	36	79
	5 517	5 764	5 803

Calculation of Headline and Core Headline Earnings

	Six months ended 30 September 2009 Reviewed R'm	Six months ended 30 September 2008 Reviewed R'm	Year ended 31 March 2009 Audited R'm
Net profit attributable to shareholders	1 579	3 763	5 761
Adjusted for:			
- insurance proceeds	(175)	-	(113)
- impairment of goodwill and other assets	153	19	139
- (profit)/loss on sale of assets	(15)	(20)	27
- discontinuance of operations	-	(2 965)	(2 965)
- (profit)/loss on sale of investments	(72)	46	(10)
- impairment of equity-accounted investments	-	216	214
	1 470	1 059	3 053
Total tax effects of adjustments	(4)	9	5
Total minority interest of adjustments	-	10	7
Headline earnings	1 466	1 078	3 065
Discontinued operations	-	(121)	(129)
Headline earnings from continuing operations	1 466	957	2 936
Headline earnings	1 466	1 078	3 065
Adjusted for:			
- profit from discontinued operations	-	(121)	(129)
- treasury-settled share scheme charges	134	124	258
- reversal/(creation) of deferred tax assets	132	-	(58)
- amortisation of intangible assets	436	557	958
- refinancing of the Welkom Yizani empowerment scheme	330	-	-
- fair value adjustments and currency translation differences	(84)	125	279
Core headline earnings	2 414	1 763	4 373

Supplementary Information

	Six months ended 30 September 2009 Reviewed R'm	Six months ended 30 September 2008 Reviewed R'm	Year ended 31 March 2009 Audited R'm
Depreciation of property, plant and equipment	425	433	910
Amortisation of intangible assets	580	682	1 246
Interest on finance leases	38	50	109
Other losses - net	(293)	(17)	(87)
- profit/(loss) on sale of property, plant and equipment	14	3	(25)
- impairments of goodwill and intangible assets	(3)	-	(18)
- insurance proceeds	175	-	113
- impairments of tangible assets	(150)	(19)	(143)
- refinancing of the Welkom Yizani empowerment scheme	(330)	-	-
- fair value adjustment on shareholders' liabilities	1	(1)	(14)
Other finance income - net	179	38	3
- net foreign exchange differences and fair value adjustments on derivatives	36	(153)	(374)
- preference dividends received	143	191	377
Investments and loans	13 757	12 773	14 276
- listed investments	3 494	2 701	3 591
- unlisted investments	10 263	10 072	10 685
Market value of listed investments	77 427	37 527	44 491
Directors' valuation of unlisted investments	10 263	10 072	10 685
Commitments	15 842	10 098	14 205
- capital expenditure	643	357	359
- programme and film rights	6 030	6 791	8 063
- network and other services commitments	573	315	480
- transponder leases	7 732	1 872	4 290
- operating lease commitments	576	664	701
- decoder commitments	288	99	312
Analysis of equity-accounted results			
Tencent	936	504	1 217
Mail.ru	54	38	87
Abril	8	71	414
Other	(8)	(29)	(41)
Contribution to core headline earnings	990	584	1 677
Intangible amortisation	(83)	(88)	(179)
Contribution to headline earnings	907	496	1 498
Impairment of assets	-	(10)	-
Sale of assets	-	-	(17)
Sale of investments	(35)	(81)	(8)
Share of equity-accounted results	872	405	1 473

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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Transfer secretaries

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