NASPERS

ANNUAL REPORT 2002

contents

contents

The Naspers mission is
to create a

personal reference world

of
entertainment, education and ***information***
which can be accessed
no matter where you are.

In doing so, we hope to:

- become one of the leading media companies in Africa and Asia
- create value for our shareholders
- enrich the communities in which we operate by being useful

[mission]

highlights

Group revenues grew by 19% to R9,8 billion, whilst Ebitda grew almost fourfold from R180 million to R709 million.

As a result of stronger operating performance, operating profits before amortisation amounted to a positive R73 million, compared with a loss of R284 million last year.

Group internet revenues grew by 33%, whilst Ebitda losses were almost halved to R333 million. M-Web's Ebitda losses were reduced dramatically.

Pay television Ebitda grew by 51% to R515 million. The migration from analogue to digital services will further increase revenues per subscriber. Overall, the Group now manages 2,1 million pay television subscribers.

The print media segment succeeded in increasing Ebitda by 11%, despite harsh market conditions.

QQ in China now processes around 500 million messages per day and has some 1,5 million paying mobile subscribers.

OVERVIEW ... BY THE CHAIRMAN AND MANAGING DIRECTOR

overview . . . by the chairman and managing director

GROUP OVERVIEW

The international business climate changed dramatically over the past year. The unprecedented bull market of the past 20 years led to excessive optimism in share prices, unrealistic expectations about the speed at which new technologies would impact the economy and over-capacity in telecommunications, resulting in its subsequent collapse. The events of 11 September 2001 in the US and the effect on advertising costs triggered a further reduction in the value of media stocks.

In the face of these shocks, the Group was compelled to make rapid and drastic adjustments, including the introduction of cost-cutting measures, scaling back operations with too slow a path to break-even and driving each of its businesses relentlessly towards profitability. The results reported below show that the Group has had some success in this regard. Whilst these reductions were necessary, growth opportunities remain.

The Group's print businesses withstood the upheavals in the international media industry better than most. The internet businesses continue to grow organically. Pay television remains exposed to the vagaries of the rand and is a mature business. While subscriber numbers are not expected to grow significantly, migration from analogue to digital services does increase revenues per subscriber. Private education has yet to show a meaningful growth in turnover, but profitability improved.

In the present volatile international environment, it would be rash to forecast concrete prospects for the year ahead. However, given the actions implemented over the past months and with the acceptance of a more or less stable economic environment, the Group is confident of generating real growth.

FINANCIAL REVIEW

Subsequent to the financial year-end, shareholders were advised that the Group had concluded an agreement, subject to the fulfilment of certain conditions precedent, to dispose of its interest in OpenTV. This transaction is expected to close during the next quarter.

The Mindport Broadband and Lyceum College businesses were discontinued for reasons discussed below. In accordance with Generally Accepted Accounting Practice, the OpenTV disposal and the discontinuation of these operations are shown separately on the income statement, and the corresponding figures have been adjusted to allow comparison. The net loss from these discontinued operations for the period amounted to R605 million. A further loss of R952 million, including goodwill impairment of R810 million, arose as a direct result of providing for further costs arising on the discontinuance of these operations.

After adjusting for the above in both the present and previous year, Group revenues grew by 19% to R9,8 billion, whilst Ebitda grew almost fourfold from R180 million to R709 million.

Depreciation increased by 37% to R636 million, mainly due to additional transponder capacity, expansion of the printing infrastructure and the depreciation of the rand. As a result of the stronger operating performance, operating profits before amortisation amounted to R73 million, compared with a loss of R284 million last year.

The net headline loss per N ordinary share from continuing operations consequently amounted to 162 cents, compared with 277 cents last year. On 31 March 2002 the Group had net consolidated cash resources of R3,1 billion and interest-bearing liabilities of R1,7 billion, excluding satellite leases and Welkom debenture liabilities.

SEGMENTAL REVIEW

Revenues and earnings before interest, tax, depreciation and amortisation (Ebitda) of the key business segments were as follows:

	REVENUE (R'm)			EBITDA (R'm)		
	2002	2001	%	2002	2001	%
Continuing operations						
Subscriber platforms						
- pay television	5 591	4 558	23	515	342	51
- internet	547	411	33	(333)	(641)	48
Print media	2 102	1 922	9	374	337	11
Technology	475	383	24	98	104	(6)
Book publishing	610	545	12	32	22	45
Private education	511	447	14	36	27	33
Corporate services	1	–	–	(13)	(11)	(18)
	9 837	**8 266**	**19**	**709**	**180**	**394**
Discontinuing operations						
OpenTV	840	553		(386)	(240)	
Mindport Broadband	85	123		(356)	(224)	
Lyceum College	25	73		(2)	(15)	
	950	**749**		**(744)**	**(479)**	

SUBSCRIBER PLATFORMS

Pay television

The pay television operations reported revenue growth, although the net subscriber base under management grew by only 40 000 during the year. The fact that the digital base now accounts for 57% of the total subscriber base, established a platform for the future roll-out of interactive services and increased revenues per subscriber.

On the African continent the subscriber base grew to 1,28 million households. M-Net and SuperSport also reported satisfactory earnings growth. However, the pay television market in South Africa is reaching maturity, and subscriber growth will decline in future.

In Greece, the launch of a competing platform caused turbulence in the market. The Group's digital service, Nova, maintained its leadership of the market by adding 31 000 subscribers to end the year on 100 000. However, the region ended the year with 317 000 subscribers, with analogue subscribers down from last year. Whilst this intense level of competition continues, short-term profitability will not be achievable.

UBC in Thailand grew its subscriber base by 30 000 to 413 000 homes across satellite and cable platforms and is now Ebitda positive.

Overall, the Group now manages 2,1 million pay television subscribers. In all its markets, the migration of subscribers to digital services is noteworthy and remains a focus for growth.

Internet

3

The Group regards the internet as an important media distribution platform. Our approach is to build strong subscriber platforms with a focus on access "anytime, anywhere". This enables subscribers to interact with their content platforms via television, the internet or cellular technologies any time of the day or night, anywhere in the world.

Group internet revenues grew by 33%, whilst Ebitda losses were almost halved to R333 million. Further improvements are expected in the year ahead.

In South Africa, M-Web maintained its leading position in the market. Ebitda losses were reduced dramatically from R238 million to R88 million. CommerceZone has become South Africa's leading business-to-business e-market and now offers an e-commerce platform and strategic sourcing services to outside companies.

In China the Group has an interest in QQ, a Chinese instant-messaging company. Instant messaging has become an important communication service. QQ processes around 500 million messages per day and has some 1,5 million paying mobile subscribers. The sports portal, SportsCN, has grown into the leading service of its kind in China.

In Thailand the Group has 286 000 subscribers accessing its service on a pre-paid basis and 17 000 on a post-paid billing basis. The M-Web portals in Thailand attract more than two million page views per day.

OVERVIEW

overview . . .

BOOK PUBLISHING

Nasboek made good progress on some fronts over the past year. Jonathan Ball, Leserskring/Leisure Books and Lux Verbi.BM all had record years. Despite disappointing revenues from school textbooks, total revenues increased by 12%, whilst Ebitda grew by 45%. Kalahari.net doubled its turnover and reaffirmed its position as South Africa's leading e-tailer.

PRIVATE EDUCATION

Educor had a satisfactory year, with revenues growing by 14% and Ebitda by 33%. A number of changes were effected to both the structure and management to provide a base for exploiting the opportunities in the education and training environment.

Given adverse market conditions in its sector, the Lyceum College business was discontinued. The full cost of teaching out existing students has been provided for and is reflected separately on the income statement as a discontinued operation.

Early indications of enrolments for the year ahead are positive, with most campuses reporting improved student numbers.

DIVIDEND

The board has recommended that the annual dividend be increased to 25 cents (previously 24 cents) per N ordinary share, and five cents per unlisted A ordinary share. The dividends are payable to shareholders registered on 13 September 2002 and will be paid on 16 September 2002.

PRINT MEDIA

Media24 succeeded in increasing Ebitda by 11%, despite harsh market conditions. The magazine industry's advertising revenues came under pressure, whilst having to absorb major increases in the cost of paper and ink. However, the newspaper, printing and distribution divisions all performed surprisingly well during the year.

New titles include the *Sunday Sun* newspaper, launched in the second half of the year and achieving an ABC circulation of 118 000, and *dit,* a magazine aimed at house-proud women, launched in September 2001 and already boasting a circulation in excess of 75 000 a month.

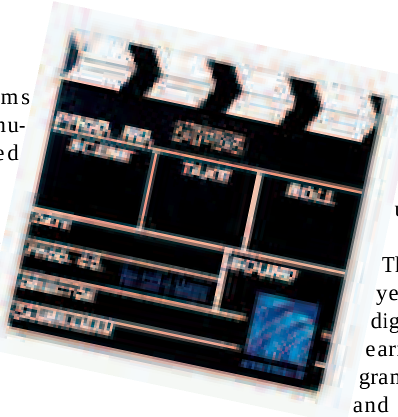
Over the past five years, Media24 has benefited from major investments in modern infrastructure, production resources and capacity. These investments were made before the recent steep decline of the rand, obviating the need for major capital expenditure for some years.

TECHNOLOGY

After a flat first half of the year, Irdeto Access was able to improve its sales in the second half. As a result, total revenues for the year grew by 24%. The sales mix was, however, more reliant on card swops, where margins were lower.

Following the slow-down in technology spend and its effect on the roll-out of broadband services in the US, the Mindport Broadband business was discontinued.

. . . Kalahari.net reaffirmed its position as South Africa's leading e-tailer . . .



MIH operates subscriber management platforms that provide content, services and means of communication to paying users and licence-related technologies globally.

In response to the sharp global economic downturn, MIH has scaled down its businesses to drive each of them towards profitability. The focus has shifted from new initiatives to existing businesses, and from growth to profitability.

PAY TELEVISION

Africa

MultiChoice Africa (Proprietary) Limited (MCA) (**www.multichoice.co.za**) provides television and subscriber management services to 49 countries across Africa, including the adjacent Indian Ocean islands. The television services comprise terrestrial analogue networks as well as digital satellite television (DStv) bouquets. The digital service comprises some 50 video channels, six data channels and 48 audio channels.

MultiChoice's aggregate subscriber base ended the year at 1,28 million households. The digital base for the continent grew by 140 000 subscribers for the year and now accounts for 62% of the total Africa subscribers, establishing a solid platform for the roll-out of interactive television (iTV) services. The analogue subscriber base declined to just under 500 000, primarily due to subscribers upgrading to the digital platform.

In March 2002 MultiChoice launched return-path iTV services, using OpenTV's interactive software. These services include enhanced television programming, t-mail (e-mail via television) and e-commerce.

M-Net (**www.mnet.co.za**) performed satisfactorily in a difficult economic and media environment, mainly due to strict cost management.

Whilst the South African subscriber base did not increase substantially, this was offset by reasonable growth in the rest of Africa and the migration from analogue to digital services, where margins are better. M-Net remains vulnerable to a decline in the value of the rand.

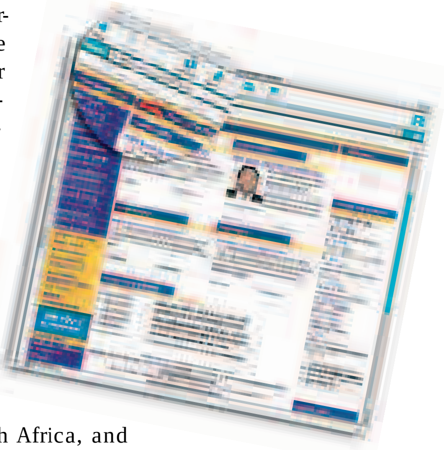
The channel's biggest programming success of the year was *Big Brother*, which introduced local viewers to the reality television format. It led to publicity nationwide and elsewhere on the continent. It was the Group's first truly multimedia production, straddling the different platforms of analogue television, digital television, telephony and the internet, and paves the way for similar future ventures.

M-Net packages 10 channels (via Ku band) for Southern Africa and seven (via C band) for the rest of Africa.

The year saw greater focus on M-Net Africa, which is one of the most viewed channels on DStv. Particular emphasis was placed on the market in Nigeria where M-Net is currently producing a local version of *Gladiators*. This is the first major running production of its kind that M-Net has undertaken outside South Africa.

The Afrikaans channel kykNET, now in its third year, remains one of the most popular on the digital bouquet and is also one of the biggest earners of advertising revenue. kykNET programmes are almost entirely locally produced and make a significant contribution to the domestic television production industry. Several new shows are planned for the year ahead.

During the year some R116 million was spent on local productions, which amounted to 526 hours broadcasting time.



The highlight of the year for SuperSport was acquiring the broadcasting rights for Formula 1 motor racing and the South African Premier Soccer League matches on DStv. SuperSport's internet destination, the SuperSport Zone (**www.supersport.co.za**), has been expanded and features an increasing number of websites.

Many major sporting events were covered extensively, including South Africa's cricket tour to Australia and the reciprocal tour of South Africa, and the Super12 and TriNations rugby competitions. The poor showing of local rugby and cricket teams is impacting viewership figures. Wimbledon, the British FA Cup and all four major international golf tournaments were also aired.

SuperSport continues to reach in excess of 1,2 million households across Africa and is a major source of funding for many sports disciplines.

Mediterranean

The television platforms managed by NetMed, the MIH company in this region, cover Greece and Cyprus and offer 28 channels in Greek and more than 100 other European channels. The Greek-language channels are either produced in Greece or are foreign thematic channels customised for this market.

The launch of a competing platform caused great uncertainty in the market and a decline in the company's analogue base in Greece. The digital television service, Nova, strengthened its lead in the region by adding 31 000 subscribers to end the year on 100 000. The Cyprus operation ended the year with 52 500 subscribers, whilst the region ended the year with 317 000 subscribers in total, down from 385 000 in 2001.

Nova includes a pay-per-view movie service and a number of iTV services, and provided enhanced features for the *Big Brother* reality programme. SuperSport Extra features multiple camera angles, on-demand highlights and match statistics.

NASPERS

SUBSCRIBER PLATFORMS . . .
subscriber platforms . . .

Antenna TV, Greece's leading free-television operator, acquired a minority equity stake in NetMed in October 2001. Antenna TV will provide NetMed with local thematic programmes from its extensive libraries.

Thailand

United Broadcasting Corporation (UBC) (www.ubctv.com) provides a television service through two different broadcasting systems: digital satellite (DStv) and analogue cable.

UBC's bouquet consists of 16 international channels, four locally produced channels and nine UBC-branded channels, most of which are localised for the Thai market through subtitling or dubbing. UBC has secured the exclusive right to Thailand's favourite sport, English Premier League soccer, for a further three years.

During the year UBC acquired 30 000 new subscribers (mostly on the DStv base) and ended the year with 413 000 subscribers.

The business became Ebitda positive during the past financial year.

INTERNET

Africa

The past financial year saw M-Web (www. mweb.co.za) maintain its dial-up subscriber base at 245 000, whilst achieving substantial growth in other areas of its business. As market conditions were not conducive, M-Web was delisted from The JSE Securities Exchange South Africa ("the JSE") in July 2001.

On the residential dial-up and content side of the business, M-Web retained its status as South Africa's leading online service provider. The number of unique visitors to the M-Web content services has grown to 1,3 million per month. The year-on-year increase of 54% proves that South African consumers are responding to the value of the quality content and services supplied to M-Web by partners such as News24, Moneymax, SuperSport, M-Net and M-Web Learning.

M-Web has seen consistent growth in revenues over the year across all divisions. The business solutions division continued its roll-out of the Pick 'n Pay home shopping internet initiative and has experienced significant growth in the area of web development and hosting services, ending the year with in excess of 2 500 hosted sites.

M-Web's CommerceZone has become South Africa's leading business-to-business e-marketplace. By leveraging its existing infrastructure, M-Web CommerceZone now offers a strategic sourcing service to outside companies.

Growth in M-Web's financial services division was mainly driven by icanonline, one of South Africa's leading transactional platforms which consolidates banking, insurance, trading and retail brands into a convenient online service. Over the past financial year, icanonline signed up 35 000 clients, exceeding original expectations.

South-East Asia

M-Web Thailand (www.mweb.co.th), MIH's internet platform in Thailand, is the premier service provider of local content. With nine consumer-focused websites, its portals attract more than one million page views and 2,5 million chat page views per day. MIH also has a majority interest in one of Thailand's largest internet service providers, KSC Commercial Internet Company Ltd (KSC). This company has 286 000 users accessing the internet on a pre-paid basis, 17 600 accessing it on a post-paid billing basis, and in excess of 750 corporate clients.

Cash burn has reduced significantly.

M-Web Indonesia (www.mweb.co.id) attracts approximately 50% of the total local traffic in this market, with 150 000 active e-mail users and 1,4 million page views per day. The company also operates a network of internet centres.

China

The Group has an interest in a Chinese instant messaging company, QQ (www.tencent.com). Instant messaging has become an important means of communication and a community-building tool worldwide. QQ processes more than 500 million messages per day and has more than 1,5 million paying mobile subscribers.

The sports website, SportsCN (www.SportsCN.com), is the leading niche operator of its kind in China, with small but growing revenues from mobile phone sources.

TECHNOLOGY . . .
technology . . .

Irdeto Access (www.irdetoaccess.com) supplies conditional access (CA) to 76 operators in more than 40 countries worldwide. Over seven million Irdeto smart-cards have been issued worldwide.

There has been good growth over the past year in China, where Irdeto has received official approval as one of only two foreign CA suppliers of systems to the Chinese market.

As a result of the global technology slowdown and its impact on the roll-out of broadband services, the Mindport Broadband business has been discontinued.

PRINT MEDIA
print media...

Media24 (**www.media24.co.za**) owns newspapers, magazines, printing and distribution businesses. A fifth division, comprising the internet businesses, has been established to expand the company's media expertise to new technologies.

The company has benefited from the establishment of a modern countrywide infrastructure of production resources such as printing presses and buildings over the past five years. The resulting competitive advantages have been highlighted by the subsequent drop in the exchange rate of the rand against the currencies of supplier countries. Competitors will now have to pay much more for similar plants.

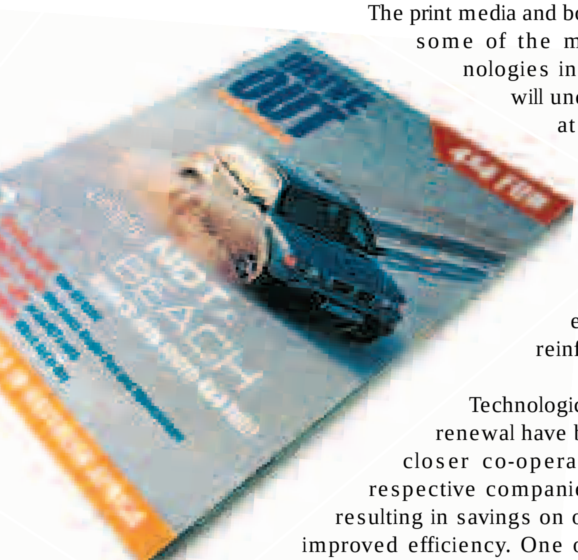
Media24 succeeded in increasing its market share in various areas despite challenging market conditions. The magazine industry was hard-hit by a drop in advertising spend by national advertisers. The newspaper division succeeded in increasing its share of the total advertising market. Despite exceptional increases in the cost of paper and ink, the printing businesses performed well. Media24 was thus able to conclude the year with satisfactory results.

Stringent cost contol, the launch of successful new titles and consolidation of several printing businesses in Paarl Media Holdings (PMH) should further enhance profitability.

National Book Printers (NBD) and Paarl Print will be merged into one expanded plant in Paarl. PMH will thus comprise Paarl Gravure (Milnerton), Paarl Web (Paarl) and Paarl Print.

Media24's internet businesses (e-Media24) have established themselves as market leaders in their respective fields. Costs were cut and prospects for income have improved.

Newspaper and magazine distributor NND24 improved its profitability despite the cost of fighting crime. Its vehicles are sometimes targeted for hijackings and robberies.



The print media and book publishers operate some of the most advanced technologies in South Africa, which will undoubtedly place them at the forefront of their respective markets. International technological trends are continuously studied to ensure this position is reinforced.

Technological improvements and renewal have been advanced by the closer co-operation among all the respective companies within the Group, resulting in savings on operating costs and improved efficiency. One of the Group's most important assets is its staff, whose knowledge of the industry and technology support the expansion of its products and services.

MAGAZINES

With over 30 titles in its stable, Media24 Magazines is the largest publisher of consumer magazines in Africa.

Huisgenoot, which sells some 1,4 million copies per month, remains the market leader. The magazine was redesigned last year, a move welcomed by its readers. *YOU* underwent similar changes and now sells more than one million copies per month. *Drum* is presently being revamped.

These three titles cater for the needs of families throughout the country on a weekly basis and they strive to entertain and inform.

Media24 Magazines also publishes the biggest-selling women's magazines in Africa. All the magazines are local, carry local content and are edited by local staff.

Fairlady, Sarie, True Love and *Woman's Value* cater for women's every need. The magazine *dit*, aimed at house-proud women, was launched in September 2001 and has proved to be one of the most successful launches in recent years with a circulation already exceeding 75 000 a month.

True Love was named Magazine of the Year by trade publication *AdVantage Magazine*. Editor Khanyi Dhlomo-Mhkize was also named Editor of the Year. *True Love* is the fastest-growing women's magazine in South Africa with a year-on-year growth of 15%.

The company's financial titles, *Finansies & Tegniek* and *Finance Week*, were also redesigned in 2001 and their circulation figures are improving.

The agricultural publication *Landbouweekblad* is the undisputed leader in its mature field, providing farmers with weekly up-to-date information on farming.

Wholly-owned subsidiary Touchline Media publishes titles that focus on sport and health. Some titles, such as soccer magazine *KICK OFF*, are local, whilst others, such as *Men's Health, Shape* and *Golf Digest*, are published and printed successfully under licence from overseas publishers.

Touchline recently aquired a 51% share in niche publisher ATOLL Media which specialises in beach culture magazines such as *ZIGZAG, Blunt, SA Bodyboarding* and *SALT WATER GIRL*.

Media24 Magazines has a 50% share in the magazine *FHM* along with the British owner Emap. It was successfully launched in South Africa. *FHM* has shown a 24% year-on-year growth.

The company also has a 50% interest in the custom-publishing company New Media Publishing. They are leaders in producing quality magazines for customer relationship marketing programmes on behalf of corporate clients.

PRINT MEDIA
print media...

Niche titles owned by Media24 Magazines are *Insig, SA Citylife* and *VISI*, which are published on the company's behalf by New Media Publishing. *SA Citylife* is a recent acquisition aimed at city dwellers who enjoy urban living.

Alchemy Publishing publishes niche titles *Your Baby, Baba & Kleuter* and *Your Pregnancy*, all aimed at mothers. Media24 has a 50% stake in this business.

NEWSPAPERS

Over the past few years Nasnews has laid the foundation for its future growth by investing heavily in printing presses and other infrastructure. Five new printing presses were installed, publications aimed at black readers were acquired or launched, the reach in all provinces was improved, a regional distribution company was expanded to become a national player, offices were modernised, a new team of management and editorial leaders was appointed and the company's internet involvement was developed. Staff numbers were also lowered, costs cut and training improved.

Nasnews' results over the past year showed an increase in operating profits. Profit margins improved despite an increase in depreciation, moderate real growth in turnover, and steep paper and fuel price increases.

Dampeners are challenges such as further increases in the price of paper and the effect of the exchange rate.

Die Burger was able to resume its growth pattern and further increased its market share. Preparations were completed for the second phase of replacing the existing printing press; the new press should be operational by October.

The Boland regional newspapers were merged to create one strong business. The printing press at *Paarl Post* will soon be replaced by a single-width press for printing all the Boland regional newspapers. The printing business in Worcester was sold.

Beeld reinforced its image as a quality newspaper with industry awards for typography and printing, whilst the newspaper's journalists scooped awards for journalistic excellence. Sales also firmed.

The circulation of *Volksblad* remained stable. It acted as founding sponsor of the first arts festival held in Bloemfontein. The community newspapers were distributed to the furthest reaches of the Free State and Northern Cape.

RCP Media firmly established itself as Sunday newspaper publisher. *Rapport*'s circulation remained stable, whilst *City Press* maintained its market leadership although sales came under pressure from two new competitors in the marketplace. *Sunday Sun* was launched in the second half of the year and quickly reached ABC figures of 104 000.

Community newspaper and advertising leaflet distributor NLD consolidated its position as national distributor. *Soccer-Laduma* achieved new circulation highs. A new printing press was installed at *The Natal Witness*.

The newspaper sector contributed to and enjoyed the spin-off from several group projects such as NMS Com's network infrastructure and the Naspers procurement portal.

The aim for the new financial year is to investigate opportunities to establish new publications profitably and add at least one new publication.

Nasnews newspapers now increasingly provide a forum for all the larger communities. The lively content reflects a dynamic community adapting to new situations, whilst rediscovering and reinventing itself. Nasnews newspapers aim to be a mouthpiece for all opinions, being not only a messenger, but a companion.

INTERNET

The audience levels across each of e-Media24's consumer-orientated niche sites continued to grow, achieving market leadership across the categories of news, property, motoring, health, food and women's interests.

News24 is now the largest portal for breaking news in South Africa, having doubled its audience to over 500 000 unique users since the events of 11 September 2001 in the US. The subsequent retention of this audience indicates a shift in the news consumption behaviour of consumers towards the online medium.

Property24 entrenched itself as by far the leading supplier of software to the real estate industry and now provides prospective home buyers with open access to the largest database of property listings online.

Two new initiatives were launched to complement Media24's core publishing business. Food24 provides home entertainers with more than 10 000 tried-and-tested recipes sourced from Media24's magazines, whilst Subscribe24 provides a facility for online shoppers to manage their subscriptions to Media24's bouquet of magazine and newspaper titles.

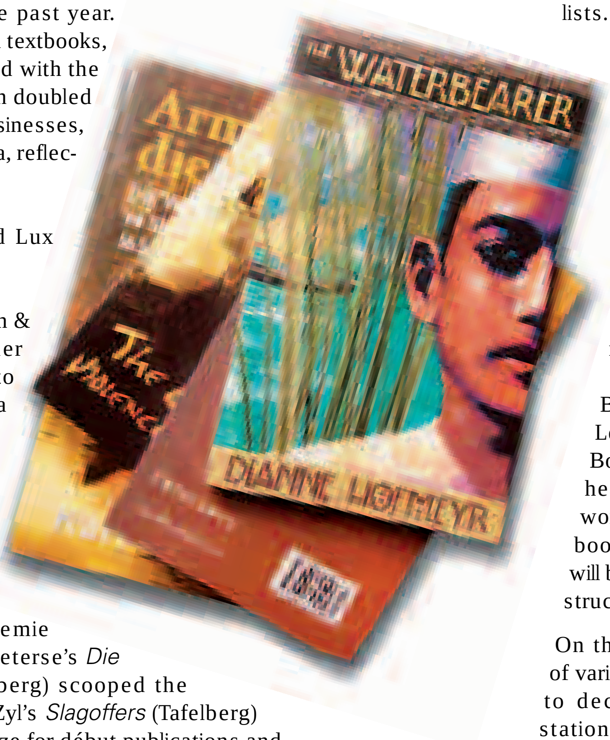
The activities of Agri24 were discontinued when the auction trading platform did not meet budget.

After a year of consolidation and rationalisation, e-Media24 is now well placed to convert its leadership in key content areas into revenue streams.

BOOK PUBLISHING

book publishing . . .

Nasboek (NB) (www.nasboek.co.za) made good progress on several fronts over the past year. Despite disappointing sales of school textbooks, turnover increased by 14% compared with the previous year. Kalahari.net more than doubled its turnover, whilst the established businesses, with the exception of Nasou Via Afrika, reflected improvement in profitability.



Jonathan Ball, Leisure Books and Lux Verbi.BM had record years.

General publishers Tafelberg, Human & Rousseau, Kwela, Pharos and other publishers in the NB group tried to find a balance between running a profitable business and supporting local literary activity. In an industry where local books face stiff competition from imported books, the group succeeded in improving its market share with an increase in sales. Various NB publications received awards from the SA Akademie vir Wetenskap en Kuns. Henning Pieterse's *Die Burg van Hertog Bloubaard* (Tafelberg) scooped the Hertzog prize for poetry, Dine van Zyl's *Slagoffers* (Tafelberg) was awarded the Eugène Marais prize for début publications and Karel Schoeman won the Louis Hiemstra prize for non-fiction with *Armosyn van die Kaap: Die wêreld van 'n slavin 1652 – 1733* (Human & Rousseau). Janie Oosthuizen, who translated all four Harry Potter titles into Afrikaans, was awarded the academy's prize for translations.

Several of NB's publications also scooped a wide range of the country's top literary prizes, including the RAU prize for creative writing for Antjie Krog's *Kleur kom nooit alleen nie* (Kwela), the Sanlam/*Insig* award for Dan Sleigh's *Eilande* (Tafelberg), the WA Hofmeyr prize for Dine van Zyl's *Slagoffers*, the MER prize for Dianne Hofmeyr's *The Waterbearer* (Tafelberg), the Recht Malan prize for Karel Schoeman's *Armosyn van die Kaap: Die wêreld van 'n slavin 1652 – 1733*, and the Herman Charles Bosman prize for K Sello Duiker's *The Quiet Violence of Dreams* (Kwela).

Jonathan Ball Publishers had an exceptional year with sales that were matched by record profits. Despite the declining rand, the company's strong South African publishing programme and alliances with its foreign principals ensure that prospects for the year ahead are good.

Lux Verbi.BM successfully published the liturgical *Liedboek* range, with sales topping close on 440 000 units. The new Christen Direk book club was launched in partnership with Leisure Books/Leserskring.

Nasou Via Afrika (NVA) did not meet its financial targets this year. Traditionally strong in the higher school grades, it is now also aiming at the lower grades. By bringing Grade 10 to 12 learning materials in line with the outcomes-based approach, NVA has positioned itself to take advantage of the new curriculum for these grades. NVA's books are rated highly in South Africa. Afribooks is the only national retail supplier of school learning support materials to Section 21 schools.

Van Schaik Publishers has shown growth from its tertiary publications, particularly in respect of its business and economic sciences, and education lists.

Van Schaik Bookstores performed reasonably well in a difficult environment, exceeding its sales targets. Of particular note was Van Schaik Online's move to Kalahari.net. Boekehuis in Auckland Park, Johannesburg continues to develop as a cultural centre, offering a range of books not otherwise available to the reading public.

Book clubs Leisure Books and Leserskring had an excellent year. Book sales via the clubs showed a healthy growth whilst, in line with trends worldwide, music sales were down. The book and music clubs and Kalahari.net will be merged under a single management structure in the new financial year.

On the Dot is an independent distributor of various products, from books and music to decoders, electronic equipment and stationery. The business made significant progress with the introduction of new systems and improved processes. The aim is to double turnover in the new financial year. Service excellence remains a priority.

Kalahari.net reaffirmed its position as South Africa's leading e-tailer, capturing a large portion of the e-tailing market. The Kalahari.net customer base currently exceeds 70 000, with a retention buying ratio of 58%. Exceptional customer service is a key differentiator, with Kalahari.net meeting customers' needs timeously nearly all the time.

Contentlot has positioned itself to digitise, repackage, manage and distribute content across multiple platforms. Its first digital library was licensed to M-Web. Its custom services are utilised for academic content by major South African tertiary academic institutions. In future this will add value to Van Schaik Bookstores.

PRIVATE EDUCATION
private education . . .

There is a worldwide trend towards the private provision of education and training as traditional state systems come under pressure. Increasingly people are turning to educational resources outside government structures, including those unable to study full time.

Educor is the leading provider of private education in South Africa with major brands such as Damelin, the Allenby Campus, Midrand Graduate Institute, the Graduate Institute of Management and Technology (GIMT) and the International Colleges Group (ICG).

The past year was a period of consolidation. A number of changes were effected to the structure as well as to senior management. The aim was to exploit the growing opportunities in the education and training environment.

Revitalising the Damelin brand has resulted in an increase in enrolments over the past year. ICG continues to perform well. The Milpark Business School has grown in credibility as a provider of postgraduate education, and as a result has seen an increase in enrolments. Midrand Graduate Institute has maintained its quality offerings in the undergraduate marketplace. The Academy for Mathematics and Science has grown significantly in serving the Grade 5 to 12 mathematics marketplace. GIMT has focused on its current key corporate accounts and there is an opportunity for expansion in this area. The Allenby Campus Group is starting to see returns in investments made in new campuses such as Centurion.

Midrand University's name changed to Midrand Graduate Institute with the support of the Department of Education. As a result of adverse market conditions, the Lyceum College business was discontinued.

Edufin, the division that oversees Educor's debtors management and treasury function, focused on implementing the necessary systems designed to improve cash collections, debtor profiles and risk and service to the divisions and their students.

The cost of registration and accreditation of courses will become a large component of cost of sales and needs to be carefully monitored. Regulatory challenges have been an action point for Educor. The company is working closely with the Department of Education to ensure that its institutions are correctly registered and courses timeously accredited. Ongoing feedback on the process of registration and accreditation is provided so as to reduce lead times. The Department has undertaken to expedite the process.

Quality and product innovation remain a key focus. To ensure quality, the focus is on the content of programmes and lecturers presenting the programmes. Educor focuses on meeting students' and corporates' requirements. The company has invested in the upliftment of the disadvantaged, inter alia through the following initiatives:

- The awarding of bursaries to study at Educor campuses.
- The Midrand Crisis Centre, run in conjunction with the Midrand Town Council and the Karstenhof Clinic. This centre, open to victims of violence and trauma, is run by Midrand Graduate Institute faculty and senior law and psychology students.
- The education of officers in the South African Police Service in conjunction with Business Against Crime.
- Sponsorship of Education Africa.

. . . invested in the upliftment of the disadvantaged . . .

TRANSFORMATION

transformation . . .

Transformation is integral to the business strategy and philosophy of Naspers. Each company within the Group runs its own transformation programme, which includes black economic empowerment, corporate social investment and employment equity.

The past few years were characterised by technological investment in education, especially to bring knowledge via computers to learners in remote areas. This included the sponsorship by M-Web of information technology laboratories, including software, hardware and internet connectivity, at previously disadvantaged schools in the Western Cape. This project was subsequently integrated into a larger M-group project called Shoma, a Pedi word which means "to work hard". An M-Web, MultiChoice and MIH joint initiative, the Shoma Education Foundation currently distributes government-approved educational content to some 6 600 educators in remote areas where no infrastructure exists. To date 12 computer centres have been established and plans are in the pipeline to expand the project countrywide.

Media24 similarly established computer centers in the rural towns of Calitzdorp and Carnarvon where teachers and learners have access to state-of-the-art computer equipment and internet connectivity. Since the implementation of the centres, matriculation results have improved. Contributions were also made towards the Stigting vir Bemagtiging deur Afrikaans, which increasingly focuses on the empowerment of disadvantaged communities.

Media24 is involved in several arts festivals around Southern Africa, including the Klein Karoo Nasionale Kunstefees and the Aardklop arts festival.

The school-based project Media-in-the-Classroom introduces learners to the world of media. Journalists from the Media24 stable offer of their time and expertise to teach thousands of learners and teachers how to use newspapers and the internet in the classroom, thereby establishing a learning and reading culture among learners. Media24 also provides bursaries to black postgraduate students at the University of Stellenbosch to encourage them to pursue a degree in Journalism and Media Studies.

A highlight of SuperSport's corporate social investment programme was a live telethon featuring a corporate fitness challenge which raised over R3 million. Donations were made to charity organisations Ithemba Trust, Choc, Cotlands Baby Sanctuary, Reach for a Dream and the Red Cross Children's Hospital. Another beneficiary was the Sports Trust, an ongoing project that is supported by SuperSport as founding sponsor and which provides basic sports facilities to underprivileged communities.

M-Net's corporate social responsibilities include providing support to Twilight Children, a non-profit organisation offering aid and accommodation to street children. M-Net Cares comprises short filler programmes highlighting individuals and non-government organisations making a contribution to the community.

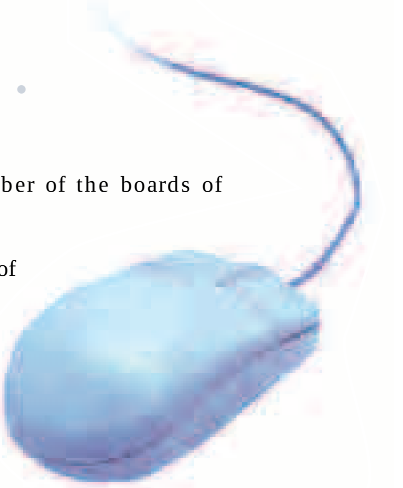
All companies in the Group have combined their buying power and established a centralised procurement company, M-Web CommerceZone. After extensive consultation, M-Web CommerceZone decided in conjunction with all role players to employ the BEE Commission* formulae to evaluate the performance of suppliers in terms of black economic empowerment. Although guided by the principle of negotiating the best possible deals for the Group, the rand value of purchases awarded to bona fide black companies has grown significantly.

Naspers regards employment equity as a strategic priority and monitors progress throughout. The Group focuses continuously on the elimination of unfair discrimination, the implementation of affirmative action and the establishment of a culture in which diversity is welcomed and utilised.

*Source: Government Gazette Vol 413 No 20657.

. . . technological investment in education . . . to bring knowledge via computers to learners in remote areas . . .

DIRECTORS
directors . . .



DIRECTORS

Ton Vosloo, chairman, is also chairman of Media24, Nasboek, MIH, MIHL and Sanlam. He is chairman of the WWF in South Africa and the Cape Philharmonic Orchestra, and a trustee of the Stigting vir Bemagtiging deur Afrikaans.

Jeff Malherbe, vice-chairman, serves on the boards of Media24 and Nasboek and is a member of the Naspers executive and human resources committees. He is honorary chairman of the law firm Jan S de Villiers. He serves on a number of other boards of directors.

Koos Bekker, managing director, is a director of MIHL, MIHH, OpenTV, M-Web, M-Net, SuperSport and other companies within the wider Group. He is also a member of various other councils and bodies.

Prof Mike de Vries serves on the boards of Media24 and Nasboek. He is a member of the Naspers executive, audit, budget and human resources committees. He is a former rector and vice-chancellor of the University of Stellenbosch.

Boetie van Zyl is a director of Media24, Nasboek and a member of the Naspers executive, audit, budget and human resources committees. He is a board member of Sanlam and Murray & Roberts, and a trustee of the WWF in South Africa.

Prof Elize Botha serves on the Nasboek board of directors. She is chancellor of the University of Stellenbosch and a member of the Literature Commission of the SA Akademie vir Wetenskap en Kuns.

Leepile Taunyane is a member of the Nasboek board of directors. He is president of the Professional Educators' Union and served as president of the National Professional Teachers' Organisation of South Africa until 1998. He was chairman of the National Soccer League and is presently acting chief executive officer of the Premier Soccer League.

Lourens Jonker is a member of the Naspers audit committee. He is chairman of the KWV group and owner of the Weltevrede wine estate near Bonnievale.

He is, among others, a member of the boards of directors of ABSA and Distell.

Neil van Heerden is a member of the Naspers audit and budget committees. He is an executive director of the South Africa Foundation and a director of BMW (SA). He is a trustee of the University of the Western Cape and a councillor of Business South Africa. He is chairman of the Aardklop arts festival and serves on various other boards.

Steve Pacak, executive director, is a director of MIH, MIHL, M-Net, SuperSport, M-Web and various other companies.

Ben van der Ross, chairman of the Naspers Welcome Share Scheme, is also chairman of Bonatla Property Holdings. He serves, among others, on the boards of Southern Life/Momentum, FirstRand and Pick 'n Pay Stores Limited.

Dr Jakes Gerwel is chairman of Brimstone Investment Corporation and Educor. He was the director-general in the office of former president Nelson Mandela and secretary to the Cabinet. Currently chancellor of Rhodes University, he is a former vice-chancellor of the University of the Western Cape.

CORPORATE GOVERNANCE

The Naspers Limited board subscribes to the Code for Corporate Practice and Conduct as set out in the King Report on Corporate Governance and is committed to the principles promoted by the Code.

BOARD OF DIRECTORS

Naspers has a unitary board structure for all the companies in the Group. The boards meet regularly to approve and monitor business plans and budgets, consider strategies and ensure that the delegated responsibilities are implemented. Directors' interests in other boards and contracts are regularly declared and recorded.

With the exception of the managing and financial directors, all board members are non-executive directors, most of whom are independent. One third of the non-executive directors is compelled to annually retire, which implies that re-appointment is not automatic. The board identifies and evaluates candidates for appointment as directors. In terms of the board's representativeness, 25% of the members are from previously disadvantaged groups.

. . . create value for our shareholders . . .

All directors have unlimited access to the advice and services of the company secretary, who is responsible to the board for compliance with the applicable board procedures and rules and regulations. All directors are entitled to seek independent professional advice about the Group's affairs at the Group's expense.

. . . become one of the leading media companies in Africa and Asia . . .

BOARD COMMITTEES

Audit committee

The chairman and members of this committee are non-executive directors. They meet at least twice a year with members of the executive management, the internal auditor and the external auditors' partners, who also attend the meetings.

Both the internal and external auditors have unlimited access to the audit committee, thus helping to ensure their independence. The external auditors also report their findings to the audit committee, with members of the executive management not present.

The audit committee functions in terms of a written mandate approved by the board. The delegated levels of authority and responsibilities of the Group's management are approved by the audit committee.

Human resources committee

The committee members, the majority of whom are non-executive directors and one of whom acts as chairman, meet at least three times a year.

The human resources committee is responsible for considering matters such as general staff policy, remuneration and benefits, directors' remuneration and fees, retirement and medical benefits for employees, and making recommendations to the board. The committee considers senior appointments and promotions, along with the determination of executive directors' remuneration packages. Proposals from the trustees of the Share Trust are also considered in instances where the approval of the board and shareholders is required. The Group's progress in respect of employment equity and skills development is also specifically addressed.

Budget committee

The majority of members on this committee are non-executive directors. The committee meets annually to evaluate the Group's business plan and budget. Each of the most important business units is required to submit a comprehensive business plan. The funding of the various business units is also addressed.

. . . enrich the communities within which we operate by being useful . . .

RISK MANAGEMENT

As an international multimedia company with various business activities, Naspers is exposed to a wide range of risks. However, the diversified nature of the Group helps to spread the risk. The board is of the opinion that, while diverse risks abound, there is no likely single risk that endangers the Group's viability as a going concern.

Identification of risk and risk management form part of each business unit's business plan and budget. These are thoroughly assessed by the budget committee during the annual process to enable the committee to make a recommendation in this regard to the board. Risks include issues that relate to the market, performance, exchange rates, funding levels, cash flow, regulatory requirements, the law, technology and general compliance. The Group's risk management policy is aimed at maximum exploitation of strategic opportunities within the limits of identified risks.

Internal control systems are in place to provide management and each board with reasonable assurances regarding the financial position of the company, safeguarding of assets (including information) and compliance with regulatory requirements. The internal and external auditors monitor the functioning of the internal control systems and make recommendations to management and the respective audit committees.

The policy on information security is specifically examined to ensure that the security of sources of information is addressed.

All internal control systems do, however, have inherent shortcomings, including the possibility of human error and the evasion or flouting of control measures. Even an effective internal control system can provide only partial assurances.

The Group evaluated its internal control systems as at 31 March 2002 with specific regard to financial reporting and safeguarding of assets against unauthorised purchases, use or sales. During the period under review the internal control system found no material shortcomings leading to a material loss or uncertainty and which should be reflected in the financial statements or the external auditors' report.

WORKER PARTICIPATION

There are participative processes in place aimed at promoting healthy employer/employee relationships by communicating appropriate information, through consultation and by identifying and resolving conflict. Several staff forums exist within the Group and electronic or print means of communication are used to keep staff informed and obtain views. All permanent staff members qualify for participation in a share scheme.

AFFIRMATIVE ACTION

Affirmative action is an ongoing focus area under the umbrella of the employment equity programme. Targets in respect of staff composition are set annually for the different business units in the Group and integrated into their business plans and budgets.

CODE OF CONDUCT

Naspers is committed to maintaining its integrity in dealings with all its interest groups. The Company's code of conduct makes provision for honesty and respect towards employees and reward for excellence.

The code of conduct applies to all employees and forms part of their service contracts. Staff development takes place through formal training and offering employees opportunities in the workplace. Several aspects of the King II report are now being addressed by the board.

REMUNERATION OF DIRECTORS AND EXECUTIVE MANAGEMENT

The human resources committees of the respective business units are responsible for formulating a remuneration strategy and policy, approving incentive schemes and determining the remuneration of directors. The Naspers Limited human resources committee is specifically responsible for the remuneration of the executive and non-executive directors of Naspers Limited.

The aim of directors' remuneration is to attract and retain top-quality directors. At executive level remuneration is structured so that an increasing percentage of the remuneration is directly linked to performance. Steps are taken against underperformers in line with acceptable practices and codes.

Senior managers' remuneration mostly comprises a guaranteed remuneration package, performance-linked bonuses and participation in the Company's share scheme. The compensation structure of the directors of Naspers is set out in note 13 of the financial statements. Non-executive directors' remuneration comprises remuneration for their contributions to the Naspers board, subsidiary boards and board committees of which they are members.

APPROVAL OF GROUP ANNUAL FINANCIAL STATEMENTS

The annual financial statements of the Group are the responsibility of the directors of the Company. In discharging this responsibility, they rely on the management of the Group to prepare the annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice and the Group's accounting policies. As such the statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the integrity and fair presentation of the annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective.

The directors believe that the Group has adequate resources to continue operations in the foreseeable future. The board of directors has approved the annual financial statements as set out on pages 17 to 89.

Signed on behalf of the board of directors:

T VOSLOO
Chairman

JF MALHERBE
Vice-chairman

21 June 2002

NASPERS

DIRECTORS, OFFICIAL INFORMATION AND SHAREHOLDERS' DIARY

BOARD OF DIRECTORS

T Vosloo (chairman)
JF Malherbe (vice-chairman)
JP Bekker (managing director, executive)
MJ de Vries
JJM van Zyl
E Botha
LM Taunyane
LN Jonker
NP van Heerden
SJZ Pacak (executive)
BJ van der Ross
GJ Gerwel

REGISTERED ADDRESS

40 Heerengracht
Cape Town 8001

AUDITORS

PricewaterhouseCoopers Inc.
1 Waterhouse Place
Century Avenue
Century City
(PO Box 2799, Cape Town 8000)

COMPANY SECRETARY

GM Coetzee
40 Heerengracht
Cape Town
8001
(PO Box 2271, Cape Town 8000)

SPONSOR

Gensec Bank Limited
3A Summit Road
Dunkeld West
Johannesburg 2196
(PO Box 411420, Craighall 2024)

TRANSFER SECRETARY

Ultra Registrars (Pty) Ltd
Ground Floor
11 Diagonal Street
Johannesburg 2001
(PO Box 4844, Johannesburg 2000)

ATTORNEYS

Jan S de Villiers
17th Floor
1 Thibault Square
Cape Town 8001
(PO Box 1474, Cape Town 8000)

REGISTRATION NUMBER

1925/001431/06

SHAREHOLDERS' DIARY

Financial year-end		31 March 2002
Annual general meeting		30 August 2002
Audited financial results		August 2002
Interim financial report		December 2002
Dividend:	Last day to trade cum dividend	6 September 2002
	Securities start trading ex-dividend	9 September 2002
	Record date	13 September 2002
	Payment date	16 September 2002

Attendance of board meetings

Director	Director status	Number of meetings attended
T Vosloo	Non-executive	5
JF Malherbe	Non-executive	5
JP Bekker	Executive	5
E Botha	Independent	5
MJ de Vries	Independent	3
GJ Gerwel	Independent	4
LN Jonker	Independent	3
SJZ Pacak	Executive	5
J du T Stofberg*	Executive	2
LM Taunyane	Independent	5
BJ van der Ross**	Independent	5
NP van Heerden	Independent	5
JJM van Zyl	Independent	5

* Mr J du T Stofberg resigned on 22 June 2001 as a director of Naspers Limited, but is still chief executive of MIH Limited.

** Mr BJ van der Ross is chairman of the Welkom Share Scheme and represents the Scheme on the board.

REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF NASPERS LIMITED

We have audited the annual financial statements and Group financial statements for the year ended 31 March 2002, as set out on pages 17 to 89. These financial statements are the responsibility of the directors of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements. An audit includes:

- examining on a test basis, evidence supporting the amounts and disclosures included in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the financial statements fairly present in all material respects, the financial position of the Company and the Group at 31 March 2002, and the results of their operations, changes in equity and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the South African Companies Act, 1973.

PricewaterhouseCoopers Inc.
Registered Accountants and Auditors
Chartered Accountants (SA)

Cape Town
21 June 2002

CERTIFICATE BY COMPANY SECRETARY

I, George Meiring Coetzee, being the company secretary of Naspers Limited, certify that the Company has, for the year under review, lodged all returns required of a public company with the Registrar of Companies, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

GM COETZEE
Company secretary
21 June 2002

DIRECTORS' REPORT TO SHAREHOLDERS

for the year ended 31 March 2002

Operating results

Our print businesses withstood the upheavals in the international media business better than most. The internet businesses continue to grow organically. Pay television remains exposed to the vagaries of the rand and is a mature business. While subscriber numbers are not expected to grow much, migration from analogue to digital services does increase revenues per subscriber. Private education is not yet growing the revenue line, but is improving its profitability.

Subsequent to year-end, shareholders were advised that the Group had concluded an agreement, subject to the fulfilment of certain conditions precedent, to dispose of its interest in OpenTV. This transaction is expected to close during the next quarter.

The Mindport Broadband and Lyceum College businesses were discontinued for the reasons discussed below. In accordance with Generally Accepted Accounting Practice, the OpenTV disposal and the discontinuation of these operations were treated as discontinued operations. The net loss from these discontinued operations for the period amounted to R605 million. A further loss of R952 million, including goodwill impairment of R810 million, arose as a direct result of providing for further costs arising from discontinuing these operations.

After adjusting for the above in both the present and previous year, Group revenues grew by 19% to R9,8 billion. Earnings before interest, taxation, depreciation and amortisation (Ebitda) grew almost fourfold to R709 million.

Depreciation increased by 37% to R636 million due to additional transponder capacity, added printing infrastructure and the depreciation of the rand. As a result of the stronger operating performance, operating profits before amortisation amounted to R73 million, compared with a loss of R284 million last year.

The net headline loss per N ordinary share from continuing operations consequently amounted to 162 cents, compared with 277 cents last year. On 31 March 2002 the Group had net consolidated cash resources of R3,1 billion and interest-bearing liabilities of R1,7 billion, excluding satellite leases and Welkom debenture liabilities.

A segmental analysis reflecting the revenues and results per individual business segment appears on page 3.

. . . print businesses withstood the upheavals in the international media business better than most . . .

Nature of business

Naspers Limited was incorporated in 1915 under the laws of the Republic of South Africa. The principal activities of Naspers and its operating subsidiaries are the operation of pay television and internet subscriber platforms and the provision of related technologies, the publishing and printing of printed media and books, and the provision of private education services. These activities are conducted through subsidiaries, joint ventures and associated companies primarily in South Africa, sub-Saharan Africa, the Middle East, Greece, Cyprus, Thailand, China, Indonesia, the Netherlands and the United States of America.

Share capital

The authorised share capital at 31 March 2002 was:

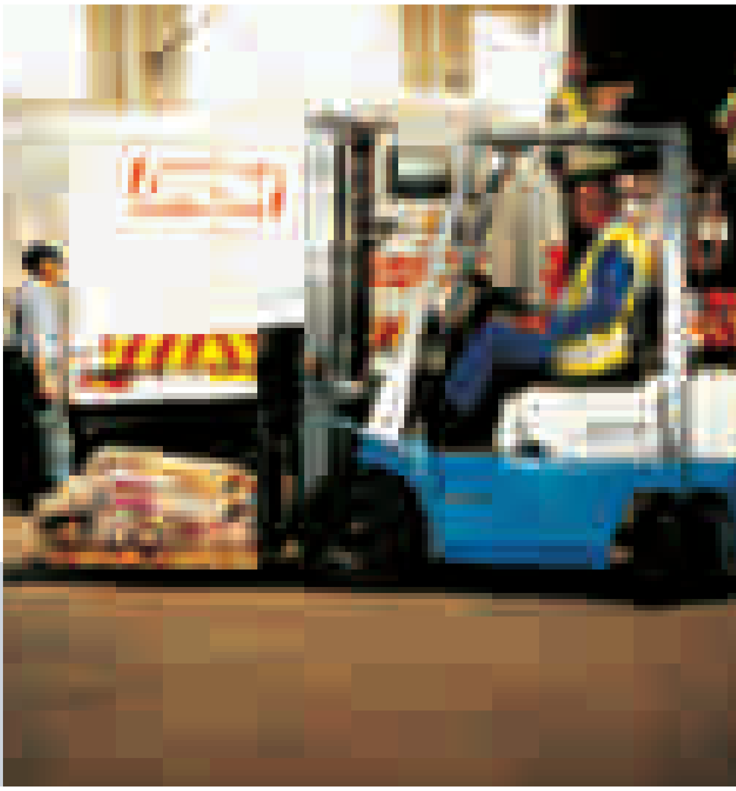
1 250 000 A ordinary shares of R20 each
500 000 000 N ordinary shares of 2 cents each

A total of 8 027 446 N ordinary shares was issued during the year, relating to the following transactions:

3 336 996 N ordinary shares were issued to acquire the minority interests with the delisting of Educor Limited.
4 690 450 N ordinary shares were issued to acquire the additional interest relating to the delisting of M-Web Holdings Limited.

The issued share capital at 31 March 2002 was:

712 131 A ordinary shares of R20 each	R14 242 620
156 289 724 N ordinary shares of 2 cents each	R 3 125 794



Property, plant and equipment

On 31 March 2002 the Group's investment in property, plant and equipment amounted to R4 502 million, compared with R3 351 million last year. Details are reflected in note 4 of the annual financial statements.

Capital commitments at 31 March 2002 amounted to R89 million (2001: R75 million).

Dividends

The board recommends that a dividend of 25 cents per N ordinary share be declared (2001: 24c) and five cents per A ordinary share (2001: none).

Group

Naspers Limited is not a subsidiary of any other company. An analysis of the Company's main shareholders on 31 March 2002 is reflected on page 90 of this report.

The names, country of incorporation and effective financial percentage interest of the holding company in each of the Naspers Group's principal subsidiaries are disclosed on page 34 of this report. All subsidiaries and material associated companies share the same financial year-end as the holding company, except OpenTV Corp. and United Broadcasting Corporation Public Company Limited, which have 31 December year-ends. The holding company's interest in the aggregate amount of income after tax earned by subsidiaries totalled R88,6 million (2001: R1 083,5 million) and its interest in the aggregate losses after tax amounted to R1 979,8 million (2001: R236,8 million).

Details relating to significant acquisitions and divestitures in the Group are highlighted in note 3 to the annual financial statements.

Directors, secretary and auditors

The names of the directors and name, postal address and business address of the company secretary are furnished on page 15 of the report. Mr J du T Stofberg resigned as director of the Company on 22 June 2001. PricewaterhouseCoopers Inc. will continue in office as auditors in accordance with section 270(2) of the Companies Act, 1973.

Details relating to the directors' beneficial and non-beneficial shareholdings in the Company's A and N ordinary shares are reflected on page 44 of the report. No director has a direct or indirect interest in excess of 1% of the share capital of the Company. These holdings were unchanged as at the date on which these statements were approved.

Borrowings

The Company has unlimited borrowing powers in terms of its Articles of Association.

Subsequent events

On 8 May 2002 the Group announced that it had entered into an agreement with Liberty Media Corporation to dispose its entire interest in OpenTV Corp. for a gross amount of approximately US$185 million. The consideration will be settled in cash representing at least 21% of the purchase consideration and/or Liberty Media Corporation shares (see note 28).

Signed on behalf of the board:

T VOSLOO
Chairman

JP BEKKER
Managing director

NASPERS

CONSOLIDATED BALANCE SHEETS . . .
at 31 March 2002 and 2001

	Notes	2002 R'000	2001 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	4 502 207	3 350 560
Goodwill	5	3 034 333	6 610 869
Other intangible assets	5	595 539	153 157
Investments and loans	6	628 142	731 341
Marketable debt and equity securities	7	779 770	357 064
Programme and film rights	8	508 747	361 277
Deferred taxation	9	58 821	103 858
Total non-current assets		10 107 559	11 668 126
Current assets			
Inventory	10	483 922	460 523
Programme and film rights	8	436 202	275 295
Accounts receivable	11	1 534 884	1 291 842
Other receivables	12	605 054	517 966
Amounts owing by related parties	13	36 624	20 582
Marketable debt and equity securities	7	442 841	475 128
Cash and cash deposits		2 998 503	2 774 574
Total current assets		6 538 030	5 815 910
TOTAL ASSETS		**16 645 589**	**17 484 036**
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital and premium	14	1 857 104	1 626 937
Non-distributable reserves		946 548	391 408
Distributable reserves	15	(1 417 236)	534 320
Total shareholders' equity		1 386 416	2 552 665
Minority interest		4 364 117	7 542 560
Commitments and contingencies	20	–	–
Non-current liabilities			
Post-retirement medical liability	16	125 843	121 508
Long-term liabilities			
Interest-bearing loans	17	1 458 434	865 264
Welkom debenture scheme	17	271 159	233 828
Transmission equipment leases	17	2 860 986	1 630 957
Programme and film rights	17	302 287	298 516
Non-interest-bearing loans	17	31 272	39 069
Deferred taxation	9	67 365	64 110
Total non-current liabilities		5 117 346	3 253 252
Current liabilities			
Current portion of long-term debt	17	506 395	200 617
Current portion of programme and film rights	17	343 430	263 525
Provisions	18	170 944	118 579
Accounts payable		1 011 184	796 324
Accrued expenses and other current liabilities	19	2 346 839	1 791 404
Amounts owing to related parties	13	156 686	106 489
Taxation		125 681	77 607
Bank overdrafts and short-term loans		1 116 551	781 014
Total current liabilities		5 777 710	4 135 559
TOTAL EQUITY AND LIABILITIES		**16 645 589**	**17 484 036**
Net asset value per N ordinary share (cents)		936	1 824

The accompanying notes are an integral part of these consolidated annual financial statements.

CONSOLIDATED INCOME STATEMENTS . . .

for the years ended 31 March 2002, 2001 and 2000

	Notes	2002 R'000	2001 R'000	2000 R'000
Revenue	21	9 836 609	8 265 650	6 670 117
Cost of providing services and sale of goods		(5 786 549)	(4 894 055)	(4 199 282)
Selling, general and administration expenses		(3 340 884)	(3 191 732)	(2 149 377)
Earnings before interest, taxation, depreciation and amortisation		**709 176**	**179 863**	**321 458**
Depreciation of property, plant and equipment		(636 158)	(464 021)	(341 678)
Amortisation of intangible assets		(138 525)	(26 304)	–
Loss from operations before goodwill amortisation		**(65 507)**	**(310 462)**	**(20 220)**
Amortisation of goodwill		(234 909)	(17 525)	–
Operating loss	22	**(300 416)**	**(327 987)**	**(20 220)**
Finance costs	23	(411 745)	(301 487)	(199 342)
Income from investments	24	3 831	797	2 765
Share of equity-accounted results	25	157 265	(59 743)	(7 110)
Exceptional items	26	5 062	815 335	3 817 287
(Loss)/profit before taxation		**(546 003)**	**126 915**	**3 593 380**
Taxation	27	(147 814)	(158 344)	(67 053)
(Loss)/profit after taxation		**(693 817)**	**(31 429)**	**3 526 327**
Minority interest		328 128	183 531	(264 306)
(Loss)/income from continuing operations		**(365 689)**	**152 102**	**3 262 021**
(Loss)/income from discontinuing operations	28	(605 313)	847 826	130 707
Loss arising on discontinuance of operations	28	(952 248)	–	–
Net (loss)/income attributable to shareholders		**(1 923 250)**	**999 928**	**3 392 728**
Earnings per N ordinary share (cents)				
- basic	29	(1 320)	715	2 771
- fully diluted	29	(1 320)	679	2 515
Headline loss per N ordinary share (cents)	29	(313)	(346)	(153)
Dividend per N ordinary share (cents)		24	24	22
Proposed dividend per A ordinary share (cents)		5	–	–
Proposed dividend per N ordinary share (cents)		25	–	–

The accompanying notes are an integral part of these consolidated annual financial statements.

CONSOLIDATED CASH FLOW STATEMENTS ...
for the years ended 31 March 2002, 2001 and 2000

	Notes	2002 R'000	2001 R'000	2000 R'000
Cash flows from operating activities				
Cash from/(utilised in) activities	31	703 904	(89 355)	529 273
Investment income received		3 831	796	2 765
Dividends received from equity accounted companies		40 609	33 417	29 558
Cash generated from/(utilised in) operating activities		748 344	(55 142)	561 596
Finance cost paid		(488 106)	(218 139)	(151 631)
Taxation paid		(32 315)	(58 757)	(34 270)
Dividends paid		(38 174)	(33 576)	(26 507)
Cash utilised in discontinuing operations		(573 991)	(432 457)	(299 243)
Net cash flows from operating activities		(384 242)	(798 071)	49 945
Cash flows from investment activities				
Property, plant and equipment acquired		(551 557)	(668 294)	(670 080)
Proceeds from sale of property, plant and equipment		85 817	57 905	26 260
Additional investment in existing subsidiaries		(122 241)	(21 908)	(986 336)
Acquisition of subsidiaries	32	(416 434)	101 430	(158 962)
Disposal of subsidiaries	33	(20 122)	35 882	–
Proceeds from sale of investments		(125 787)	(2 007)	881 610
Net investment in associated and other companies		35 118	(509 536)	(537 887)
Investment in intangible assets		(15 028)	(56 436)	(138 484)
Short-term marketable equity instruments		42 279	401 008	(683 895)
Net cash flows from investing activities		(1 087 955)	(661 956)	(2 267 774)
Cash flows from financing activities				
Increase/(decrease) in long-term liabilities		526 505	(90 609)	203 393
Increase in short-term loans		13 351	51 299	14 121
Issue of shares: capital and premium		84 512	–	1 185 474
Contributions of minority shareholders		194 496	1 434 887	2 415 530
Net cash flows from financing activities		818 864	1 395 577	3 818 518
Net (decrease)/increase in cash and cash equivalents		(653 333)	(64 450)	1 600 689
Forex translation adjustments on cash and cash equivalents		541 725	403 742	(5 878)
Cash and cash equivalents at beginning of the year		1 993 560	1 654 268	59 457
Cash and cash equivalents at end of the year	34	1 881 952	1 993 560	1 654 268

The principal non-cash transactions are the issue of shares as consideration for business acquisitions (note 3) and the acquisition of property, plant and equipment using finance leases (note 4).

The accompanying notes are an integral part of these consolidated annual financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

for the years ended 31 March 2002, 2001 and 2000

	Share capital and premium			Non-distributable reserves		
	Class A R'000	Class N R'000	Distributable reserves R'000	Other R'000	Foreign currency translation reserve R'000	Total R'000
Balance 1 April 1999						
As previously reported	**14 243**	**344 553**	**158 371**	**1 523**	**41 997**	**560 687**
Effect of adopting revised AC102	–	–	20 328	–	–	20 328
Effect of adopting revised AC107	–	–	27 904	–	–	27 904
Effect of adopting revised AC116	–	–	(20 801)	–	–	(20 801)
Effect of change in Welkom Scheme	–	–	(18 858)	–	–	(18 858)
Effect of treasury share policy	–	(130 000)	(146 359)	–	–	(276 359)
As restated	**14 243**	**214 553**	**20 585**	**1 523**	**41 997**	**292 901**
Share capital and premium issued	–	1 451 822	–	–	–	1 451 822
Foreign currency translation effect	–	–	–	–	6 601	6 601
Treasury shares movement	–	(54 607)	–	–	–	(54 607)
Current year write-offs						
- goodwill on acquisitions	–	–	(3 868 198)	–	–	(3 868 198)
- patents, trademarks and title rights	–	–	(23 077)	–	–	(23 077)
- deferred taxation on items realised against reserves	–	–	8 903	–	–	8 903
Net income attributable to shareholders	–	–	3 392 728	–	–	3 392 728
Dividends	–	–	(26 507)	–	–	(26 507)
Balance 31 March 2000	**14 243**	**1 611 768**	**(495 566)**	**1 523**	**48 598**	**1 180 566**
Balance 1 April 2000						
As previously reported	**14 243**	**1 796 375**	**(221 453)**		**52 820**	**1 643 508**
Effect of adopting revised AC102	–	–	21 182	**1 523**	–	21 182
Effect of adopting revised AC107	–	–	35 800	–	–	35 800
Effect of adopting revised AC116	–	–	(22 208)	–	–	(22 208)
Effect of change in Welkom Scheme	–	–	(42 340)	–	–	(42 340)
Effect of treasury share policy	–	(184 607)	(266 547)	–	(4 222)	(455 376)
As restated	**14 243**	**1 611 768**	**(495 566)**	**1 523**	**48 598**	**1 180 566**
Foreign currency translation	–	–	–	–	341 287	341 287
Treasury shares movement	–	926	–	–	–	926
Adjustments to prior year goodwill	–	–	54 894	–	–	54 894
Capital contribution by minorities	–	–	8 639	–	–	8 639
Net income attributable to shareholders	–	–	999 928	–	–	999 928
Dividends	–	–	(33 575)	–	–	(33 575)
Balance 31 March 2001	**14 243**	**1 612 694**	**534 320**	**1 523**	**389 885**	**2 552 665**
Balance 1 April 2001						
As previously reported	**14 243**	**1 796 375**	**761 246**	**1 523**	**411 002**	**2 984 389**
Effect of adopting revised AC107	–	–	39 091	–	–	39 091
Effect of adopting revised AC116	–	–	(23 902)	–	–	(23 902)
Effect of change in Welkom Scheme	–	–	(71 445)	–	–	(71 445)
Effect of treasury share policy	–	(183 681)	(170 670)	–	(21 117)	(375 468)
As restated	**14 243**	**1 612 694**	**534 320**	**1 523**	**389 885**	**2 552 665**
Foreign currency translation	–	–	–	–	556 663	556 663
Share capital and premium issued	–	227 583	–	–	–	227 583
Treasury shares movement	–	2 584	–	–	–	2 584
Adjustments to prior year goodwill	–	–	8 345	–	–	8 345
Transfer between reserves	–	–	1 523	(1 523)	–	–
Net loss attributable to shareholders	–	–	(1 923 250)	–	–	(1 923 250)
Dividends	–	–	(38 174)	–	–	(38 174)
Balance 31 March 2002	**14 243**	**1 842 861**	**(1 417 236)**	**–**	**946 548**	**1 386 416**

The accompanying notes are an integral part of these consolidated annual financial statements.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Naspers Limited was incorporated in 1915 under the laws of the Republic of South Africa. The principal activities of Naspers and its operating subsidiaries (collectively the Group) are the operation of pay television and internet subscriber platforms and the provision of related technologies, the publishing and printing of print media and books, and the provision of private education services. These activities are conducted through subsidiaries, joint ventures and associated companies primarily in Africa, the Middle East, Greece, Cyprus, Thailand, China, Indonesia, the Netherlands and the United States of America.

2. PRINCIPAL ACCOUNTING POLICIES

The consolidated annual financial statements of the Naspers Group are presented in accordance with, and comply with, South African Statements of Generally Accepted Accounting Practice (SA GAAP). The consolidated financial statements are prepared according to the historic cost convention as modified by the revaluation of certain trading assets and liabilities to fair value.

The Group has adopted the South African rand as its reporting currency. However, the Group measures separately the transactions of each of its material operations using the particular currency of the primary economic environment in which the operation conducts its business (its functional currency).

The preparation of the consolidated annual financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Changes in accounting policies in the current financial year

The accounting policies used in the preparation of the consolidated annual financial statements are consistent in all material aspects with those applied during the year ended 31 March 2001, except for the following accounting policy changes:

The Group adopted AC107 (revised) "Events after the balance sheet date" during the current year. The impact of this revised accounting standard is that the Group only accounts for proposed dividends on their declaration date. The proposed dividends that were provided for in the March 2001 annual financial statements plus the relating secondary taxation on companies (STC) are now accounted for in the current financial year. This change in accounting policy was applied retrospectively by restating the comparative figures.

The Group further adopted AC116 (revised) "Employee benefits". In terms of this revised accounting standard the Group is required to provide in full for all accrued short-term employee benefits. This accounting policy was applied retrospectively by restating the comparative figures.

The Group changed its policy relating to the treatment of shares issued to and held by equity compensation plans. Previously such shares were treated as issued shares and a corresponding investment (loan), relating to the funding of the shares, was accounted for. Now shares issued to and held by equity compensation plans are treated as treasury shares and deducted from equity, with no corresponding investment accounted for. Shares are released from treasury shares once paid for by participants of the equity compensation plan. This accounting policy was applied retrospectively by restating the comparative figures.

The Group changed its accounting for the Welkom debenture scheme. Previously the Group regarded the Welkom convertible debentures as equity. In terms of current accounting standards, the debenture scheme has been consolidated, with the effect that the debentures were reclassified as debt and the previously unprovided interest rate differential, between the coupon rate and the finance rate, was accrued. This change was applied retrospectively by restating the comparative figures.

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

a) Basis of consolidation

Subsidiaries

The consolidated annual financial statements include the results of Naspers Limited and all its material subsidiaries. Subsidiaries are those companies in which the Group, directly or indirectly, has an interest of more than half of the voting rights, or otherwise has power to exercise control over their operations. Subsidiaries are consolidated from the date that effective control is transferred to the Group and are no longer consolidated from the date that effective control ceases. Similarly, the results of a subsidiary divested during an accounting period are included in the consolidated financial statements only to the date of disposal.

All intergroup transactions are eliminated as part of the consolidation process. The interests of minority shareholders in the consolidated equity and in the consolidated results of the Group are shown separately in the consolidated balance sheet and consolidated income statement respectively. Where the losses attributable to the minority shareholders in a consolidated subsidiary exceed their interest in that subsidiary, the excess, and any further losses attributable to them, are recognised by the Group only to the extent that the minority shareholders have a binding obligation and are able to make good the losses. If the subsidiary subsequently turns profitable, the Group recognises all such profits until the minority shareholders' share of losses previously absorbed by the Group has been recovered.

Acquisitions of subsidiaries are accounted for using the purchase method. The excess of the purchase price over the fair value of assets acquired less the liabilities assumed is allocated to identifiable tangible assets, identifiable intangible assets and goodwill, and amortised over the period that the Group expects to derive benefits from these assets.

Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Associated companies

Investments in associated companies are accounted for by the equity method. Associated companies are those companies in which the Group generally has between 20% and 50% of the voting rights, and over which the Group exercises significant influence, but which it does not control.

Equity accounting involves recognising in the income statement the Group's share of the associate's post-acquisition results before taxation, exceptional items and dividends. The Group's share in the associate's taxation and exceptional items is included in the taxation and exceptional items of the Group. The Group's interest in the associate is carried in the balance sheet at cost, adjusted for changes in the Group's share in the post-acquisition net assets. Where the Group's share of losses exceeds the carrying amount of its investment, the carrying amount is reduced to nil and no further losses are recognised, unless the Group has incurred obligations to the investee or the Group has guaranteed or committed to satisfy obligations of the investee.

Provisions are recorded for long-term impairment in value.

Joint ventures

Companies in respect of which the Group exercises joint control are accounted for according to the equity method, with the Group's interest in post-acquisition results recognised in the income statement. The Group's interest in joint ventures is carried in the balance sheet at cost, adjusted for changes in the Group's share in the post-acquisition net assets of the entity.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, associate or joint venture undertaking at the date of acquisition. Goodwill on acquisitions occurring on or after 1 April 2000 is reported in the balance sheet as an intangible asset and is amortised using the straight-line method over its estimated useful life. Goodwill on acquisitions that occurred prior to 1 April 2000 was charged in full to retained earnings. In accordance with the transitional provisions of AC131, goodwill that arose prior to 1 April 2000 has not been capitalised and amortised retrospectively.

Goodwill arising on acquisitions is amortised over a maximum period of 20 years. Goodwill on transactions in the internet and technology segments of the Group is generally amortised over a period not exceeding five years. The carrying value of goodwill is reviewed annually and written down for permanent impairment where it is considered necessary.

Investments

Non-current investments are stated at cost to the Group, less amounts written off as permanent diminution in the value of investments. Where an investment is acquired in a non-monetary exchange, its cost is determined by reference to its fair value at the effective date of acquisition. Where such fair value is not readily determinable, the cost is based on the fair value of the asset given up. The directors' valuation of unlisted investments is calculated on either a yield basis or net asset basis, depending on the nature of the assets.

Long-term private equity investments are stated at cost, as the Group does not have the ability to exercise significant influence over their operations. The carrying value of these investments is reviewed periodically when events and circumstances warrant such a review. When the carrying value is considered permanently impaired, a loss is recognised in the income statement based on the amount by which the carrying value exceeds the fair value of the asset.

Marketable debt and equity securities are stated at market value, calculated by reference to a stock exchange quoted selling price at the close of business on the balance sheet date. Changes in the carrying amount of marketable debt and equity securities are reflected in the income statement.

b) Property, plant and equipment

Property, plant and equipment are stated at cost, being the cost to the Group to prepare the assets for their intended use, less accumulated depreciation. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful economic life. Land is not depreciated as it is deemed to have an indefinite life. Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Fixed property:	Factory buildings	25 years
	Other buildings	50 years
Printing presses		20 years
Production equipment		15 years
Office equipment		8 years
Computer equipment:	Manufacturing	5 years
	Office	3 years
Furniture		10 years
Vehicles		5 years
Set-top boxes		2 years
Transponders and transmitters		10-12 years

Major leasehold improvements are amortised over their respective lease periods. Property, plant and equipment are reviewed periodically to assess whether or not the net recoverable amount has declined below the carrying amount. In the event of such impairment, the carrying amount is reduced and the reduction is charged as an expense against income.

Finance costs on funds borrowed to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the property for its intended use.

c) Leased assets

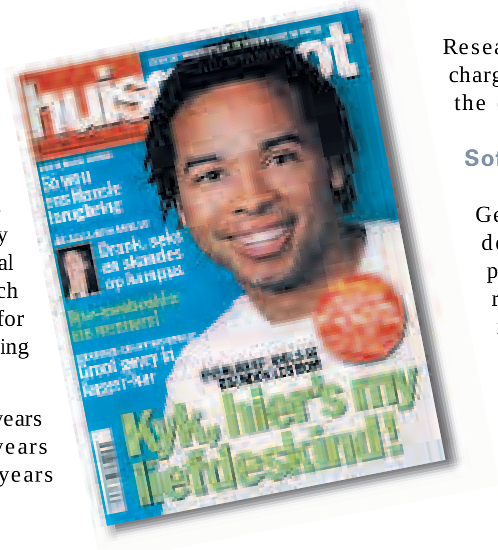
Leases of property, plant and equipment are classified as finance leases where, substantially all risks and rewards associated with ownership of an asset are transferred from the lessor to the Group as lessee. Assets classified as finance leases are capitalised at the estimated present value of the underlying lease payments, with the related lease obligation recognised at the same value. Capitalised leased assets are depreciated over their estimated useful lives, limited to the duration of the lease agreement. Finance lease payments are allocated, using the effective interest rate method, between finance costs and the capital repayment which reduces the liability to the lessor.

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating lease rentals are charged against operating profit on a straight-line basis over the period of the lease.

d) Other intangible assets

Patents, trademarks and title rights acquired on or after 1 April 2000 are capitalised at cost and amortised using the straight-line method over their useful lives, not exceeding 20 years. Patents, trademarks, title rights and similar other intangible assets acquired before 1 April 2000 were written off against distributable reserves as they were acquired. Intangibles acquired before 1 April 2000 have not been retroactively capitalised and amortised, as allowed by the transitional provisions of AC129. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary. The following amortisation periods are used:

Title rights	8 years
Subscriber base	3-5 years
Intellectual property rights	3-5 years



No value is attributed to internally developed trademarks or similar rights and assets. Costs incurred on these items, whether purchased or created by the Group, are charged to the income statement in the period in which they are incurred.

e) Programme and film rights

Film rights are stated at acquisition costs less accumulated amortisation. Licences are recorded as assets and liabilities for rights acquired, and obligations incurred under licence agreements when the licence period begins and the cost of each programme is known or reasonably determinable. Sports rights are written off upon showing the event and general entertainment and films are amortised on a straight-line basis over the duration of the licence or based on broadcasts where the number of showings is restricted. Amortisation of programme and film rights is included in the cost of providing services and sale of goods. The costs of in-house programmes are expensed as incurred.

f) Impairment of assets

The Group periodically evaluates the carrying value of assets to be held and used, including intangible assets, when events and circumstances indicate that the carrying value may not be recoverable. Indicators, which could trigger an impairment review include, but are not limited to, significant underperformance relative to expectations based on historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the Group's overall business, significant negative industry or economic trends, a significant and sustained decline in an investment's share price or market capitalisation relative to its net book value.

An impairment loss is recognised in the income statement when the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties, or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

g) Development activities

Research and development costs

Research and development costs are charged against operating profit as the expenditure is incurred.

Software development costs

Generally, costs associated with developing computer software programmes for own use are recognised as an expense as incurred. However, expenditure that enhances and extends the benefits of acquired computer software programmes beyond their original specifications and estimated useful lives is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives.

Software development costs for products of the technology segment are capitalised, beginning when a product's technological feasibility has been established and ending when a product is available for general release to customers.

Website development costs

Website development costs are charged against operating profit as the expenditure is incurred.

h) Inventory

Inventory is stated at the lower of cost or net realisable value. The cost of inventory is determined by means of the first-in-first-out basis (FIFO). The cost of finished products and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes finance costs. Net realisable value is the estimate of the selling price, less the costs of completion and selling expenses. Provisions are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

i) Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

j) Cash and cash equivalents

For purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks and investments in money market instruments with maturities of three months or less at the date of purchase, and net of bank overdrafts.

k) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The Group recognises the estimated liability on all products still under warranty at the balance sheet date.

l) Taxation

Taxation rates

The normal South African company tax rate used was 30%. Secondary tax on companies (STC) was calculated at 12,5%. International tax rates vary from jurisdiction to jurisdiction.

Deferred taxation

Deferred taxation is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred taxation.

Using this method, the Group is required to make provision for deferred taxation, in relation to an acquisition, on the difference between the fair values of the net assets acquired and their tax base. Provision for taxes, mainly withholding taxes, which could arise on the remittance of retained earnings, is only made if there is a current intention to remit such earnings.

The principal temporary differences arise from depreciation on property, plant and equipment, provisions and other current liabilities, income received in advance and tax losses carried forward. Deferred taxation assets relating to deferred tax losses carried forward are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Secondary tax on companies (STC)

Dividends declared are subject to STC, but are reduced by dividends received during the dividend cycle in determining the STC liability. Where the dividends received exceed dividends declared within a cycle, there is no liability to pay STC. The excess dividends received are carried forward to the next dividend cycle and are disclosed as STC credits in the taxation note. Where dividends declared exceed the dividends received during a cycle, STC is payable at the current STC rate. The STC expense is included in the taxation charge in the income statement.

m) Foreign currencies

Income statements of foreign subsidiaries regarded as foreign entities are translated to South African rand at average exchange rates for the year and the balance sheets are translated at the year-end exchange rates ruling on 31 March. Exchange differences arising from the translation of such entities are recognised as a non-distributable reserve. On disposal of such entities, the translation differences are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Foreign currency transactions in the Group companies are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognised in the income statement. Monetary assets and liabilities are translated at year-end exchange rates.

n) Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, marketable debt and equity securities, investments, receivables, trade creditors, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group uses derivative instruments to reduce exposure to fluctuations in foreign currency exchange rates and interest rates. These instruments, which mainly comprise foreign currency and interest rate swap agreements, are not recognised in the financial statements on inception. Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Interest rate swap agreements protect the Group from movements in interest rates.

o) Revenue recognition

Product sales

Sales are recognised upon delivery of products and customer acceptance, net of sales taxes and discounts, and after eliminating sales within the Group.

Subsription fees

Subscription fees are earned over the period of providing services.

Advertising revenues

Advertising revenues are recognised upon showing or publication over the period of the advertising contract.

Technology contracts and licensing

For contracts with multiple obligations (such as maintenance and other services), and for which vendor-specific objective evidence of fair value for the undelivered elements exists, revenue from product licences are recognised when delivery has occurred, collection of the receivables is probable, the fee is fixed or determinable and objective evidence exists to allocate the total fee to all delivered and undelivered elements of the arrangement. Generally, the Group has vendor-specific objective evidence of the fair value of the maintenance element of software arrangements based on the renewal rates for maintenance in future years as specified in the contracts. In such cases, the maintenance revenue is deferred at the outset of the arrangement and is recognised rateably over the period during which the maintenance is to be provided. That period generally commences on the date that the software is delivered. Vendor-specific objective evidence of fair value for the service element is determined based on the price charged when those services are sold separately. The Group recognises revenue allocated to maintenance and support fees, for ongoing customer support and product updates rateably over the period of the relevant contracts. Payments for maintenance and support fees are generally made in advance and are non-refundable. For revenue allocated to consulting services and for consulting services sold separately, the Group recognises revenue as the related services are performed.

For product licences sold with integration services, the Group recognises revenue based on the completed contract method. Revenue from software development contracts of less than six months' duration is recognised based on the completed contract method and for longer-term contracts generally on the percentage of completion method. Under the percentage of completion method the extent of progress towards completion is measured based on actual costs incurred to total estimated costs. Provisions for estimated losses on uncompleted contracts are made in the period in which estimated losses are determined.

Revenues from professional services agreements are recognised on the percentage of completion method based on the hours incurred relative to total estimated hours for fixed bid contracts or based on the hours incurred multiplied by the hourly rate for time and material engagements.

The Group enters into arrangements with network operators whereby application software is licensed to network operators in exchange for a percentage of the subscription revenue they earn from their customers. Where all of the software under the arrangement has been delivered, the revenue is recognised as the network operator reports to the Group its revenue share, which is generally done on a quarterly basis. Under arrangements where the Group has committed to deliver unspecified future applications, the revenue earned on the delivered applications is recognised on a subscription basis over the term of the arrangement.

Tuition fees

Tuition fees are recognised according to the stage of completion of the service to be provided under each contract.

Interest income

Interest is accrued on a time-proportion basis, recognising the effective yield on the underlying assets.

Dividend income

Dividends are recognised when the right to receive payment is established.

p) Employee benefits

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 throughout the world. 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 when the 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 benefits

Some Group companies provide post-retirement health-care benefits to their retirees. The entitlement to post-retirement health-care 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 valuations of these obligations. These obligations are unfunded.

q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

r) Equity compensation benefits

The intrinsic value, defined as the market value of the share at grant date less the exercise price, is not recognised as a compensation expense.

s) Segment reporting

The primary segmental reporting has been prepared based on the Group's method of internal reporting, which disaggregates its business by service or product and includes all businesses over which the Group exercises control. The secondary segmental reporting has been prepared on a geographical basis.

t) Discontinuing operations

A discontinuing operation results from the sale or abandonment of an operation that represents a separate, major line of business and of which the assets, net profits or losses and activities can be distinguished physically, operationally and for functional reporting purposes. The results of discontinuing operations up to the point of sale or abandonment, net of taxation, are separately disclosed.

u) Advertising expenses

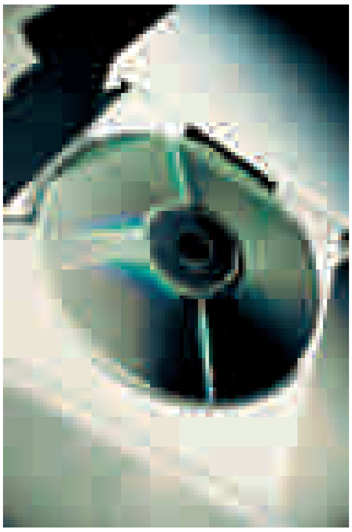
Advertising expenses are expensed in the financial period in which they are incurred.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES

The Group entered into the following significant acquisitions and divestiture agreements during the financial year ended 31 March 2002:

In April 2001 the Group concluded an agreement in terms of which Paarl Print (Pty) Ltd was acquired for approximately R63 million. This business, which specialises in printing high quality flatsheet magazines, pamphlets and labels, was merged with Media24 Limited's NBD, the Group's book-printing division, and now forms part of the Group's printing group Paarl Media Holdings (Pty) Ltd.

In May 2001 the Group acquired a 46,5% stake in Tencent (BVI) Limited, which is the operator of QQ Limited, an instant-messaging platform in China, for a purchase consideration (including costs directly attributable to the acquisition) of R266,0 million, settled in cash. Subsequent to this acquisition, additional cash funding of R8 million, in proportion to its shareholding, was made by the Group. The purchase consideration was allocated to net tangible assets acquired of R32,8 million and goodwill of R241,2 million, which will be amortised over its estimated useful life of three years.

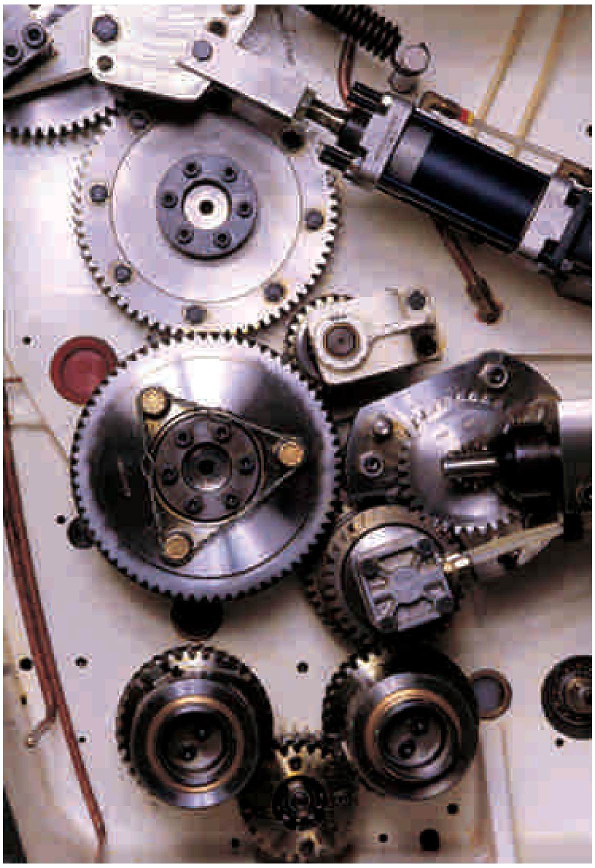


During July 2001 the Group disposed of its 100% interest in A-1 Net Holdings Limited ("A-1 Net") and its wholly-owned subsidiary, M-Web Online Company Limited, for a consideration of R8,2 million, resulting in a loss on disposal of R47,7 million.

During July 2001 the Group reduced its 40% interest to 15% in its joint venture, SOE International SA ("SOE"), which also owns AEK PAE and Basic Hellas SA. A net profit on disposal of R30,4 million was recorded. The Group continues to have a 15% non-funding investment in AEK PAE. This interest has been accounted for using the equity method up until the date of disposal and as an investment at cost thereafter as the Group no longer exercises any significant influence over its operations.

During May 2001 the Group acquired an additional 47,92% interest in Educor Limited, the Group's private education subsidiary. This took the Group's interest to 93,5% after the transaction. The acquisition was made as part of a section 311 scheme of arrangement in terms of the South African Companies Act, 1973. The purchase consideration amounted to R86,6 million and was settled in a combination of Naspers N ordinary shares and cash. Educor was subsequently delisted from The JSE Securities Exchange SA.

In June 2001 OpenTV Corp. ("OpenTV") acquired a 100% interest in Static 2358 Limited ("Static"), a privately-held leading interactive TV (iTV) media and entertainment company. Under the acquisition agreement, OpenTV acquired all of Static's privately-held shares in a combined share and cash transaction. Static shareholders and option-holders received an aggregate of 2 719 048 Class A ordinary shares with a value of R307,2 million at the acquisition date, and approximately R102,1 million in cash. Pursuant to certain earn-out provisions contained in the Static acquisition agreement, the principal shareholders of Static earned an additional consideration of 626 872 Class A ordinary shares which were issued in early 2002. Additional goodwill of R29,8 million was recorded based on the fair value of the shares at the date of issuance. The total purchase consideration (including expenses of R12,1 million) was allocated based upon an appraisal, as follows: net liabilities (R44,2 million), intangible net assets other than goodwill (R132,8 million) and goodwill (R357,4 million). The intangible assets and goodwill will be amortised over three years. The issue of shares by OpenTV to acquire Static gave rise to a dilution loss of R131,2 million.



In July 2001 the Group concluded an scheme of arrangement in terms of section 311 of the South African Companies Act, 1973, to acquire an additional 18,59% interest in M-Web Holdings Limited, the Group's online service provider in South Africa. The transaction was conducted at an exchange ratio of 15 M-Web shares for each Naspers N share consideration. A total of 4 690 450 Naspers N ordinary shares was issued. M-Web was subsequently delisted from The JSE Securities Exchange SA.

In October 2001 the Group's subsidiary NetMed NV issued 622 Class E ordinary shares to Antenna TV SA for a total consideration of R115,9 million (representing a 5% interest in NetMed NV). Antenna has the option to acquire an additional 10% interest within two years at fair value. This transaction resulted in a dilution gain of R100,4 million.

During December 2001 the Group disposed of its 100% interest in Eefoo.com (BVI) Limited, which owns a 52,5% equity interest in Shanghai Eefoo Network Technology Development Company Limited. This investment was disposed of for a cash consideration of R3,0 million resulting in a loss on disposal of R29,4 million.

During March 2002 the Group disposed of its 10% interest in 21 Vianet Inc. for a consideration of R11,4 million, resulting in a loss on disposal of R42,8 million. Subsequent to the year-end, on 8 May 2002, the Group announced that it had entered into an agreement with Liberty Media Corporation to dispose of its entire interest in OpenTV for a gross amount of approximately US$185 million. The consideration will be settled in cash representing at least 21% of the purchase consideration and/or Liberty Media Corporation shares (see note 28).

4. PROPERTY, PLANT AND EQUIPMENT

	31 March 2002 R'000	31 March 2001 R'000
Land and buildings - owned	520 673	442 819
- cost price	600 634	485 552
- accumulated depreciation	79 961	42 733
Land and buildings - leased	110 204	102 421
- cost price	120 121	108 872
- accumulated depreciation	9 917	6 451
Manufacturing equipment - owned	337 927	316 470
- cost price	649 492	568 228
- accumulated depreciation	311 565	251 758
Manufacturing equipment - leased	108 612	120 383
- cost price	173 589	173 589
- accumulated depreciation	64 977	53 206
Transmission equipment and set-top boxes - owned	58 193	66 786
- cost price	178 244	128 706
- accumulated depreciation	120 051	61 920
Transmission equipment and set-top boxes - leased	2 474 448	1 481 855
- cost price	3 321 819	1 936 670
- accumulated depreciation	847 371	454 815
Vehicles, computer and office equipment - owned	799 137	726 280
- cost price	1 929 567	1 493 289
- accumulated depreciation	1 130 430	767 009
Vehicles, computers and office equipment - leased	60 358	70 207
- cost price	121 190	95 903
- accumulated depreciation	60 832	25 696
Subtotal	4 469 552	3 327 221
Work-in-progress	32 655	23 339
Net book value	**4 502 207**	**3 350 560**
Total cost price	7 127 311	5 014 148
Total accumulated depreciation	2 625 104	1 663 588
Net book value	**4 502 207**	**3 350 560**

4. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings R'000	Manufac-turing equipment R'000	Transmission equipment and set-top boxes R'000	Vehicles, computers and office equipment R'000	Total 2002 R'000	Total 2001 R'000
Cost price						
Balance 1 April 2001	594 424	741 817	2 065 376	1 589 192	4 990 809	3 572 455
Currency translation differences	35 750	–	774 133	305 322	1 115 205	140 747
Reallocations	2 157	154	305	(2 616)	–	–
Asset impairment	–	10 269	–	(3 692)	6 577	(5 877)
Acquisition of subsidiaries	2 942	42 218	–	37 521	82 681	73 207
Disposal of subsidiaries	–	–	–	(27 359)	(27 359)	–
Acquisitions	101 587	34 243	665 656	396 772	1 198 258	1 324 334
Disposals	(16 105)	(5 620)	(5 407)	(244 383)	(271 515)	(114 057)
Balance 31 March 2002	**720 755**	**823 081**	**3 500 063**	**2 050 757**	**7 094 656**	**4 990 809**
Accumulated depreciation						
Balance 1 April 2001	49 184	304 964	516 735	792 705	1 663 588	1 138 670
Currency translation differences	9 648	–	187 056	135 368	332 072	52 557
Reallocations	(281)	219	(6 078)	6 140	–	–
Asset impairment	109	–	–	(3 852)	(3 743)	–
Acquisition of subsidiaries	365	14 607	–	4 611	19 583	–
Disposal of subsidiaries	–	–	–	(529)	(529)	–
Disposals	(1 428)	(1 817)	(3 969)	(121 457)	(128 671)	(44 543)
Depreciation	32 281	58 569	273 678	378 276	742 804	516 904
Balance 31 March 2002	**89 878**	**376 542**	**967 422**	**1 191 262**	**2 625 104**	**1 663 588**
Work-in-progress					32 655	23 339
Net book value	**630 877**	**446 539**	**2 532 641**	**859 495**	**4 502 207**	**3 350 560**

	31 March 2002 R'000	31 March 2001 R'000
Classification of depreciation in income statements		
Depreciation - continuing operations	636 158	464 021
Depreciation - discontinuing operations	106 646	52 883
	742 804	516 904

Registers containing additional information on land and buildings are available for inspection at the registered offices of the respective Group companies.

The directors are of the opinion that the recoverable amount of each class of property exceeds the carrying amount at which it is included in the balance sheet.

5. INTANGIBLE ASSETS

	Goodwill R'000	Intellectual property rights R'000	Subscriber base R'000	Title rights R'000	Total 2002 R'000	Total 2001 R'000
Cost price						
Balance 1 April 2001	7 583 390	78 194	93 936	7 797	7 763 317	–
Currency translation differences	3 114 381	235 129	11 987	–	3 361 497	867 833
Reallocations	(348 511)	348 511	–	–	–	–
Asset impairment	(7 015 957)	(8 746)	(105 923)	–	(7 130 626)	(1 595)
Acquisition of subsidiaries	–	132 738	–	3 047	135 785	163 433
Disposal of subsidiaries	–	(62 434)	–	–	(62 434)	(29 295)
Acquisitions	1 208 705	62 455	–	1 451	1 272 611	6 764 059
Disposals	(10 595)	(5 588)	–	–	(16 183)	(1 118)
Balance 31 March 2002	**4 531 413**	**780 259**	**–**	**12 295**	**5 323 967**	**7 763 317**
Accumulated amortisation						
Balance 1 April 2001	972 521	6 333	18 357	2 080	999 291	–
Currency translation differences	834 940	35 410	4 751	–	875 101	52 874
Reallocations	(1 478)	1 478	–	–	–	–
Asset impairment	(2 247 449)	(677)	(35 753)	3 688	(2 280 191)	(824)
Acquisition of subsidiaries	–	–	–	3 047	3 047	–
Disposals	(2 005)	(2 467)	–	–	(4 472)	–
Amortisation	1 940 551	147 603	12 645	520	2 101 319	947 241
Balance 31 March 2002	**1 497 080**	**187 680**	**–**	**9 335**	**1 694 095**	**999 291**
Net book value	**3 034 333**	**592 579**	**–**	**2 960**	**3 629 872**	**6 764 026**

	2002 R'000	2001 R'000
Classified on balance sheet as		
Goodwill	3 034 333	6 610 869
Other intangible assets	595 539	153 157
	3 629 872	6 764 026
Classification of amortisation in income statements		
Amortisation - intangible assets	138 525	26 304
Amortisation - goodwill	234 909	17 525
Amortisation - goodwill on equity-accounted investments	4 776	45 533
Amortisation - discontinuing operations	1 723 109	857 879
	2 101 319	**947 241**

The impairment mainly comprises the impairment of intellectual property rights (R7,9 million) and subscriber base (R70,2 million) in Wisdom Online (BVI) Limited. Goodwill impairment charges mainly comprise the impairment of OpenTV goodwill of R4,6 billion (based on the estimated net selling price to be obtained on disposal of the Group's entire interest), Mindport Broadband goodwill of R114 million and goodwill of R36,1 million relating to certain internet initiatives in Asia.

6. INVESTMENTS AND LOANS

	31 March 2002 R'000	31 March 2001 R'000
Interest in associated companies		
Listed	322 248	291 042
Unlisted	21 172	21 456
	343 420	312 498
Interest in joint ventures		
Listed	6 444	–
Unlisted	32 286	85 579
	38 730	85 579
Other investments		
Unlisted - private equity and other investments	245 992	333 264
	245 992	333 264
Total investments and loans	628 142	731 341
Market value of total listed investments	1 572 799	1 000 178
Directors' valuation of total unlisted investments and loans, as approved by the directors of the respective Group companies	299 450	440 299

Income and losses of subsidiaries

With regard to the interest of the holding company, the aggregate net profit after taxation of subsidiaries amounted to R88,6 million (2001: R1 083,5 million) and the aggregate net losses of subsidiaries to R1 979,8 million (2001: R236,8 million).

6. INVESTMENTS AND LOANS (continued)

The following information relates to Naspers Limited's financial interest in its significant subsidiaries:

Name of subsidiary	Functional currency	D, I or C	Effective percentage interest* 2002 %	Effective percentage interest* 2001 %	Direct investment in shares and indebtedness 2002 R'000	Direct investment in shares and indebtedness 2001 R'000	Nature of business	Country of incorporation
Media24 Limited	ZAR	D	100,00	100,00	41 425	150 992	Print media	South Africa
Nasboek Limited	ZAR	D	100,00	100,00	41 825	45 378	Book publishing	South Africa
Educor Limited	ZAR	D	93,50	45,58	320 224	210 796	Private education	South Africa
MIH Investments (Proprietary) Limited	ZAR	D	100,00	100,00	3 377 254	3 377 254	Investment holding	South Africa
M-Web Holdings Limited	ZAR	C	76,30	68,59	155 673	11 310	Internet content provider	South Africa
MIH Holdings Limited	ZAR	C	70,95	71,02	58 935	58 935	Investment holding	South Africa
MIH Limited	USD	C	42,15	42,45	960 607	960 607	Investment holding	British Virgin Islands
Paarl Media Holdings (Proprietary) Limited	ZAR	I	73,68	68,42	–	–	Print media	South Africa
Myriad Holdings Africa BV	EUR	I	42,15	42,45	–	–	Investment holding	The Netherlands
MultiChoice Africa (Proprietary) Limited	ZAR	I	42,15	42,45	–	–	Subscription television	South Africa
NetMed NV	EUR	I	35,70	37,61	–	–	Investment holding	The Netherlands
NetMed Hellas SA	EUR	I	35,70	36,11	–	–	Subscription television	Greece
MultiChoice Hellas SA	EUR	I	18,91	19,19	–	–	Subscription television	Greece
Mindport Holdings Limited	USD	I	42,15	42,45	–	–	Technology development	South Africa
Mindport IBS Limited	USD	I	29,50	29,71	–	–	Technology development	British Virgin Islands
Tencent (BVI) Limited	CNY	I	19,60	–	–	–	Instant messaging	China
Irdeto Access BV	USD	I	42,15	42,45	–	–	Technology development	The Netherlands
OpenTV Corp.	USD	I	16,18	17,66	–	–	Interactive television	USA
M-Web (Thailand) Limited	THB	I	41,62	41,92	–	–	Internet content provider	Thailand
Internet Knowledge Service Centre Company Limited	THB	I	26,34	31,84	–	–	Internet service and content provider	Thailand
MultiChoice Cyprus Limited	CYP	I	12,61	14,95	–	–	Subscription television	Cyprus
					4 955 943	4 815 272		

I Indirect interest
D Direct interest
C Combined direct and indirect interests
* The effective percentage interest shown is the financial effective interest, after adjusting for the interests of the Group's equity compensation plans treated as treasury shares.

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6. INVESTMENTS AND LOANS (continued)

	31 March 2002 R'000	31 March 2001 R'000
Interest in associated companies		
Shares at cost less amounts written off	208 147	205 870
Loans to associated companies	12 029	9 704
	220 176	215 574
Share of distributable reserves of associated companies	123 244	95 401
Share of non-distributable reserves of associated companies	–	1 523
	343 420	312 498

Significant associated companies

The following are the combined summarised balance sheets of Electronic Media Network Limited ("M-Net") and SuperSport International Holdings Limited ("SuperSport") as per their audited financial statements:

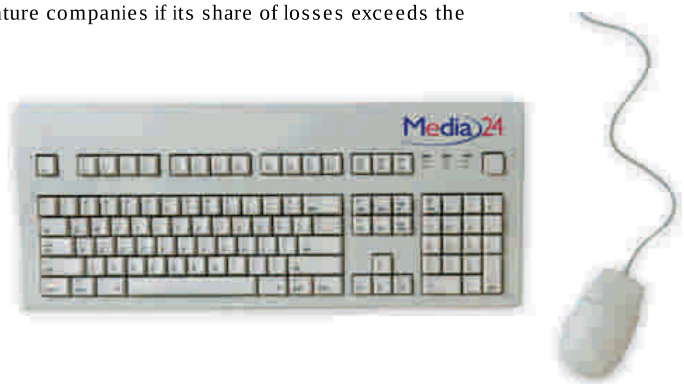
	2002 R'000	2001 R'000
Non-current assets	1 437 319	1 142 025
Current assets	599 242	619 689
Total assets	2 036 561	1 761 714
Non-current liabilities	1 097 657	890 728
Current liabilities	262 902	214 767
Total liabilities	1 360 559	1 105 495
Total shareholders' equity	676 002	656 219
Total equity and liabilities	2 036 561	1 761 714

The following are the combined summarised income statements of M-Net/SuperSport:

	2002 R'000	2001 R'000
Revenue	2 126 257	1 909 004
Operating profit	233 636	191 419
Net profit	160 799	132 711

	2002 R'000	2001 R'000
Interest in joint ventures		
Shares at cost less amounts written off	491 333	347 019
Loans to joint ventures	24 367	89 613
	515 700	436 632
Share of post-acquisition reserves	(476 970)	(351 053)
	38 730	85 579

The Group does not recognise its share of losses in joint venture companies if its share of losses exceeds the carrying amount of its investment.



6. INVESTMENTS AND LOANS (continued)

Financial information for the Group's proportionate share of joint ventures' profits, assets and liabilities:

	31 March 2002 R'000	31 March 2001 R'000
Net loss	28 773	59 633
Current assets	115 667	83 603
Non-current assets	176 061	139 713
Current liabilities	138 840	126 788
Non-current liabilities	91 413	107 683

The following information relates to the Group's significant investments in associated companies and joint ventures:

Name of company	31 March 2002 %	31 March 2001 %	Nature of business	Country of incorporation
Associated companies				
MNH Holdings (1998) Limited	50,0	50,0	Investment holding	South Africa
Electronic Media Network Limited	41,3	39,2	Pay TV content provider	South Africa
SuperSport International Holdings Limited	41,3	39,2	Pay TV content provider	South Africa
The Natal Witness Printing and Publishing Company (Proprietary) Limited	50,0	50,0	Newspaper publishing	South Africa
Joint ventures				
United Broadcasting Corporation Public Company Limited	13,1	13,2	Pay TV platforms	Thailand
MultiChoice Supplies (Proprietary) Limited	21,1	21,2	Decoder rentals	South Africa
MultiChoice Middle East Inc.	–	19,1	Pay TV platforms	Middle East
KSC Commercial Internet Company Limited	17,1	22,7	Internet service and content provider	British Virgin Islands
Myriad International Programming Services BV	21,1	21,2	Programme and content acquisition	The Netherlands

NASPERS

7. MARKETABLE DEBT AND EQUITY SECURITIES

	31 March 2002 R'000	31 March 2001 R'000
Short-term marketable debt and equity securities		
Marketable debt securities		
Commercial paper	79 221	163 840
Corporate notes and bonds	149 752	225 440
Certificate of deposit	–	10 288
US government securities	65 603	36 096
Auction rate securities	90 862	–
Other debt securities	57 403	–
Total marketable debt securities	442 841	435 664
Marketable equity securities		
SurfControl plc	–	39 464
Total short-term marketable debt and equity securities	442 841	475 128
Long-term marketable debt securities		
Corporate notes	179 499	114 672
US government securities	600 271	242 392
Total long-term marketable debt securities	779 770	357 064
Total marketable debt and equity securities	1 222 611	832 192

Marketable debt and equity securities are stated at estimated fair value.

8. PROGRAMME AND FILM RIGHTS

	31 March 2002 R'000	31 March 2001 R'000
Cost		
Programme and sports rights	1 276 111	838 563
Film rights	129 323	71 874
	1 405 434	910 437
Accumulated amortisation		
Programme and sports rights	430 428	248 664
Film rights	30 057	25 201
	460 485	273 865
Net book value		
Programme and sports rights	845 683	589 899
Film rights	99 266	46 673
	944 949	636 572
Classified on the balance sheets as follows:		
Current assets	436 202	275 295
Non-current assets	508 747	361 277
	944 949	636 572

9. DEFERRED TAXATION

	31 March 2002 R'000	31 March 2001 R'000
Opening balance		
As previously reported	31 248	7 576
Reclassification	–	18 875
Effect of adopting AC116 revised	8 500	7 917
Effect of adopting AC102 revised	–	21 182
As restated	39 748	55 550
Adjustment to subsidiaries acquired in 2000	–	(30 423)
Acquisition of subsidiaries	(5 618)	(69 826)
Accounted for in income statement	(14 878)	84 447
Foreign currency translation	(492)	–
Fair value adjustment	(27 304)	–
Closing balance	**(8 544)**	**39 748**

9. DEFERRED TAXATION (continued)

The deferred tax assets and liabilities and movement thereon are attributable to the following items:

	1 April 2001 R'000	Charged to income R'000	Charged to equity R'000	Acquisitions R'000	Foreign currency translation R'000	31 March 2002 R'000
Deferred taxation assets						
Property, plant and equipment	5 857	16 376	–	–	–	22 233
Intangible assets	47 350	(5 466)	–	–	–	41 884
Receivables and current assets	64 588	(6 172)	–	(26)	18 867	77 257
Provisions and current liabilities	108 115	(39 861)	–	73	16 587	84 914
Income received in advance	139 967	71 025	–	–	25 579	236 571
Leased assets	77 999	96 111	–	–	32 738	206 848
Tax loss carry-forwards	1 286 999	499 987	–	(42 732)	266 110	2 010 364
	1 730 875	**632 000**	**–**	**(42 685)**	**359 881**	**2 680 071**
Valuation allowance	(1 553 524)	(539 711)	(27 304)	20 058	(345 856)	(2 446 337)
	177 351	**92 289**	**(27 304)**	**(22 627)**	**14 025**	**233 734**
Deferred taxation liabilities						
Property, plant and equipment	59 487	15 297	–	5 656	249	80 689
Receivables and other current assets	7 393	1 549	–	9	–	8 951
Intangible assets	34 013	93 856	–	(22 674)	14 268	119 463
Leased assets	36 710	(3 535)	–	–	–	33 175
	137 603	**107 167**	**–**	**(17 009)**	**14 517**	**242 278**
Net deferred tax	**39 748**	**(14 878)**	**(27 304)**	**(5 618)**	**(492)**	**(8 544)**

The Group has raised a valuation allowance against the net deferred tax assets, as in management's estimate it is probable that certain deferred tax assets will not be realised, due to the timing on the available taxation loss carry-forwards that arose on these losses.

The Group has tax loss carry-forwards of approximately R5 263 million (2001: R3 731 million). A summary of the tax loss carry-forwards at 31 March 2002 by tax jurisdiction and the expiry dates is set out below:

	Africa R'000	Greece R'000	Netherlands R'000	USA R'000	Asia R'000	Total R'000
Expire within one year	–	50 452	–	–	14 799	65 251
Expire between one and five years	–	1 132 514	–	–	244 979	1 377 493
Expire after five years	1 824 581	–	190 811	1 578 734	226 322	3 820 448
	1 824 581	**1 182 966**	**190 811**	**1 578 734**	**486 100**	**5 263 192**

9. DEFERRED TAXATION (continued)

The ultimate outcome of additional taxation assessments may vary from the amounts accrued. However, management believes that any additional taxation liability over and above the amount accrued would not have a material adverse impact on the Group's income statement and balance sheet.

Deferred tax assets and liabilities are offset when the income tax relates to the same fiscal authority and there is a legal right to offset at settlement. The following amounts are shown in the consolidated balance sheet:

	31 March	
	2002 R'000	2001 R'000
Deferred tax assets	58 821	103 858
Deferred tax liabilities	(67 365)	(64 110)
Net deferred tax (liabilities)/assets	**(8 544)**	**39 748**

10. INVENTORY

	2002 R'000	2001 R'000
Raw materials	134 355	122 826
Finished products, trading inventory and consumables	152 336	150 656
Work-in-progress	22 543	15 872
Decoders, internet and associated components	285 970	261 696
Gross inventory	595 204	551 050
Less: provision for slow-moving and obsolete inventories	(111 282)	(90 527)
Net inventory	**483 922**	**460 523**

11. ACCOUNTS RECEIVABLE

	2002 R'000	2001 R'000
Trade accounts receivable	2 010 907	1 621 132
Less: provision for doubtful accounts	(476 023)	(329 290)
	1 534 884	**1 291 842**

Included in accounts receivable are R814,8 million and R560,4 million at 31 March 2002 and 31 March 2001 respectively, prebilled to customers and credit balances, which have been recorded as deferred income (see note 19).

12. OTHER RECEIVABLES

	2002 R'000	2001 R'000
Prepayments and accrued income	250 900	199 123
Receivable from minority shareholder	36 567	6 278
Sundry deposits	47 948	30 254
Other receivables	269 639	282 311
	605 054	**517 966**

Included in prepayments and accrued income are prepayments of R132,9 million which have been paid in advance for variable sports rights. The contract terms in respect of these rights have been breached by the soccer teams involved. Based on the facts and pleadings to date, the Group's legal counsel and management are of the opinion that the recoverability of these prepayments is virtually certain.

13. RELATED PARTY TRANSACTIONS AND BALANCES

The Group entered into transactions and has balances with a number of related parties, including equity investees, directors, shareholders and entities under common control. The transactions are at arm's length. The transactions and balances with related parties are summarised below:

		31 March		
		2002 R'000	2001 R'000	2000 R'000
Sale of goods and services to related parties				
Electronic Media Network Limited	(a)	38 682	40 191	33 936
SuperSport International Holdings Limited	(a)	6 225	6 178	5 995
United Broadcasting Corporation Public Company Limited	(a)	44 427	–	–
Alchemy Publishing (Proprietary) Limited	(b)	4 843	4 225	–
Imvula (Proprietary) Limited	(b)	–	987	–
Jane Raphaely & Associates (Proprietary) Limited	(b)	23 768	15 327	13 231
New Media Publishers (Proprietary) Limited	(b)	48 218	35 232	–
Rodale & Touchline Publishers (Proprietary) Limited	(b)	26 851	6 958	–
Shape (Proprietary) Limited	(b)	6 752	1 293	–
Uppercase Media (Proprietary) Limited	(b)	8 438	7 622	–
		208 204	118 013	53 162
Other income received from related parties				
United Broadcasting Corporation Public Company Limited	(c)	–	6 367	9 735
Other related parties	(d)	25 765	10 402	5 217
		25 765	16 769	14 952
Purchase of goods and services				
Electronic Media Network Limited/ SuperSport International Holdings Limited	(e)	1 484 125	1 199 112	997 318
Sun Microsystems	(f)	–	2 664	4 728
Thomson Consumer Electronics	(g)	–	7 600	3 041
		1 484 125	1 209 376	1 005 087

(a) Sale of goods and services to M-Net, SuperSport and UBC.
(b) Media24 Limited receives revenue from a number of its related parties for the printing and distribution of print media products.
(c) Management fee charged by the Group to United Broadcasting Corporation Public Company Limited.
(d) Licensing and consulting fees charged to associates.
(e) Provision of programme and film rights by M-Net/SuperSport.
(f) Software technology licence and equipment purchased from Sun Microsystems by OpenTV Corp.
(g) Royalties, licence fees and service revenue paid to Thomson Consumer Electronics, Inc. by OpenTV Corp.

13. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The balances of advances, deposits, receivables and payables between the Group and related parties are as follows:

	31 March 2002 R'000	31 March 2001 R'000
Receivables		
Electronic Media Network Limited	1 609	1 552
SuperSport International Holdings Limited	141	–
United Broadcasting Corporation Public Company Limited	9 804	–
Alchemy Publishing (Proprietary) Limited	2 061	1 759
Capital Media (Proprietary) Limited	250	1 577
Jane Raphaely & Associates (Proprietary) Limited	5 174	3 231
New Media Publishers (Proprietary) Limited	9 707	8 260
Rodale & Touchline Publishers (Proprietary) Limited	5 277	1 858
Shape (Proprietary) Limited	1 907	1 857
Oracle Airtime Sales (Proprietary) Limited	510	–
Other related parties	184	488
	36 624	20 582
Payables		
Electronic Media Network Limited	152 912	105 911
SuperSport International Holdings Limited	3 774	394
Other related parties	–	184
	156 686	106 489

Directors' emoluments	31 March 2002 R'000	31 March 2001 R'000	31 March 2000 R'000
Executive directors			
Remuneration for other services paid by subsidiary companies	3 048	7 061	6 092
Non-executive directors			
Fees for services as directors	930	847	773
Fees for services as directors of subsidiary companies	900	558	400
Fees for managerial services, paid by subsidiary companies	575	675	792
	5 453	9 141	8 057

No director has a notice period of more than one year.
No director's service contract includes a predetermined remuneration on termination of more than one year's salary and benefits.

13. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' emoluments (continued)

The individual directors received the following remuneration and emoluments during the current financial year:

Executive directors	Salary R'000	Bonuses and performance-related fees R'000	Pension contributions R'000	Total R'000
JP Bekker	–	–	–	–
SJZ Pacak	1 258	374	140	1 772
J du T Stofberg	1 133	–	143	1 276
	2 391	374	283	3 048

Non-executive directors	Director fees: Naspers Ltd R'000	Director fees: subsidiaries R'000	Committee fees[1] R'000	Trustee fees[2] R'000	Managerial service fees R'000	Total R'000
T Vosloo	120	240	–	–	575	935
JF Malherbe	90	120	34	8	–	252
MJ de Vries	60	120	62	16	–	258
JJM van Zyl	60	120	70	4	–	254
E Botha	60	60	–	–	–	120
LM Taunyane	60	60	–	–	–	120
LN Jonker	60	–	12	–	–	72
NP van Heerden	60	–	24	–	–	84
BJ van der Ross	60	–	–	4	–	64
GJ Gerwel[3]	60	180	6	–	–	246
	690	900	208	32	575	2 405

Note 1: Committee fees include fees for the attendance of the audit committee, human resources committee, budget committee and executive committee meetings of the board.

Note 2: Trustee fees include fees for the attendance of the various retirement fund trustee meetings of the Group's retirement funds, as well as for the attendance of Welkom trustee meetings.

Note 3: Prof GJ Gerwel is also the chairman of Educor Limited, a subsidiary company.

13. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in scheme shares of the Naspers Share Incentive Scheme

The executive directors of Naspers are allowed to participate in the Naspers Share Incentive Scheme. Details in respect of their participation in scheme shares are as follows:

Name	Purchase date	Number of N shares	Purchase price	Release period
JP Bekker[1]	07/12/98	2 236 280	R27,51 - R29,07	07/12/2002 - 07/12/2003
SJZ Pacak	07/12/98	133 334	R21,22	07/12/2002 - 07/12/2003

(1) The managing director of Naspers participates, as indicated above, in the share incentive scheme, in terms of which Naspers N ordinary shares can be acquired at certain prices, with vesting of three tranches taking place over a period of five years. The purchase prices relating to the allocation were set at the middle market price of the shares on the purchase date, but increased by anticipated inflation over the course of the vesting periods of three, four and five years respectively for the three tranches. Inflation expectations were calculated by the Bureau for Economic Research of the University of Stellenbosch. The managing director does not earn any remuneration from the Group, in particular no salary, bonus, car scheme, medical or pension contributions of any nature whatsoever are payable. The current contract expires on 30 September 2002 and it is expected that a further five-year contract will be concluded on substantially the same terms and conditions as the current contract.

Directors' interests in Naspers shares

The directors of Naspers had the following interests in Naspers A and N ordinary shares at 31 March 2002:

	Naspers A ordinary shares			
	Beneficial		Non-beneficial	
Name	Direct	Indirect	Direct	Indirect
JF Malherbe	105	–	–	–
JJM van Zyl	745	–	–	–

No other directors of Naspers had an interest in Naspers A ordinary shares at 31 March 2002.

	Naspers N ordinary shares			
	Beneficial		Non-beneficial	
Name	Direct	Indirect	Direct	Indirect
T Vosloo	86 199	250 000	–	–
JF Malherbe	–	126 958	–	–
JP Bekker	59 817	–	–	1 156 844
SJZ Pacak	–	–	–	75 476
MJ de Vries	–	66 000	–	–
JJM van Zyl	50 361	74 500	–	–
E Botha	15 180	–	–	–
LM Tuanyane	–	–	–	–
LN Jonker	1 000	–	–	95 000
NP van Heerden	1 000	–	–	–
BJ van der Ross	–	–	–	–
GJ Gerwel	–	–	–	–

14. SHARE CAPITAL AND PREMIUM

	31 March 2002 R'000	31 March 2001 R'000
Authorised		
1 250 000 A ordinary shares of R20 each	25 000	25 000
500 000 000 N ordinary shares of 2c each	10 000	10 000
	35 000	35 000
Issued		
712 131 A ordinary shares of R20 each	14 243	14 243
156 289 724 N ordinary shares of 2c each (2001: 148 262 278)	3 125	2 965
	17 368	17 208
Share premium	2 020 833	1 793 410
	2 038 201	1 810 618
Less: 8 205 773 N ordinary shares treated as treasury shares (2001: 8 335 003 N ordinary shares)	(181 097)	(183 681)
	1 857 104	1 626 937

	2002 Number of N shares	2001 Number of N shares
Movement in N ordinary share capital		
Number of N ordinary shares in issue at 1 April	148 262 278	148 262 278
Shares issued to acquire Educor Limited shares from minority shareholders	3 336 996	–
Shares issued to acquire M-Web Holdings Ltd shares from minority shareholders	4 690 450	–
Number of N ordinary shares in issue at 31 March	156 289 724	148 262 278
Number of N ordinary shares treated as treasury shares at 1 April	8 335 003	8 380 686
N ordinary shares bought by Naspers Share Incentive Trust from participants	–	600
N ordinary shares acquired by Naspers Share Incentive Trust participants	(129 230)	(46 283)
Number of N ordinary shares treated as treasury shares at 31 March	8 205 773	8 335 003
Net number of N ordinary shares in issue as at 31 March	148 083 951	139 927 275

Voting and dividend rights

The A ordinary shareholders are entitled to 1 000 votes per share and shall be entitled to nominal dividends as determined from time to time by the board of directors, but always limited to one fifth of the dividend to which N ordinary shareholders are entitled. In respect of all other rights, the A ordinary shares rank pari passu with the N ordinary shares of the Company.

The directors of the Company have unrestricted authority until after the following annual general meeting to allot and issue the unissued 537 869 A ordinary shares and 343 710 276 N ordinary shares in the Company, subject to the provisions of section 221 of the Companies Act, 1973.

14. SHARE CAPITAL AND PREMIUM (continued)

Share incentive scheme

Directors may, from time to time, instruct the trustees of the Naspers Limited Share Incentive Trust to offer employees options and/or contracts relating to such number of N ordinary shares in the Company which in total, together with the shares already in the existing scheme, shall not exceed 11% of the Company's issued shares.

	31 March 2002	31 March 2001
Total number of shares at the disposal of the Trust at the beginning of the year	8 335 003	8 380 686
Shares bought from participants during the year	–	600
Shares acquired by participants	(129 230)	(46 283)
Total shares at the disposal of the Trust at year-end	8 205 773	8 335 003
Number of shares allocated by the Trust at the beginning of the year	6 406 470	6 381 920
Number of shares allocated during the year	413 050	198 500
Shares acquired by participants	(129 230)	(46 283)
Number of shares allocated cancelled/re-acquired by Trust	(314 143)	(127 667)
Number of shares allocated by the Trust at year-end	6 376 147	6 406 470
Shares available for allocation at year-end	1 829 626	1 928 533

Shares allocated to participants of the incentive scheme vest in equal numbers after respectively three, four and five years after the date of allocation. The trust is obliged to deliver the shares to the participants at any time after vesting up to a maximum of 10 years after the allocation date, when participants request and pay for the shares.

15. DISTRIBUTABLE RESERVES

	31 March 2002 R'000	31 March 2001 R'000
Distributable reserves at year-end comprise:		
Company and subsidiaries	(1 063 510)	789 972
Associated companies	123 244	95 401
Joint ventures	(476 970)	(351 053)
	(1 417 236)	534 320

Any future dividends declared from the distributable reserves of the Company or its subsidiaries, which are not wholly-owned subsidiaries of the Company and are incorporated in South Africa, may be subject to secondary taxation on companies at a rate of 12,5% of the dividends declared.

16. POST-RETIREMENT MEDICAL LIABILITIES

The Group operates a number of post-retirement medical benefit schemes. The obligation of the Group to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit for current employees is dependent upon the employees remaining in service until retirement age and completing a minimum service period.

The Group provides for post-retirement medical aid benefits on the accrual basis determined each year by an independent actuary. The directors are confident that adequate provision has been made for future liabilities.

MultiChoice Africa (MCA) provides post-retirement benefits by way of medical aid contributions. At 31 March 2002 and 2001 the provision for benefits was R9 million and R11,5 million respectively. During the year ended 31 March 1998 an agreement was reached with employees of MCA to terminate the post-retirement medical aid benefits plan in exchange for an increase of MCA's annual contributions to the retirement benefit fund. The provision is gradually released to operating results to match the additional contributions to the retirement benefit plan.

	31 March	
	2002 R'000	2001 R'000
Present value of obligations	125 843	121 508
The principal actuarial assumptions used for accounting purposes were:		
Health-care cost inflation	11%	10,50%
Discount rate	13%	12,50%
Continuation at retirement	100%	100%
Average retirement age	60	63

17. LONG-TERM LIABILITIES

	2002 R'000	2001 R'000
Interest-bearing: transmission equipment leases	2 860 986	1 630 957
Total liabilities	3 146 412	1 785 294
Less current portion	285 426	154 337
Interest-bearing: Welkom debenture scheme	271 159	233 828
Total liabilities	271 159	233 828
Less current portion	–	–
Interest-bearing: other	1 458 434	865 264
Total liabilities	1 678 718	910 346
Less current portion	220 284	45 082
Non-interest-bearing: programme and film rights	302 287	298 516
Total liabilities	645 717	562 041
Less current portion	343 430	263 525
Non-interest-bearing: other	31 272	39 069
Total liabilities	31 957	40 267
Less current portion	685	1 198
Net long-term liabilities	4 924 138	3 067 634

17. LONG-TERM LIABILITIES (continued)

Details of long-term liabilities	Currency	Year of repayment	Year-end interest rate	2002 R'000	2001 R'000
Transmission equipment leases					
Transponders and transmitters	Rand	–	–	–	1 830
	Euro	2010 - 2013	9,09% - 9,57%	1 037 771	781 007
	US$	2011	8,20%	2 050 398	938 106
Set-top boxes	Euro	2002 - 2007	3% - 12%	58 243	64 351
				3 146 412	1 785 294
Welkom debenture scheme[1]	Rand	2003		271 159	233 828
Interest-bearing: other					
Secured					
Term loan for Phutuma Futhi	Rand	2002	12,55%	151 401	138 751
Term loans	US$	2004	Libor + 2%	721 220	–
Term loans	Rand	2006 - 2012	12,85% - 15,47%	607 927	559 100
Preference share investments	Rand	2006		(130 657)	(115 065)
Right to subscription shares	Rand	2006		(285 838)	(246 275)
Capitalised finance leases					
Property, plant and equipment	Various	Various	Various	192 882	181 008
Unsecured					
Term loans	Rand	2003 - 2009	13% - 18%	694 953	608 200
Preference share investments	Rand	2003		(359 400)	(289 202)
Right to subscription shares	Rand	2009		(71 480)	(61 243)
Onerous lease liability	Rand	2004 - 2012	12% - 14%	64 040	61 822
Minority shareholders' loan	Rand	Not fixed	Various	93 670	73 250
				1 678 718	910 346
Non-interest-bearing: Programme and film rights					
Programme and film rights	Euro	2003 - 2011	–	645 717	490 574
	US$	–	–	–	71 467
				645 717	562 041
Non-interest-bearing: other					
Minority shareholders' loans	Rand	Various	–	20 617	18 033
Other non-interest-bearing loans	Various	Various	–	11 340	22 234
				31 957	40 267
Total long-term liabilities				5 773 963	3 531 776

(1) In terms of the Welkom Trust Share Scheme, prospective shareholders subscribed to 4 003 740 convertible debentures at R42 each for a gross amount of R168,2 million. Scheme participants were required to pay a 10% deposit on subscription for the debentures, with the balance of the principal amount being lent to the Group by various financial institutions. The Group currently makes bi-annual interest payments based on the coupon rate of 9,25% to the financial institutions. The interest rate differential between the coupon rate of the debentures and the funding rate is accrued for. The possible future payment of the accrued interest rate differential and the possible repayment of the amount advanced by financial institutions are dependent on whether the Group's share price is on or above R56,99 on 9 September 2003. If the target price is achieved, the group will issue 5 605 236 N ordinary shares to the scheme participants on conversion of the debentures, otherwise the Group can be called upon to repay the loan amount and the accrued interest rate differential.

17. LONG-TERM LIABILITIES (continued)

	31 March 2002 R'000	31 March 2001 R'000
Long-term liabilities are repayable as follows		
Payable within one year	849 825	464 142
Payable between one and five years	2 811 722	1 756 686
Payable after five years	2 112 416	1 310 948
	5 773 963	3 531 776
Finance lease liabilities - minimum instalments		
Payable within one year	575 165	360 964
Payable between one and five years	2 017 000	1 211 321
Payable after five years	2 163 450	1 417 706
	4 755 615	2 989 991
Future finance costs on leases	1 416 321	1 023 689
Current value of lease liabilities	3 339 294	1 966 302
Present value of finance lease liabilities		
Payable within one year	322 501	187 612
Payable between one and five years	1 134 408	656 673
Payable after five years	1 882 385	1 122 017
	3 339 294	1 966 302

18. PROVISIONS AND VALUATION ACCOUNTS

The following account balances have been determined based on management's estimates and assumptions:

	1 April 2001 R'000	Translation adjustment R'000	Arising on acquisition R'000	Deducted from assets R'000	(Credited)/ charged to cost and expenses, net R'000	31 March 2002 R'000
Warranties	46 312	6 133	–	–	(33 989)	18 456
Intellectual property	9 954	4 178	–	–	(14 132)	–
Digital decoder upgrade	12 743	5 558	–	–	(18 301)	–
Losses in joint ventures	7 024	402	–	–	(7 426)	–
Reorganisation	37 324	2 435	–	–	(25 955)	13 804
Onerous contracts	5 222	–	–	–	(3 184)	2 038
Discontinued operations	–	–	–	–	135 146	135 146
Pending litigation	–	–	–	–	1 500	1 500
	118 579	18 706	–	–	33 659	170 944
Doubtful accounts - note 11	329 290	54 986	1 251	–	90 496	476 023
Slow-moving and obsolete inventories - note 10	90 527	21 829	688	–	(1 762)	111 282
Post-retirement medical liabilities - note 16	121 508	–	–	–	4 335	125 843
	659 904	95 521	1 939	–	126 728	884 092

Further details describing the provisions at 31 March 2002 are included below:

The warranty provision relates to the replacement of defective smart-cards and conditional access modules supplied to customers.

The intellectual property infringement provision related to amounts that were expected to be incurred in respect of a patent used in the conditional access system. This provision has been released unutilised to income during the year ended 31 March 2002. Management and legal counsel are of the opinion that the risk of loss to the Group is no longer probable.

The digital set-top boxes upgrade provision has been raised in connection with the replacement of set-top boxes for interactive television. This provision was utilised during the year ended 31 March 2002.

The provision for losses in joint ventures related to the liabilities assumed at acquisition and the equity losses of SOE International SA, net of advances made in terms of the Group's funding obligations. The Group disposed of 25% of its equity investment in SOE International SA during the year ended 31 March 2002.

The opening reorganisation provision at 1 April 2001 has been used for the payment of restructuring costs following the restructuring of Mindport IBS, Mindport MCT, Mindport Central and Lyceum College. The closing balance provision mainly relates to reorganisation obligations of the print media segment.

The provision for discontinued operations relates to amounts payable for settlement, legal and retrenchment costs arising from the discontinuance of the Mindport business and to teach-out costs to be paid relating to the closure of Lyceum College.

Media24 Limited is currently involved in litigation with a previous employee of the Group. The litigation provision has been made based on legal counsel and management's estimates of costs and claims relating to this action.

18. PROVISIONS AND VALUATION ACCOUNTS (continued)

	1 April 2000 R'000	Translation adjustment R'000	Arising on acquisition R'000	Deducted from assets R'000	(Credited)/ charged to cost and expenses, net R'000	31 March 2001 R'000
Warranties	55 245	6 423	–	–	(15 356)	46 312
Intellectual property	4 064	1 324	–	–	4 566	9 954
Digital decoder upgrade	11 674	1 069	–	–	–	12 743
Losses in joint ventures	43 605	3 993	–	(96 460)	55 886	7 024
Write-down of assets	19 989	–	–	–	(19 989)	–
Reorganisation	23 606	671	–	–	13 047	37 324
Onerous contracts	–	–	–	–	5 222	5 222
	158 183	13 480	–	(96 460)	43 376	118 579
Doubtful accounts - note 11	215 185	–	–	–	114 105	329 290
Slow-moving and obsolete inventories - note 10	80 156	526	–	–	9 845	90 527
Post-retirement medical liabilities - note 16	134 817	–	–	–	(13 309)	121 508
	588 341	14 006	–	(96 460)	154 017	659 904

	1 April 1999 R'000	Translation adjustment R'000	Arising on acquisition R'000	Deducted from assets R'000	(Credited)/ charged to cost and expenses, net R'000	31 March 2000 R'000
Warranties	33 775	1 815	–	–	19 655	55 245
Intellectual property	3 088	219	–	–	757	4 064
Digital decoder upgrade	–	–	–	–	11 674	11 674
Losses in joint ventures	–	2 335	21 975	–	19 295	43 605
Write-down on assets	20 453	7	–	–	(471)	19 989
Reorganisation	–	–	–	–	23 606	23 606
	57 316	4 376	21 975	–	74 516	158 183
Doubtful accounts	169 750	–	86 601	–	(41 166)	215 185
Slow-moving and obsolete inventories	101 616	–	–	–	(21 460)	80 156
Post-retirement medical liabilities	122 722	7	14 769	–	(2 681)	134 817
	451 404	4 383	123 345	–	9 209	588 341

19. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March 2002 R'000	31 March 2001 R'000
Deferred income (see note 11)	814 796	560 389
Accrued expenses	1 073 185	844 602
Amounts owing in respect of investments acquired	8 485	71 763
Taxes and social securities	197 014	116 785
Other current liabilities	253 359	197 865
	2 346 839	1 791 404

20. COMMITMENTS AND CONTINGENCIES

The Group is subject to contingencies which occur in the normal course of business including legal proceedings and claims that cover a wide range of matters. These contingencies include contract and employment claims, product liability and warranty. None of these claims are expected to result in a material gain or loss to the Group.

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2002 amounted to R88,8 million (2001: R75,1 million).

(b) Programme and film rights

At 31 March 2002 the Group had entered into contracts for the purchase of programme and film rights. The Group's commitments in respect of these contracts amounted to R881,1 million (2001: R834,4 million).

(c) Network supply agreements

At 31 March 2002 the Group had entered into contracts for the supply of network capacity. The Group's commitments in respect of these agreements amounted to R201,7 million (2001: R186,9 million).

(d) Decoders

At 31 March 2002 the Group had entered into contracts for the purchase of decoders. The Group's commitments in respect of these contracts amounted to R29,8 million (2001: R355,9 million).

(e) Operating lease commitments

The Group has the following operating lease liabilities at 31 March 2002 and 2001:

	31 March 2002 R'000	31 March 2001 R'000
Minimum operating lease payments		
Payable within one year	228 704	184 607
Payable between one and five years	654 155	584 672
Payable after five years	455 853	453 383
	1 338 712	**1 222 662**

20. COMMITMENTS AND CONTINGENCIES (continued)

(f) Guarantees and contingent liabilities

The following is a summary of guarantees provided and assets pledged at 31 March 2002 and 2001:

	31 March	
	2002 R'000	2001 R'000
Contingent liabilities		
Guarantees provided	104 268	66 039
Assets pledged as security	3 173 125	2 377 024
Property, plant and equipment	2 683 177	1 837 689
Investments and loans	184 293	184 293
Cash and loans	122 460	195 868
Accounts receivable	183 195	159 174
	3 277 393	2 443 063

The Group plans to fund the above commitments and liabilities out of existing loan facilities and internally generated funds.

21. NET REVENUES

	31 March		
	2002 R'000	2001 R'000	2000 R'000
Net revenues - continuing operations			
Subscription	5 054 209	4 018 565	3 315 410
Hardware and software sales	521 040	551 604	501 640
Technology	430 190	438 092	380 797
Circulation	558 214	542 860	527 446
Advertising	986 727	909 827	835 416
Distribution	87 995	61 948	57 247
Printing	531 423	447 415	255 367
Book publishing and sales	613 443	520 275	437 450
Tuition fees	454 372	398 543	128 647
Other	598 996	376 521	230 697
	9 836 609	8 265 650	6 670 117
Net revenues - discontinuing operations			
OpenTV	839 826	553 065	192 945
Mindport Broadband	85 225	122 550	58 731
Lyceum College	24 803	72 636	85 431
	949 854	748 251	337 107
Net revenues - total	10 786 463	9 013 901	7 007 224

Other revenues include revenues from decoder maintenance, e-commerce services, backhaul charges and financing service fees.

22. OPERATING LOSS

Operating loss from continuing operations include the following items:

	31 March 2002 R'000	2001 R'000	2000 R'000
Auditors' remuneration			
Audit	14 188	10 179	6 588
Consultancy and other services	5 467	6 875	5 599
Previous year underprovision	1 037	2 184	139
	20 692	19 238	12 326
Operating leases			
Buildings	125 342	110 154	97 160
Satellite and transponders	4 441	44 010	40 512
Other equipment	15 730	25 902	18 783
	145 513	180 066	156 455
Profit on sale of property, plant and equipment	1 163	3 105	4 905
Retirement benefit costs	151 702	103 286	81 298
Secretarial, management and technical fees paid other than to employees	39 841	43 549	40 054

Employee costs

As at 31 March 2002, the Group had 10 706 (2001: 11 449, 2000: 10 906) permanent employees

Total employment costs of permanent and temporary employees, including executive directors, were:

	2002 R'000	2001 R'000	2000 R'000
Salaries, wages and bonuses	1 656 985	1 453 892	1 022 913
Retirement benefit costs	151 702	103 286	81 298
Medical aid fund contributions	45 538	39 931	32 294
Post-retirement benefits	(501)	(389)	1 220
Training costs	18 377	18 210	10 852
	1 872 101	1 614 930	1 148 577

	31 March		
	2002 R'000	2001 R'000	2000 R'000
23. FINANCE COSTS			
Interest costs			
Loans and overdrafts	301 539	240 889	148 837
Welkom debenture scheme	52 779	44 654	39 061
Finance leases	257 723	177 834	135 609
	612 041	463 377	323 507
Preference dividends	(85 975)	(75 071)	(43 937)
	526 066	388 306	279 570
Net (profit)/loss from foreign exchange transactions			
Loss on translation of transmission equipment leases	265 323	103 515	54 592
Profit on foreign exchange transactions	(289 963)	(20 982)	(30 411)
	(24 640)	82 533	24 181
Interest income			
Loans and bank accounts	88 048	165 882	102 944
Associated companies	1 633	3 470	1 465
	89 681	169 352	104 409
Net finance costs	**411 745**	**301 487**	**199 342**
24. INCOME FROM INVESTMENTS			
Dividends - listed investments	–	–	1 334
Dividends - unlisted investments	3 831	797	1 431
Total dividend income	**3 831**	**797**	**2 765**
25. SHARE OF EQUITY-ACCOUNTED RESULTS			
Attributable share of associated companies’ and joint ventures' results before taxation, exceptional items and dividends			
- profits	183 079	147 285	106 002
- losses	(21 038)	(161 495)	(113 112)
Share in operating results	162 041	(14 210)	(7 110)
Amortisation of goodwill	(4 776)	(45 533)	–
Total per income statement	157 265	(59 743)	(7 110)
Exceptional items	–	–	6 380
Taxation	(59 093)	(48 419)	(38 799)
Net after taxation	98 172	(108 162)	(39 529)
Dividends received	(40 609)	(33 417)	(29 558)
Net movement during the year	57 563	(141 579)	(69 087)

26. EXCEPTIONAL ITEMS

31 March 2002	Gross amount R'000	Taxation R'000	Minority interest R'000	Attributable R'000
Gains:				
Profit on dilution of interest in subsidiaries	84 926	–	(53 445)	31 481
Disposal of investments and business units	106 068	–	(30 587)	75 481
Reversal of warranty provisions	4 189	–	–	4 189
Reversal of prior year impairment charge	4 500	–	–	4 500
	199 683	–	(84 032)	115 651
Losses:				
Disposal of other investments and business units	130 789	(1 858)	(69 087)	59 844
Asset impairments	28 420	(760)	(594)	27 066
Shares repurchased by associated companies	31 816	–	(6 556)	25 260
Restructuring costs	2 096	(629)	(628)	839
Provision of claims	1 500	(450)	–	1 050
	194 621	(3 697)	(76 865)	114 059
Net exceptional items	5 062	3 697	(7 167)	1 592

31 March 2001	Gross amount R'000	Taxation R'000	Minority interest R'000	Attributable R'000
Gains:				
Disposal investments	13 688	–	(1 519)	12 169
Profit on dilution of interest in subsidiaries	882 251	–	(306 469)	575 782
	895 939	–	(307 988)	587 951
Losses:				
Disposal of other investments and business units	8 637	–	(4 477)	4 160
Restructuring costs	20 425	(812)	(8 876)	10 737
Warranties in respect of debtors and business disposals	25 000	–	–	25 000
Asset impairments	26 542	(1 389)	(9 653)	15 500
	80 604	(2 201)	(23 006)	55 397
Net exceptional items	815 335	2 201	(284 982)	532 554

26. EXCEPTIONAL ITEMS (continued)

31 March 2000	Gross amount R'000	Taxation R'000	Minority interest R'000	Attributable R'000
Gains:				
Disposal of M-Cell shares	2 755 807	–	–	2 755 807
Disposal of subsidiary and joint venture	221 154	–	(90 784)	130 370
Disposal of other investments	29 765	–	(9 324)	20 441
Profit on dilution of interest in subsidiaries	870 349	–	(387 435)	482 914
	3 877 075	–	(487 543)	3 389 532
Losses:				
Disposal of other investments and business units	30 639	–	(9 720)	20 919
Warranties in respect of debtors and business disposals	21 700	–	–	21 700
Asset impairments	13 829	(1 800)	–	12 029
	66 168	(1 800)	(9 720)	54 648
Share of equity-accounted companies' exceptional profits	6 380	–	–	6 380
Net exceptional items	3 817 287	1 800	(477 823)	3 341 264

27. INCOME TAX

	31 March 2002 R'000	2001 R'000	2000 R'000
Normal taxation			
South Africa	70 784	115 019	13 452
Current year	29 238	74 703	8 137
Prior year under provision	(2 338)	(712)	1 567
Foreign taxation			
Current year	43 884	41 028	3 748
Secondary taxation on companies	3 059	380	142
Income taxation for the year	73 843	115 399	13 594
Deferred taxation	14 878	(5 474)	14 660
Current year	5 148	(4 847)	14 590
Previous year	7 332	(57)	(10 514)
Foreign	2 398	(570)	10 584
Total taxation for the Group	88 721	109 925	28 254
Share of equity-accounted companies' taxation	59 093	48 419	38 799
Total tax per income statement	**147 814**	**158 344**	**67 053**
Reconciliation of taxation			
Taxation at statutory rates	(127 133)	87 121	1 372 657
Adjusted for:			
Non-deductable expenses	99 446	273 591	13 923
Non-taxable income	(162 572)	(577 114)	(1 598 905)
Unprovided timing differences	243 334	183 344	273 187
Assessed losses utilised	2 341	109 399	(437)
Prior year adjustments	(3 937)	(1 299)	(8 947)
Other taxes	21 424	64 660	617
Goodwill adjustment	94 325	18 642	–
Changes in taxation rates	(19 414)	–	14 958
Taxation provided in income statement	**147 814**	**158 344**	**67 053**

28. DISCONTINUING OPERATIONS

Lyceum College

Effective the end of September 2001, the Group decided to terminate the operations of Lyceum College, a distance-learning operation. The decision was taken to embark on a teach-out programme for students enrolled under current course programmes. Current students will therefore be allowed to complete their current courses, but no new enrolments will be allowed. The Group has provided in full for future teach-out and other related closure costs. The results of this operation were previously included in the Group's private education segment.

	31 March		
The loss from discontinuing operations includes the following items relating to Lyceum College:	2002 R'000	2001 R'000	2000 R'000
Revenue	24 803	72 636	85 431
Operating expenses	(27 235)	(87 366)	(96 962)
Loss before interest, taxation, depreciation and amortisation	(2 432)	(14 730)	(11 531)
Depreciation and amortisation	(1 027)	(2 765)	(3 000)
Operating loss	(3 459)	(17 495)	(14 531)
Finance costs	579	(2 417)	1 135
Loss before taxation	(2 880)	(19 912)	(13 396)
Taxation	–	9 009	(2 400)
Minorities	–	6 054	(2 703)
Loss from discontinuing operations	(2 880)	(4 849)	(18 499)
The loss arising on discontinuance of Lyceum College includes the following items:			
Closure and teach-out costs	(74 418)	–	–
	(74 418)	–	–
The carrying values included in the Group's balance sheets as at 31 March 2002 and 2001, relating to Lyceum College, are as follows:			
Total assets	61 357	45 788	
Total liabilities	(64 356)	(66 690)	
The cash flows attributable to the operating, investing and financing activities of Lyceum College were as follows:			
Cash flow from operating activities	8 327	45 885	8 871
Cash flow from investing activities	81	(7 214)	–
Cash flow from financing activities	(4 567)	(35 335)	(10 431)
Cash flow for the year	3 841	3 336	(1 560)

28. DISCONTINUING OPERATIONS (continued)

Mindport Broadband

On 21 November 2001, the Group publicly announced that the stand-alone Mindport businesses for the broadband initiatives and the integrated business software product would be discontinued as part of a formal plan established by management. The results of this operation were previously included in the Group's technology segment.

	31 March		
	2002 R'000	2001 R'000	2000 R'000
The loss from discontinuing operations includes the following items relating to Mindport Broadband:			
Revenue	85 225	122 550	58 731
Operating expenses	(440 828)	(346 308)	(269 498)
Loss before interest, taxation, depreciation and amortisation	(355 603)	(223 758)	(210 767)
Depreciation and amortisation	(53 910)	(27 362)	(10 368)
Operating loss	(409 513)	(251 120)	(221 135)
Finance costs	(7 735)	1 305	(3 486)
Loss before taxation	(417 248)	(249 815)	(224 621)
Taxation	(4 185)	(6 659)	9 958
Minorities	265 713	159 256	137 641
Loss from discontinuing operations	(155 720)	(97 218)	(77 022)
The loss arising on discontinuance of Mindport Broadband includes the following items:			
Impairments of goodwill	(114 012)	–	–
Impairments of assets	(161 524)	–	–
Minorities	159 167	–	–
	(116 369)	–	–
The carrying values included in the Group's balance sheets as at 31 March 2002 and 2001, relating to Mindport Broadband, are as follows:			
Total assets	384 881	378 858	
Total liabilities	(1 117 110)	(759 613)	
The net cash flows attributable to the operating, investing and financing activities of Mindport Broadband for the current financial year were as follows:			
Cash flow from operating activities	(341 665)	(268 178)	(211 515)
Cash flow from investing activities	(23 690)	(20 100)	(4 920)
Cash flow from financing activities	369 803	292 096	222 204
Total cash flow	4 448	3 818	5 769

28. DISCONTINUING OPERATIONS (continued)

OpenTV Corp.

On 8 May 2002 the Group publicly announced that it had entered into an agreement in terms of which it would sell its entire interest in OpenTV Corp. to Liberty Media Corporation for a gross amount of approximately US$185 million. The results of this operation were previously included in the Group's technology segment.

	31 March		
	2002 R'000	2001 R'000	2000 R'000
The loss from discontinuing operations includes the following items relating to OpenTV:			
Revenue	839 826	553 065	192 945
Operating expenses	(1 226 106)	(793 502)	(287 231)
Loss before interest, taxation, depreciation and amortisation	(386 280)	(240 437)	(94 286)
Depreciation and amortisation	(1 881 219)	(926 387)	(6 796)
Operating loss	(2 267 499)	(1 166 824)	(101 082)
Finance costs	76 611	98 564	24 117
Exceptional items	(163 180)	2 497 405	674 860
(Loss)/income before taxation	(2 354 068)	1 429 145	597 895
Taxation	(12 997)	56 700	–
Minorities	1 920 352	(535 952)	(371 667)
(Loss)/income from discontinuing operations	(446 713)	949 893	226 228
The loss arising on discontinuance of OpenTV includes the following items:			
Impairment of goodwill	(4 613 942)	–	–
Minorities	3 852 481	–	–
	(761 461)	–	–
The carrying values included in the Group's balance sheets as at 31 March 2002 and 2001, relating to OpenTV Corp. are as follows:			
Total assets	5 548 973	8 437 220	
Total liabilities	(475 863)	(248 740)	
The net cash flows attributable to the operating, investing and financing activities were as follows:			
Cash flow from operating activities	(273 730)	(210 165)	(87 531)
Cash flow from investing activities	(382 822)	247 195	(468 495)
Cash flow from financing activities	94 761	116 902	1 204 522
Total cash flow	(561 791)	153 932	648 496

29. EARNINGS PER SHARE

	31 March 2002 R'000	2001 R'000	2000 R'000
Earnings			
Net (loss)/income attributable to shareholders	(1 923 250)	999 928	3 392 728
Headline earnings adjustments			
Profits	111 151	1 750 299	3 628 107
Reversal of warranty provision	4 189	–	–
Disposal of investments	75 481	12 169	2 906 618
Profit on dilution of interest in subsidiaries	31 481	1 738 130	721 489
Losses	202 142	78 940	54 648
Disposal of other investments and businesses	113 272	4 160	20 919
Asset impairments	53 280	74 780	12 029
Warranties in respect of business disposal	–	–	21 700
Shares repurchased by associated companies	25 260	–	–
OpenTV restructuring costs accrual	10 330	–	–
Amortisation of goodwill after minorities	423 336	187 731	–
Loss arising on discontinuing operations	952 248	–	–
Share of equity-accounted companies' headline adjustments	–	–	(6 380)
Headline loss	(456 675)	(483 700)	(187 111)
Headline loss from discontinued operations	220 523	96 627	107 868
Headline loss from continuing operations	(236 152)	(387 073)	(79 243)
Attributable (loss)/earnings	(1 923 250)	999 928	3 392 728
Interest on Welkom debentures scheme	52 779	44 654	39 061
Fully diluted (loss)/earnings	(1 870 471)	1 044 582	3 431 789
Weighted average number of N ordinary shares in issue during the year	145 691 868	139 896 409	122 457 667
Shares held by equity compensation plan treated as treasury shares	8 205 773	8 335 003	8 380 686
Shares to be issued on conversion of Welkom debentures	5 605 236	5 605 236	5 605 236
Fully diluted weighted number of N ordinary shares in issue	159 502 877	153 836 648	136 443 589
Earnings per N ordinary share (cents)			
Basic	(1 320)	715	2 771
Fully diluted	(1 320)	679	2 515
Headline loss per N ordinary share (cents)	(313)	(346)	(153)
Headline loss per N ordinary share from continuing operations (cents)	(162)	(277)	(65)

30. CHANGE IN ACCOUNTING POLICIES

The Group adopted AC107 (revised) "Events after the balance sheet date" during the current year. The impact of this revised accounting standard is that the Group accounts for proposed dividends only on their declaration date. The proposed dividends that were provided for in the March 2001 annual financial statements plus the relating secondary taxation on companies (STC) are now accounted for in the current financial year.

The Group further adopted AC116 (revised) "Employee benefits". In terms of this revised accounting standard the Group is required to provide in full for all accrued short-term employee benefits.

The Group changed its policy relating to the treatment of shares issued to and held by equity compensation plans. Previously such shares were treated as issued shares and a corresponding investment (loan), relating to the funding of the shares, was accounted for. Now shares issued to and held by equity compensation plans are treated as treasury shares and deducted from equity, with no corresponding investment (loan) accounted for. Shares are released from treasury shares once paid for by participants of the equity compensation plan.

The Group changed its accounting for the Welkom debenture scheme. Previously the Group regarded the Welkom convertible debentures as equity. In terms of current accounting standards the debenture scheme has been consolidated, with the effect that the debentures were reclassified as debt and the previously unprovided interest rate differential between the coupon rate and the finance rate was accrued.

The Group adopted AC102 (revised) "Income taxes" in the prior year.

These changes in accounting policies were applied retrospectively by restating the comparative figures.

Impact on distributable reserves	**Opening reserves**	**Movement in equity**	**Profit before tax**	**Taxation**	**Minorities**	**Net**
March 2001						
Effect of AC107 (revised)	35 800	1 147	–	2 144	–	39 091
Effect of AC116 (revised)	(22 208)	–	(2 277)	583	–	(23 902)
Employee compensation plans	(266 547)	2 007	(3 416)	(1 186)	98 472	(170 670)
Effect of Welkom debenture scheme	(42 340)	–	(29 105)	–	–	(71 445)
	(295 295)	3 154	(34 798)	1 541	98 472	(226 926)
March 2000						
Effect of AC102 (revised)	20 328	–	–	854	–	21 182
Effect of AC107 (revised)	27 904	7 646	–	250	–	35 800
Effect of AC116 (revised)	(20 801)	–	(1 898)	491	–	(22 208)
Employee compensation plans	(146 359)	1 430	(284 736)	(1 034)	164 152	(266 547)
Effect of Welkom debenture scheme	(18 858)	–	(23 482)	–	–	(42 340)
	(137 786)	9 076	(310 116)	(561)	164 152	(274 113)

31. CASH GENERATED FROM OPERATING ACTIVITIES

	31 March 2002 R'000	**2001 R'000**	**2000 R'000**
Earnings before depreciation and amortisation	709 176	179 863	321 458
Adjustment for:			
Amortisation of programme and film rights	400 584	263 446	294 266
Profit on sale of property, plant and equipment	(3 633)	(2 479)	(4 985)
Other non-cash movements	29 403	(26 480)	(8 579)
	1 135 530	414 350	602 160
Changes to working capital	(431 626)	(503 705)	(72 887)
Inventory	43 318	(118 950)	23 156
Receivables	44 107	(185 862)	(392 595)
Payables and provisions	39 136	127 217	533 484
Programme and film rights	(558 187)	(326 110)	(236 932)
	703 904	(89 355)	529 273

32. ACQUISITION OF SUBSIDIARIES

	31 March 2002 R'000	2001 R'000	2000 R'000
Fair value of assets and liabilities acquired:			
Property, plant and equipment	63 278	73 207	93 755
Investments	4 800	335 522	5 162
Intangible assets	132 738	163 433	815 560
Net current assets/(liabilities)	(17 355)	(8 888)	90 572
Deferred taxation	(5 618)	(69 826)	40 945
Long-term liabilities	(15 921)	(14 515)	(187 496)
	161 922	478 933	858 498
Minority shareholders' interest	611 810	(2 037)	(586 170)
Carrying value of equity investment	–	–	(6 319)
Goodwill	41 718	5 873 904	306 548
Purchase consideration	815 450	6 350 800	572 557
Amount settled via share issues	(354 122)	(6 809 981)	–
Amounts owing in respect of subsidiaries	–	–	(380 154)
Settlement of amounts owing in respect of prior year purchases	–	360 862	–
Cash (received)/paid in respect of subsidiaries acquired	461 328	(98 319)	192 403
Cash (received)/paid in respect of subsidiaries acquired	461 328	(98 319)	192 403
Cash in subsidiaries acquired	(44 894)	(3 111)	(33 441)
Net (cash inflow)/outflow from acquisition of subsidiaries	416 434	(101 430)	158 962

33. DISPOSAL OF SUBSIDIARIES

	2002 R'000	2001 R'000	2000 R'000
Book value of tangible assets			
Property, plant and equipment	26 830	6 587	30 562
Goodwill and other intangibles	62 434	29 295	–
Investments and loans	109 932	–	5 540
Long-term liabilities	(59 441)	–	–
Net current liabilities	(51 048)	–	(38 058)
	88 707	35 882	(1 956)
Minorities	(734)	–	–
Profit/(loss) on sale	(76 223)	–	203 023
Selling price	11 750	35 882	201 067
Cash in subsidiaries disposed	(31 872)	–	–
Shares received as settlement	–	–	(201 067)
Net cash received for subsidiaries	(20 122)	35 882	–

34. CASH AND CASH EQUIVALENTS

	2002 R'000	2001 R'000	2000 R'000
Cash and deposits	2 998 503	2 774 574	2 065 278
Bank overdrafts	(1 116 551)	(781 014)	(411 010)
	1 881 952	1 993 560	1 654 268

35. BUSINESS AND GEOGRAPHICAL SEGMENTS

Primary reporting format - business segments

The Group has determined that its primary reporting format for segments is based on its method of internal reporting that disaggregates its businesses by service or product. The Group's reportable business segments are subscriber platforms, print media, technology, book publishing, private education and corporate services. The Group's business is conducted in the following main business segments:

Subscriber platforms

Television platforms - through the Group's subsidiaries, associated companies and joint ventures based in Africa, the Middle East, the Mediterranean and Thailand, which generate revenue mainly from local customers.

Internet - through the Group's subsidiaries and joint ventures based

March 2002	Subscriber platforms: Television platforms R'000	Subscriber platforms: Internet R'000	Print media R'000
Revenue			
External	5 590 707	547 055	2 102 305
Intersegmental	–	30 416	56 515
Total revenue	5 590 707	577 471	2 158 820
Ebitda	514 719	(333 184)	374 698
Depreciation	(353 728)	(131 524)	(101 528)
Amortisation	(22 496)	(287 926)	(5 139)
Operating profit/(loss)	138 495	(752 634)	268 031
Finance costs			
Income from investments			
Equity results			
Exceptional items			
Taxation			
Minority interest			
Net loss from continuing operations			
Segment assets	6 499 653	1 216 332	1 627 123
Investments in associates	322 248	44	21 128
Investments in joint ventures	23 355	12 639	2 736
Segment liabilities	9 244 597	1 658 803	1 163 703
Capital expenditure	60 237	125 277	87 495
Amortisation of programme and film rights*	400 584	–	–

* - Included in Ebitda

in Africa, Thailand, China and Indonesia, which generate revenue mainly from local customers.
Print media - through the Group's subsidiaries and associated companies in Southern Africa, which print and distribute various newspapers and magazines for the local market.
Technology - through the Group's subsidiaries based in the United States and the Netherlands, which generate income from customers based around the world.
Book publishing - through the Group's subsidiaries in Southern Africa, which generate income mainly from local customers.
Private education - through the Group's subsidiaries and associated companies in South Africa, which generate income mainly from local customers.
Corporate services - represent the Group's holding company head office infrastructure.
The accounting policies applied by the reportable segments are consistent with the accounting policies applied in the consolidated financial statements, as described in note 2.

Technology R'000	Book publishing R'000	Private education R'000	Corporate services R'000	Eliminations R'000	Consolidated total R'000
475 137	609 859	510 587	959	–	9 836 609
141 661	919	–	43 617	(273 128)	–
616 798	610 778	510 587	44 576	(273 128)	9 836 609
98 220	31 571	35 589	(12 437)	–	709 176
(16 906)	(10 043)	(22 105)	(324)	–	(636 158)
(32 816)	(1 061)	(23 996)	–	–	(373 434)
48 498	20 467	(10 512)	(12 761)	–	(300 416)
					(411 745)
					3 831
					157 265
					5 062
					(147 814)
					328 128
					(365 689)
6 229 928	376 471	607 215	6 250 191	(6 161 324)	16 645 589
–	–	–	–	–	343 420
–	–	–	–	–	38 730
2 037 030	197 681	618 901	2 135 665	(6 161 324)	10 895 056
206 423	13 264	30 749	1 387	–	524 832
–	–	–	–	–	400 584

35. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

March 2001	Subscriber platforms: Television platforms R'000	Subscriber platforms: Internet R'000	Print media R'000
Revenue			
External	4 557 748	410 968	1 921 851
Intersegmental	7 162	7 863	45 390
Total revenue	4 564 910	418 831	1 967 241
Ebitda	341 751	(640 633)	336 764
Depreciation	(252 636)	(91 084)	(91 643)
Amortisation	(831)	(38 520)	(1 075)
Operating profit/(loss)	88 284	(770 237)	244 046
Finance costs			
Income from investments			
Equity results			
Exceptional items			
Taxation			
Minority interest			
Net income from continuing operations			
Segment assets	4 249 550	935 023	1 512 632
Investment in associates	291 042	504	20 307
Investment in joint ventures	60 938	8 443	2 776
Segment liabilities	6 494 655	1 163 514	1 226 170
Capital expenditure	88 795	284 227	91 707
Amortisation of programme and film rights*	263 446	–	–

* - Included in Ebitda

Technology R'000	Book publishing R'000	Private education R'000	Corporate services R'000	Eliminations R'000	Consolidated total R'000
383 084	544 657	447 231	111	–	8 265 650
65 827	142	–	5 707	(132 091)	–
448 911	544 799	447 231	5 818	(132 091)	8 265 650
103 837	21 816	27 466	(11 138)	–	179 863
(4 076)	(5 997)	(18 575)	(10)	–	(464 021)
(1 066)	(844)	(1 493)	–	–	(43 829)
98 695	14 975	7 398	(11 148)	–	(327 987)
					(301 487)
					797
					(59 743)
					815 335
					(158 344)
					183 531
					152 102
9 098 490	419 334	607 835	4 589 972	(3 928 800)	17 484 036
–	–	645	–	–	312 498
–	–	–	13 422	–	85 579
1 071 321	229 032	575 611	557 308	(3 928 800)	7 388 811
126 768	14 570	36 718	80	–	642 865
–	–	–	–	–	263 446

35. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

March 2000	Subscriber platforms		
	Television platforms R'000	Internet R'000	Print media R'000
Revenue			
External	3 893 608	239 302	1 652 617
Intersegmental	28 324	13 307	25 296
Total revenue	3 921 932	252 609	1 677 913
Ebitda	229 426	(342 552)	285 355
Depreciation	(203 848)	(55 394)	(69 737)
Operating profit/(loss)	25 578	(397 946)	215 618
Finance costs			
Income from investments			
Equity results			
Exceptional items			
Taxation			
Minority interest			
Net profit from continuing operations			

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Technology R'000	Book publishing R'000	Private education R'000	Corporate services R'000	Eliminations R'000	Consolidated total R'000
318 841	434 349	131 399	–	–	6 670 116
45 196	–	–	–	(112 123)	–
364 037	434 349	131 399	–	(112 123)	6 670 116
134 760	21 266	6 339	(13 136)	–	321 458
(1 686)	(6 710)	(4 303)	–	–	(341 678)
133 074	14 556	2 036	(13 136)	–	(20 220)
					(199 342)
					2 765
					(7 110)
					3 817 287
					(67 053)
					(264 306)
					130 707
					3 392 728

35. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Secondary reporting format – geographical segments

The Group operates in five main geographical areas:

Africa - The Group derives revenues from television platform services, print media activities, internet services, technology products and services, book publishing and private education from this region. Additionally, the Group provides internet services and generates revenue from interactive television and technology products and services, provided by subsidiaries based in the United States of America and the Netherlands. The activities in the Republic of South Africa are the most significant in this segment.

Mediterranean - The Group generates revenue from television platform services with operations in Greece and Cyprus. Additionally, the Group provides internet services and generates revenue from interactive television and technology products and services, provided by subsidiaries based in the United States of America and the Netherlands.

Asia - The Group's activities comprise its interest in the television platform operations of UBC, based in Thailand, and internet activities based in Thailand, Indonesia and China. Furthermore, the Group generates revenue from interactive television and technology products and services, provided by subsidiaries based in the United States of America and the Netherlands.

United States of America - The Group's activities comprise its interest in OpenTV, providing interactive television, based in the United States of America. Irdeto Access also delivers products to its customers in the USA.

Other - includes the Group's subsidiaries, providing interactive television and technology products, located in the Netherlands and the United States of America. It also includes the assets of MIH Limited, based in the British Virgin Islands, which mainly comprises cash and investments in Group companies.

	Africa							
	South Africa R'000	Rest of Africa R'000	USA R'000	Mediter-ranean R'000	Asia R'000	Other R'000	Eliminations R'000	Consolidated total R'000
March 2002								
External revenue	6 758 560	1 233 491	56 005	1 283 146	272 181	233 226	–	9 836 609
Segment assets	5 292 057	2 234 609	5 783 523	2 188 701	883 945	6 424 078	(6 161 324)	16 645 589
Capital expenditure	203 717	33 056	160 059	15 394	67 828	44 778	–	524 832
March 2001								
External revenue	6 015 200	758 515	47 912	1 097 637	167 784	178 601	–	8 265 649
Segment assets	4 252 659	1 606 809	8 766 722	1 583 870	1 027 226	4 175 550	(3 928 800)	17 484 036
Capital expenditure	276 095	23 455	87 478	40 048	159 378	56 411	–	642 865
March 2000								
External revenue	4 931 922	574 213	43 988	893 959	106 458	119 576	–	6 670 116

40. EQUITY COMPENSATION BENEFITS (continued)

Mindport Holdings Limited

On 14 October 1999 Mindport Holdings Limited established the Mindport Holdings Limited Share Scheme ("the MHL Plan"), the Mindport Integrated Business Systems Share Scheme ("the MIBS Plan") and the Irdeto Access Share Scheme ("the IA Plan"). In terms of the schemes, options of no more than 10% of the total number of ordinary shares of Mindport Holdings Limited, Mindport Integrated Business Systems BV and Irdeto Access BV may be awarded. Share options may be granted with an exercise price of not less than 100% of the fair value of the shares at the time of the grant. One third of the shares generally vest at the anniversary of each of the third, fourth and fifth years after the grant date of the share options and expire after 10 years. Unvested shares are subject to cancellation upon expiration or termination of employment.

	31 March 2002		31 March 2001		31 March 2000	
	Shares	Weighted average exercise price (US$)	Shares	Weighted average exercise price (US$)	Shares	Weighted average exercise price (US$)
Activity in terms of the MHL Plan is as follows:						
Outstanding at 1 April	1 110 009	9,22	1 153 441	9,22	–	–
Granted	–	–	–	–	2 044 010	9,22
Exercised	(71 760)	9,22	(38 372)	9,22	(842 683)	9,22
Forfeited	(20 640)	9,22	(5 060)	9,22	(47 886)	9,22
Outstanding at 31 March	1 017 609	9,22	1 110 009	9,22	1 153 441	9,22
Activity in terms of the MIBS Plan is as follows:						
Outstanding at 1 April	215 167	9,04	154 895	8,83	–	–
Granted	–	–	134 348	9,48	187 612	8,83
Forfeited	(31 960)	9,04	(74 076)	9,40	(32 717)	8,83
Outstanding at 31 March	183 207	9,04	215 167	9,04	154 895	8,83
Activity in terms of the IA Plan is as follows:						
Outstanding at 1 April	553 560	11,17	254 703	8,30	–	–
Granted	136 044	12,35	299 747	13,60	296 954	8,30
Exercised	(71 694)	10,15	–	–	–	–
Forfeited	(22 551)	12,79	(890)	8,30	(42 251)	8,30
Outstanding at 31 March	595 359	11,50	553 560	11,17	254 703	8,30

40. EQUITY COMPENSATION BENEFITS (continued)

Mindport Holdings Limited (continued)

The following table summarises information about the share allotments outstanding at 31 March 2002:

Range of exercise price			Outstanding as of 31 March 2002			Remaining contractual life (years)		
MHL	**MIBS**	**IA**	**MHL**	**MIBS**	**IA**	**MHL**	**MIBS**	**IA**
US$ 9,22	US$ 8,83	US$ 8,30	1 017 609	124 950	249 012	7,54	7,54	7,54
–	9,48	12,00	–	58 257	59 862	–	8,46	8,38
–	–	14,00	–	–	222 135	–	–	8,75
–	–	14,80	–	–	64 350	–	–	9,58
			1 017 609	183 207	595 359			

As of 31 March 2002 no share allotments were exercisable.

M-Web China (BVI) Limited and M-Web Thailand (BVI) Limited

On 14 May 2000 M-Web China (BVI) Limited established the M-Web China (BVI) Limited Share Trust and M-Web Thailand (BVI) Limited established the M-Web Thailand (BVI) Limited Share Trust. In terms of the schemes, options of no more than 15% of the total number of ordinary shares of M-Web China (BVI) Limited and M-Web Thailand (BVI) Limited respectively may be awarded. Share options may be granted with an exercise price of not less than 100% of the fair value of the shares at the time of the grant. One quarter of the shares generally vest at the anniversary of each of the first, second, third and fourth years after the grant date of the share options and expire after 10 years. Unvested shares are subject to cancellation upon expiration or termination of employment.

Activity in terms of the M-Web China (BVI) Limited Plan is as follows:

	31 March 2002		31 March 2001	
	Shares	**Weighted average exercise price (US$)**	**Shares**	**Weighted average exercise price (US$)**
Outstanding at 1 April	2 705 293	1,00	–	–
Granted	–	–	2 910 271	1,00
Forfeited	(686 982)	1,00	(204 978)	1,00
Outstanding at 31 March	2 018 311	1,00	2 705 293	1,00

Activity in terms of the M-Web Thailand (BVI) Limited Plan is as follows:

	31 March 2002		31 March 2001	
	Shares	**Weighted average exercise price (US$)**	**Shares**	**Weighted average exercise price (US$)**
Outstanding at 1 April	2 130 535	1,00	–	–
Granted	–	–	2 230 531	1,00
Forfeited	(169 994)	1,00	(99 996)	1,00
Outstanding at 31 March	1 960 541	1,00	2 130 535	1,00

40. EQUITY COMPENSATION BENEFITS (continued)

M-Web China (BVI) Limited and M-Web Thailand (BVI) Limited (continued)

The following table summarises information about the share allotments outstanding at 31 March 2002:

M-Web China (BVI) Limited

	Shares outstanding		Shares currently exercisable	
Range of exercise price (US$)	Number outstanding at 31 March 2002	Weighted average remaining contractual life (years)	Exercisable at 31 March 2002	Weighted average exercise price (US$)
1,00	2 018 311	8,13	504 578	1,00
	2 018 311		504 578	

M-Web Thailand (BVI) Limited

	Shares outstanding		Shares currently exercisable	
Range of exercise price (US$)	Number outstanding at 31 March 2002	Weighted average remaining contractual life (years)	Exercisable at 31 March 2002	Weighted average exercise price (US$)
1,00	1 960 541	8,13	490 135	1,00
	1 960 541		490 135	

OpenTV Corp.

Option plans

Options are currently outstanding in terms of the following plans: (i) the Amended and Restated OpenTV Corp. 1999 Share Option/Share Issuance Plan ("the 1999 Plan"), (ii) the Amended and Restated OpenTV Corp. 1998 Option/Stock Issuance Plan ("the 1998 Plan"), (iii) the 2001 Non-statutory Stock Option Plan ("the 2001 Plan"), (iv) option plans assumed in connection with the Spyglass merger (collectively, "the Assumed Spyglass Plans"), and option plans assumed in connection with the CableSoft merger ("the Assumed CableSoft Plans").

OpenTV Corp. issued options from the 1999 Plan and the 2001 Plan. The compensation committee of its board of directors administers the 1999 Plan. The committee has complete discretion to make all decisions relating to the interpretation, operation and amendment of the 1999 Plan. The committee has the discretion to determine grant recipients, vesting requirements, exercise prices and other terms and conditions of award eligibility. The options may be incentive share options or non-statutory options. Consistent with the aforegoing, options are generally granted at an exercise price equal to the fair market value on the date of grant and vest 25% after 12 months of continuous service with OpenTV and 1/48th over each of the next 36 months. The term of the options generally is 10 years from the date of grant. Unexercised options generally expire three months after termination of employment with OpenTV. A total of 8 980 000 Class A ordinary shares has been reserved for issuance under the 1999 Plan since its inception, and as at 31 March 2002 options to purchase 6 178 936 Class A ordinary shares were outstanding under the 1999 Plan.

In terms of the 2001 Plan, the compensation committee of the board of directors has complete discretion to make all decisions relating to the interpretation, operation and amendment of the 2001 Plan. Only non-statutory options can be granted. A total of 500 000 Class A ordinary shares has been reserved for issuance under the 2001 Plan, and as at 31 March 2002 options to purchase 205 164 Class A ordinary shares were outstanding.

Effective as of 23 October 1999 options to purchase 5 141 114 shares of Class A common stock of OpenTV Corp. in terms of the 1998 Plan were assigned to and assumed by OpenTV Corp. and these options thereafter represented the right to purchase in terms of the 1999 Plan an identical number of Class A ordinary shares of OpenTV. The remainder of the options then outstanding in terms of the 1998 Plan were not assigned to and assumed by OpenTV Corp. The 1998 Plan will remain in existence for the sole purpose of governing those remaining options until such time as such options have been exercised and the underlying shares have become transferable to the holders. Options or shares awarded in terms of the 1998 Plan that are forfeited or cancelled will no longer be available for issuance in terms of the 1998 Plan. As of 31 March 2002, options to purchase 150 000 shares of OpenTV's Class A common stock were outstanding in terms of the 1998 Plan.

40. EQUITY COMPENSATION BENEFITS (continued)

OpenTV Corp. (continued)

All the options to purchase Spyglass common stock outstanding in terms of the Assumed Spyglass Plans were converted in the Spyglass merger, and all of the options to purchase CableSoft common stock outstanding in terms of the Assumed CableSoft Plans were converted in the CableSoft merger into options to purchase OpenTV's Class A ordinary shares. As of 31 March 2002 options to purchase 1 095 363 and 53 372 of OpenTV's Class A ordinary shares were outstanding under the Assumed Spyglass Plans and the Assumed CableSoft Plans (collectively, "the Assumed Plans"). The Assumed Plans will remain in existence for the sole purpose of governing these remaining options, until such time as such options have been exercised and the underlying shares have become transferable by the holders. Options awarded in terms of the Assumed Plans that are forfeited or cancelled will no longer be available for issuance in terms of Assumed Plans, and no new options will be granted to employees in terms of the Assumed Plans.

Activity in terms of the Plan is as follows:

	31 March 2002		31 March 2001		31 March 2000	
	Shares	Weighted average exercise price (US$)	Shares	Weighted average exercise price (US$)	Shares	Weighted average exercise price (US$)
Outstanding at 1 April	8 077 930	16,50	5 353 562	7,31	4 733 249	1,05
Options cancelled under the 1998 Plan	–	–	–	–	(5 141 104)	–
Options assumed under the 1999 Plan	–	–	–	–	5 141 104	–
Options related to Spyglass acquisition	–	–	2 023 219	23,36	–	–
Options related to Cablesoft acquisition	–	–	148 031	1,95	–	–
Granted	1 777 711	9,83	3 461 220	27,87	2 812 460	10,70
Exercised	(783 513)	2,63	(1 609 854)	3,74	(1 757 351)	1,05
Forfeited/Cancelled	(1 539 293)	19,45	(1 298 248)	36,43	(434 796)	3,96
Outstanding at 31 March	7 532 835	15,77	8 077 930	16,50	5 353 562	7,31

The following table summarises information about the share options outstanding at 31 March 2002:

	Options outstanding		Options currently exercisable	
Range of exercise price (US$)	Number outstanding at 31 March 2002	Weighted average exercise price (US$)	Number exercisable at 31 March 2002	Weighted average exercise price (US$)
– – 10,0	4 675 691	6,05	2 368 415	4,27
11,0 – 20,0	1 351 119	14,30	751 303	14,70
21,0 – 30,0	165 873	23,93	78 440	25,28
31,0 – 40,0	324 627	33,19	122 898	33,19
41,0 – 50,0	553 171	46,10	273 910	46,33
51,0 – 60,0	354 049	54,25	137 211	54,24
81,0 – 100,0	108 305	83,51	7 052	90,02
	7 532 835		3 739 229	

As at 31 March 2002, 2001 and 2000 vested options to purchase 3 739 229, 2 919 555 and 4 537 711 shares of common stock respectively were unexercised.

BALANCE SHEETS
at 31 March 2002 and 2001

	Notes	2002 R'000	2001 R'000
ASSETS			
Non-current assets			
Land and buildings	2	347	347
Investments in subsidiaries	3	4 955 943	4 815 272
Investments in associated companies		141 524	141 524
Total non-current assets		5 097 814	4 957 143
Current assets			
Other receivables		156	162
Cash and cash deposits		480	114
Total current assets		636	276
TOTAL ASSETS		**5 098 450**	**4 957 419**
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital and premium	4	1 857 104	1 626 937
Distributable reserves		3 052 200	3 099 998
Total shareholders' equity		4 909 304	4 726 935
Non-current liabilities			
Post-retirement medical liabilities	5	3 797	6 591
Long-term liabilities			
Welkom debenture scheme	6	160 000	160 000
Total non-current liabilities		163 797	166 591
Current liabilities			
Accrued expenses and other current liabilities		25 349	63 893
Total current liabilities		25 349	63 893
TOTAL EQUITY AND LIABILITIES		**5 098 450**	**4 957 419**

INCOME STATEMENTS
for the years ended 31 March 2002, 2001 and 2000

	Notes	2002 R'000	2001 R'000	2000 R'000
Revenue		–	–	–
Selling, general and administration expenses		(28)	(3 263)	147
(Loss)/earnings before interest, taxation, depreciation and amortisation		**(28)**	**(3 263)**	**147**
Depreciation of property, plant and equipment		–	–	(250)
Operating loss		**(28)**	**(3 263)**	**(103)**
Finance costs	7	(8 572)	(7 069)	1 082
Income from investments	8	44 565	17 837	215 953
Exceptional items	9	(46 243)	(709 527)	2 651 234
(Loss)/profit before taxation		**(10 278)**	**(702 022)**	**2 868 166**
Secondary tax on companies		(2 006)	(217)	(36)
Net (loss)/income attributable to shareholders		**(12 284)**	**(702 239)**	**2 868 130**

CASH FLOW STATEMENTS
for the years ended 31 March 2002, 2001 and 2000

	2002 R'000	2001 R'000	2000 R'000
Cash flows from operating activities			
Cash (utilised in)/from activities	(11 707)	3 012	33 558
Dividends received	44 565	17 837	221 735
Cash generated from operating activities	32 858	20 849	255 293
Finance cost paid	(8 572)	(7 069)	(15 134)
Taxation paid	(2 006)	(217)	–
Dividends paid	(35 515)	(33 576)	(26 506)
Net cash (used in)/from operating activities	(13 235)	(20 013)	213 653
Cash flows from investment activities			
Investments	(93 304)	(310 093)	(908 095)
Proceeds from sale of investments	–	9 714	676 221
Net cash from/(used in) investment activities	(93 304)	(300 379)	(231 874)
Cash flows from financing activities			
Movement on loans to subsidiaries	22 392	179 422	(1 180 998)
Issue of shares - capital and premium	84 513	–	1 184 969
Net cash from financing activities	106 905	179 422	3 971
Net increase/(decrease) in cash and cash equivalents	366	(140 970)	(14 250)
Cash and cash equivalents at the beginning of the year	114	141 084	155 334
Cash and cash equivalents at the end of the year	480	114	141 084

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

for the years ended 31 March 2002, 2001 and 2000

	Share capital and premium		Distributable	
	Class A R'000	Class N R'000	reserves R'000	Total R'000
Balance 1 April 1999				
As previously reported	**14 243**	**344 553**	**1 020 586**	**1 379 382**
Effect of adopting revised AC107	–	–	27 904	27 904
Effect of treasury share policy	–	(130 000)	–	(130 000)
As restated	**14 243**	**214 553**	**1 048 490**	**1 277 286**
Share capital and premium issued	–	1 451 822	–	1 451 822
Post-retirement medical provision	–	–	(54 300)	(54 300)
Treasury shares movement	–	(54 607)	–	(54 607)
Net income	–	–	2 868 130	2 868 130
Dividends	–	–	(26 507)	(26 507)
Balance 31 March 2000	**14 243**	**1 611 768**	**3 835 813**	**5 461 824**
Balance 1 April 2000				
As previously reported	**14 243**	**1 796 375**	**3 798 582**	**5 609 200**
Effect of adopting revised AC107	–	–	35 800	35 800
Effect of treasury share policy	–	(184 607)	1 431	(183 176)
As restated	**14 243**	**1 611 768**	**3 835 813**	**5 461 824**
Treasury shares movement	–	926	–	926
Net attributable loss	–	–	(702 239)	(702 239)
Dividends	–	–	(33 576)	(33 576)
Balance 31 March 2001	**14 243**	**1 612 694**	**3 099 998**	**4 726 935**
Balance 1 April 2001				
As previously reported	**14 243**	**1 796 375**	**3 057 468**	**4 868 086**
Effect of adopting revised AC107	–	–	39 091	39 091
Effect of treasury share policy	–	(183 681)	3 439	(180 242)
As restated	**14 243**	**1 612 694**	**3 099 998**	**4 726 935**
Share capital and premium issued	–	227 583	–	227 583
Treasury shares movement	–	2 584	–	2 584
Net attributable loss	–	–	(12 284)	(12 284)
Dividends	–	–	(35 514)	(35 514)
Balance 31 March 2002	**14 243**	**1 842 861**	**3 052 200**	**4 909 304**

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS

1. Principal accounting policies and reporting currency

The accounting policies for the holding Company are the same as those for the Group, where applicable (see note 2 of the consolidated financial statements).

2. Land and buildings

There was no movement in land and buildings in the current year. Registers containing additional information on land and buildings are available for inspection at the registered offices of the Company. The directors are of the opinion that the recoverable amount of each class of property exceeds the carrying amount at which it is included in the balance sheet.

3. Loans and investments

See note 6 of the consolidated financial statements for details of the investments held directly by Naspers.

4. Share capital and share premium

See note 14 of the consolidated financial statements for details of the share capital and premium of Naspers, which is the same for both Group and Company.

5. Post-retirement medical liability

The Company operates a post-retirement medical benefit scheme. The obligation of the Company to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners, however, remain entitled to this benefit. The Company provides for post-retirement medical aid benefits on the accrual basis determined each year by an independent actuary. The directors are confident that adequate provision has been made for future liabilities.

6. Welkom convertible debentures

In terms of the Welkom Trust Share Scheme, prospective shareholders subscribed to 4 003 740 convertible debentures at R42 each for a gross total of R168,2 million. Scheme administration costs were set off against the gross amount received. The debentures bear interest at 9,25% per annum and the issue price plus capitalised interest will be redeemed on 9 September 2003. On redemption, Naspers will offer to issue shares to the participants at R30 each.

	31 March		
	2002 R'000	2001 R'000	2000 R'000
7. Finance costs			
Interest paid			
Welkom debenture scheme	16 231	15 555	15 597
Preference dividends	–	–	(5 782)
	16 231	15 555	9 815
Interest received			
Loans and bank accounts	31	146	–
Subsidiaries	7 628	8 340	10 897
	7 659	8 486	10 897
Net finance cost	**8 572**	**7 069**	**(1 082)**
8. Income from investments			
Subsidiaries			
Dividends - unlisted shares	23 077	–	200 000
Associated companies			
Dividends - listed shares	21 470	17 824	14 583
Other investments			
Dividends - listed shares	–	–	1 333
Dividends - unlisted shares	18	13	37
Total	**44 565**	**17 837**	**215 953**

NASPERS

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

9. Exceptional items

	31 March 2002 R'000	2001 R'000	2000 R'000
Gain on disposal of property	–	100	–
Losses on disposal of investments	–	–	(59 744)
Gain on disposal of shares	–	678	2 732 678
Warranties in respect of business disposal	4 188	(25 000)	(21 700)
Asset impairments	(40 000)	(685 305)	–
Warranty claim	(10 431)	–	–
Total	**(46 243)**	**(709 527)**	**2 651 234**

ANALYSIS OF SHAREHOLDERS

N ordinary shares

Distribution

	2001		2002	
	Number of shares	**% of shares issued**	**Number of shares**	**% of shares issued**
Nominee companies	125 303 607	84,51	10 671 721	6,82
Insurance companies	2 331 014	1,60	18 086 485	11,57
Pension/provident funds	160 900	0,10	9 581 699	6,13
Investments/trusts	271 199	0,18	48 835 257	31,24
Other institutions	39 661	0,02	55 361 721	35,42
Share Incentive Trust	8 335 003	5,62	8 205 773	5,25
Individuals	11 820 894	7,97	5 547 068	3,57
Total	**148 262 278**	**100**	**156 289 724**	**100**

Concentration

	2001		2002	
Size of holdings	**Number of shareholders**	**Number of shares**	**Number of shareholders**	**Number of shares**
1 – 100	1 038	24 189	8 997	298 605
101 – 1 000	1 847	418 406	4 291	1 168 836
1 001 – 5 000	823	1 592 245	1 647	3 029 722
5 001 – 10 000	129	889 871	590	1 859 787
More than 10 000	220	145 337 567	837	149 932 774
Total	**4 057**	**148 262 278**	**16 362**	**156 289 724**

Holding of 5% or more	**Number of shares**	**%**
Standard Bank Nominees (Transvaal) (Proprietary) Limited	56 209 156	35,96
Nedcor Bank Nominees Limited	29 010 299	18,56
CMB Nominees (Proprietary) Limited	15 798 745	10,10
ABSA Nominees (Proprietary) Limited	10 971 425	7,02
Gardenview Nominees (Proprietary) Limited	9 872 448	6,32

Public shareholder spread

The spread of public shareholders in terms of paragraphs 4.26, 4.27 and 4.28 of the listing requirements of The JSE Securities Exchange South Africa at 31 March 2002 was 99,91% represented by 16 348 shareholders holding 147 210 422 N ordinary shares in the Company.

The non-public shareholders of the Company comprising 14 shareholders representing 9 079 302 N ordinary shares are analysed as follows:

	Number of shares	**% of issued share capital**
Directors	873 529	0,56
Naspers Share Incentive Trust	8 205 773	5,25

NOTICE OF EIGHTY EIGHTH ANNUAL GENERAL MEETING

Notice is hereby given that the eighty eighth annual general meeting of Naspers Limited ("the Company") will be held on the 18th Floor of the Naspers Centre, 40 Heerengracht, Cape Town on 30 August 2002 at 11:15.

The following ordinary resolutions will be dealt with:

1. The financial statements of the Company and the Group for the 12 months ending 31 March 2002 and the reports of the directors and the auditors to be considered and accepted.

2. The appropriation of profits in relation to the N ordinary and A ordinary shares of the Company.

3. The approval of the remuneration of the non-executive directors.

4. The re-appointment of the firm PricewaterhouseCoopers as auditors for the period until the conclusion of the next annual general meeting of the Company.

5. Confirmation of the resignation of directors of the Company during the preceding financial year.

6. The approval of the restructuring of the trust deed of the Naspers Share Incentive Trust ("the Trust"). The trustees of the Trust and the directors of the Company have agreed on certain amendments to the trust deed of the Trust, which amendments have been approved by The JSE Securities Exchange South Africa ("the JSE"). The amendments are aimed at removing discrepancies, clarifying uncertainties in the interpretation of specific provisions and achieving consistency between the text of the trust deed and current corporate practice. The most important amendments are those that redefine the concepts "release" and "delivery", and as a result any reference in the trust deed to "scheme shares" will now refer to shares that have been released but not yet delivered.

   In order to facilitate the reference to the terms and conditions of the trust deed and the proposed amendments, the original text and proposed amendments have been consolidated in one document, which document is available for inspection at the registered office of the Company.

7. The consideration and, if approved, the adoption with or without modification, of the following further ordinary resolutions:

Ordinary resolution number 7

"Resolved as an ordinary resolution to extend, until the conclusion of the next annual general meeting of the Company, the unconditional general authority granted to the directors to place under their control and to allot and issue at their discretion, subject to the provisions of section 221 of the Companies Act No 61 of 1973 as amended (the Act), and the requirements of the JSE and any other exchange on which the shares of the Company may be quoted or listed from time to time, the unissued shares of the Company on such terms and conditions and to such persons, whether they be shareholders or not, as the directors may in their sole discretion deem fit."

Ordinary resolution number 8

"Resolved as an ordinary resolution that, subject to a minimum of 75% of the shareholders of the Company present personally or by proxy at the general meeting and entitled to vote, voting in favour thereof, the directors be authorised and are hereby authorised to issue unissued shares in the capital of the Company for cash as and when the opportunity arises, subject to the requirements of the JSE, including the following:

- the authorisation is valid only until the next annual general meeting of the Company provided it shall not extend beyond 15 (fifteen) months from the date on which the authorisation is granted;

- a paid press announcement which provides full details, including the effect on net asset value and earnings per share, shall be published at the time of any issue which, on a cumulative basis, represents, within one financial year, 5% or more of the number of issued shares before the issue;

- the issue(s) of shares in any one financial year may in total not exceed 15% of the number of ordinary shares in the issued share capital of the Company;

- upon determination of the price at which an issue of shares in terms of the authorisation may be effected, the greatest discount which will be allowed is 10% of the weighted average of the market value of the shares as determined during the (30) thirty business days prior to the date on which the price of the issue was determined or the directors of the Company reached agreement thereon; and

- any such issue shall be made only to public shareholders as defined by the JSE."

Ordinary resolution number 9

"Resolved as an ordinary resolution that Mr JJM van Zyl, who will retire as a director of the Company but who is available for re-election, be re-elected as a director of the Company."

Mr Van Zyl's abridged *curriculum vitae* appears on page 12 of the Annual Report of the Company in respect of its financial year ending 31 March 2002.

Ordinary resolution number 10

"Resolved as an ordinary resolution that Prof E Botha, who will retire as a director of the Company but who is available for re-election, be re-elected as a director of the Company."

Prof Botha's abridged *curriculum vitae* appears on page 12 of the Annual Report of the Company in respect of its financial year ending 31 March 2002.

Ordinary resolution number 11

"Resolved as an ordinary resolution that Prof GJ Gerwel, who will retire as a director of the Company but who is available for re-election, be re-elected as a director of the Company."

Prof Gerwel's abridged *curriculum vitae* appears on page 12 of the Annual Report of the Company in respect of its financial year ending 31 March 2002.

Ordinary resolution number 12

"Resolved as an ordinary resolution that Mr BJ van der Ross, who will retire as a director of the Company but who is available for re-election, be re-elected as a director of the Company."

Mr Van der Ross's abridged *curriculum vitae* appears on page 12 of the Annual Report of the Company in respect of its financial year ending 31 March 2002.

Ordinary resolution number 13

"Resolved as an ordinary resolution that Prof HSS Willemse in his capacity as a representative of the Welkom Share Scheme is appointed as a director of the Company for a period which terminates on the earlier of the date of implementation of the Welkom Share Scheme and the third anniversary of his appointment."

Prof Willemse is a member of the boards or trustees of various organisations and community bodies, including the Shoma Education Trust and Welkom Share Scheme. He is head of the Department of Afrikaans at the University of Pretoria.

Ordinary resolution number 14

"Resolved as an ordinary resolution that the re-appointment of Mr JP Bekker as managing director of the Company for a fixed term period of five years commencing on 1 October 2002 be approved."

Mr Bekker's current appointment expires on 30 September 2002. The directors of the Company resolved unanimously, pursuant to the Articles of Association of the Company, to re-appoint Mr Bekker as managing director of the Company for a fixed-term period of five years commencing on 1 October 2002. The appointment is subject to labour and employment laws and may accordingly be terminated prior to the expiry of the fixed five-year term under circumstances permitted by these laws. The Company is not exposed to the risk of a lump sum contractual settlement payment for the unexpired period of Mr Bekker's appointment if the appointment is terminated prior to the expiry of the fixed five-year period for reasons permitted by labour and employment laws. The directors unanimously recommend that the re-appointment be approved by the shareholders of the Company. If this ordinary resolution is passed it will serve to confirm Mr Bekker's appointment as set out above.

Ordinary resolution number 15

"Resolved as an ordinary resolution that each of the directors of the Company be authorised and is hereby authorised to do all things, perform all acts and sign all documentation necessary to effect the implementation of the ordinary resolutions adopted at this annual meeting."

8. The consideration and, if deemed fit, the acceptance with or without modification of the following special resolutions:

Special resolution number 1

"Resolved as a special resolution that the Company be authorised and is hereby authorised by a general authorisation of the members to repurchase issued share capital as and when the opportunity arises, subject to the provisions of the Act and the requirements of the JSE, including the following:

- the authorisation is valid until the next annual general meeting of the Company;
- the general repurchase of shares is limited to a maximum of 20% of the ordinary shares in the issued share capital of the Company at the time this authority is granted; and
- repurchases may not be made at a price more than 10%

above the weighted average of the market value of the securities for the 5 (five) business days immediately preceding the date of repurchase."

The reason for and effect of the passing of the special resolution is to give to the directors a renewable general authorisation to repurchase the ordinary issued shares of the Company as and when the opportunity arises.

The directors do not anticipate an immediate acquisition by the Company of its own shares prior to the next annual general meeting. However, the directors are of the opinion that it is prudent to seek the requisite approval to authorise the Company to acquire its own shares so as to enable the directors to do so if circumstances arise which, in the opinion of the directors, make it necessary to do so.

After considering the effect of a maximum permitted repurchase of the Company's shares, being 20% of the issued shares at the date of this resolution, the directors consider:

- that the issued share capital of the Company (including the amount to be raised in pursuance of any share repurchase) is adequate for the purposes of the business of the Company and of its subsidiaries in the foreseeable future;

- that the working capital available to the Company and its subsidiaries is sufficient for the Group's requirements for the foreseeable future;

- that the Company will be able to pay its debts as they become due in the ordinary course of business; and

- that the consolidated assets of the Company, fairly valued in accordance with Generally Accepted Accounting Practice, will be in excess of the consolidated liabilities of the Company.

Special resolution number 2

"Resolved as a special resolution that article 55 of the Articles of Association of the Company be amended by the substitution of the words in brackets with the following:

"(but for a maximum period of five (5) years in respect of any appointment of a managing director of the Company, which may be renewed at the expiry thereof, on condition that each such renewal may not exceed the period of five (5) years.)"

The reason for the special resolution is to amend the Articles of Association of the Company so as to allow for the appointment of executive directors (other than the managing director of the Company) for indefinite periods. However, the managing director will remain subject to the five-year restriction in relation to his appointment.

The effect of the special resolution will be to amend the Articles of Association of the Company accordingly.

Special resolution number 3

"Resolved as a special resolution that the Company's Articles of Association are amended by adding the following as a new article 79:

"**79.** In implementing any odd-lot offer made by the Company in accordance with the listing requirements of The JSE Securities Exchange South Africa, the Company shall, in respect of members holding less than 100 N ordinary shares in the issued share capital of the Company (odd-lots) and who did not elect to retain their odd-lots or increase their odd-lot holdings, cause the odd-lots to be sold on such terms as the directors may determine and the Company shall account to the members concerned for the proceeds attributable to the sales."

The reason for the special resolution is to amend the Company's Articles of Association for purposes of facilitating the implementation of odd-lot offers by creating a mechanism to reduce the number of shareholders of the Company who hold less than 100 N ordinary shares in the issued share capital of the Company.

The effect of the special resolution will be to amend the Company's Articles of Association accordingly.

Special resolution 4

"Resolved as a special resolution to amend the Articles of Association of the Company by inserting new articles 1.1.11 to 1.1.20 and new articles 35A and 35B, and 70A to 70C in the Company's Articles of Association, as follows:

"**1.1.11** "in writing" includes printing, typing or any mechanical process or partially the one and partially the other, and also electronic communications, and "written" has a corresponding meaning;

1.1.12 "communication" includes a communication comprising sounds or images or both;

1.1.13 "electronic communication" means a communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa) (a) by means of a telecommunications system (within the meaning of the Telecommunications Act 1996, Act No 103 of 1996); (b) by any other electronic means including electronic mail;

1.1.14 "address" includes, in relation to an electronic communication, any number or address used for the purposes of such communication;

1.1.15 "delivery" includes delivery by means of electronic communication and "delivered" has a corresponding meaning;

1.1.16 "website" means any computer on an information system running a worldwide web or similar protocol process;

1.1.17 "online" means via an information system;

1.1.18 "information system" means a system for generating, sending, receiving, storing or processing of electronic communications and includes the internet and the worldwide web;

1.1.19 "online proxy system" means an online system that allows members to appoint a proxy and/or perform online proxy voting;

1.1.20 "online proxy voting" means proxy voting by members via the online proxy system."

35A. The board shall be entitled to approve online proxy voting. Online proxy voting by members shall only be permitted by an online proxy system approved by the board and the board shall be entitled to withdraw such approval without furnishing reasons. The board may from time to time specify criteria or conditions with which members must comply in order to be eligible to conduct online proxy voting.

35B. A proxy issued and/or completed and/or submitted by an online proxy system shall for all intents and purposes be treated similar to a paper–based proxy issued and/or completed and/or submitted otherwise than in electronic form.

70A. Insofar these articles require that a document is to be signed in order to be valid or effectual, this requirement shall be met in relation to electronic communications if a verification method is used to identify that person and such method is considered as reliable and appropriate by the board at that time.

70B. A notice given by means of an electronic communication to a member or director to an address supplied by them for this purpose shall constitute a notice in writing for purposes of article 65 and shall be deemed to have been delivered on the day on which it is sent. For this purpose it shall be sufficient for the Company to show that the electronic communication had been sent to the address concerned as evidenced by the relevant message logs of the Company.

70C. A member or director who has supplied the Company with an address for electronic communications shall be entitled to withdraw such address by notice in writing to the Company, whereafter any electronic communication to such address will not satisfy the requirements of article 65."

The reason for the special resolution is to facilitate the giving of notices by the Company to its members and directors electronically and to allow its members to vote electronically by way of proxies.

The effect of the special resolution is to amend the Articles of Association of the Company accordingly.

9. Any other matter which can be dealt with at such a meeting.

Each member entitled to attend and vote at a meeting of the Company has the right to appoint a proxy to attend the meeting in his/her stead and to speak and to vote thereat, and such proxy need not also be a member.

Proxy forms are available at the office of the company secretary at the above-mentioned address and must be lodged at said office, duly completed, at least forty eight (48) hours before the stipulated time for the meeting as set out in this notice.

By order of the directors.

GM COETZEE
Company secretary

9 July 2002
Cape Town

PROXY FORM

I / we
the undersigned ______________________________

residing at ______________________________

____

____

member/s of Naspers Limited ______________________________

do hereby appoint ______________________________

of ______________________________

or T VOSLOO (chairman) or JF MALHERBE (vice-chairman)

or JP BEKKER (managing director) or E BOTHA

or GJ GERWEL or LJ JONKER

or SJZ PACAK or LM TAUNYANE

or BJ VAN DER ROSS or NP VAN HEERDEN

or JJM VAN ZYL

or the chairman of the meeting as my/our proxy at the annual general meeting of the Company to be held on Friday, 30 August 2002 at 11:15, and at any adjournment thereof; to represent me/us on my/our behalf:

Indicate instruction, if any, to proxy as to how he should vote with a cross in the appropriate block:

- ☐ to vote at his discretion
- ☐ to abstain from voting
- ☐ to vote as follows (see next page)

a) Every member entitled to attend the meeting of the Company and to vote is entitled to appoint a proxy to attend the meeting, to speak and to vote on his behalf. A proxy need not be a member of the Company.

b) A shareholder wishing to vote by means of a proxy may complete this proxy form and return it to the registered office of the company (PO Box 2271, Cape Town 8000) so that it is received at least 48 hours before the time of the commencement of the meeting - that is before 11:15 on Wednesday, 28 August 2002.

c) If a shareholder prefers not to nominate one or more of the people whose names are printed on the proxy form as his proxy or proxies, the name or names may be crossed out. In the event of a deletion of the printed names, the shareholder and his two witnesses must initial the deletions. Space is provided for the insertion of the name and address of another proxy should this be required.

PROXY FORM

in favour of	against		
☐	☐	Ordinary resolution number 1:	Approval of annual financial statements
☐	☐	Ordinary resolution number 2:	Appropriation of profits
☐	☐	Ordinary resolution number 3:	Determination of directors' fees
☐	☐	Ordinary resolution number 4:	Re-appointment of auditors
☐	☐	Ordinary resolution number 5:	Confirmation of resignation of directors
☐	☐	Ordinary resolution number 6:	Restructuring of Naspers Share Incentive Trust Deed
☐	☐	Ordinary resolution number 7:	Approval for issue of shares
☐	☐	Ordinary resolution number 8:	Approval for issue of shares for cash
☐	☐	Ordinary resolution number 9:	Re-election of Mr JJM van Zyl
☐	☐	Ordinary resolution number 10:	Re-election of Prof E Botha
☐	☐	Ordinary resolution number 11:	Re-election of Prof GJ Gerwel
☐	☐	Ordinary resolution number 12:	Re-election of Mr BJ van der Ross
☐	☐	Ordinary resolution number 13:	Approval of the appointment of Prof HSS Willemse
☐	☐	Ordinary resolution number 14:	Approval of the re-appointment of Mr JP Bekker
☐	☐	Ordinary resolution number 15:	Authorisation regarding ordinary resolutions
☐	☐	Special resolution number 1:	Repurchase of shares
☐	☐	Special resolution number 2:	Amendment to article number 55
☐	☐	Special resolution number 3:	Adding of new article number 79
☐	☐	Special resolution number 4:	Adding of new articles for electronic communication

Signed on this ______________________ day of ____________________ 2002.

Signature ________________________ Witness 1__________________ Witness 2 ________________

NASPERS