

▶ global

> South Africa

The operation of pay-television subscriber platforms as well as pay-television channels and internet platforms. Also magazines, newspapers, printing and distribution businesses, as well as book publishing, distribution and private education businesses.



> Pay TV and internet



> Newspapers, magazines and printing



> Books and education



> Pay TV, internet and technology



> Print media



> International

Pay-television platforms in sub-Saharan Africa and Greece, as well as businesses that develop the underlying technologies used by these platforms. Internet investments in China, Thailand, Russia, India, the USA and sub-Saharan Africa. Print media investments in China, Brazil and sub-Saharan Africa.

## > MAJOR BRANDS

- > **PAY TELEVISION** – ActionX, Big Brother, Carte Blanche, Channel O, DStv, go, Idols, K-World, kykNET, M-Net, M-Net Movies 1 and 2, M-Net Series, Oracle Airtime Sales, SuperSport, SuperSport Travel, SuperSport United Football Club
- > **INTERNET** – *commerceZONE*, MWEB Business, MWEB home, polka
- > **DIGITAL** – 24.com, Fin24, Food24, Health24, Images24, Kalahari.net, News24, Property24, Wheels24, Women24
- > **NEWSPAPERS** – Beeld, Cape Son, City Press, Daily Sun, Die Burger, Gauteng Business, NaweekSon, Rapport, Soccer Laduuuuuum!, Son, Sunday Sun, The Witness, Volksblad and various community newspapers
- > **MAGAZINES** – BABA & KLEUTER, Best Life, Bicycling, blunt, COSMOPOLITAN, dit, Drive Out, DRUM, EAT IN, eatout, FAIRLADY, FAIRLADY Bride, FEMINA, FHM, FINWEEK, go!, Golf Digest, Golf for Women, heat, home, HUISgenoot, *ideas, idees*, InStyle, KICKOFF, Landbouweekblad, Lééf met hart & siel, *MAXPOWER*, Men's Health, Men's Health Living, Mountain Bike, Move!, NATIONAL GEOGRAPHIC kids, PSYCHOLOGIES, Reader's Digest, REAL SIMPLE, RUNNER'S WORLD, saltwater girl surf, SARIE, SARIE Bruid, Sports Illustrated, seventeen, SHAPE, SHAPE FitPregnancy, the wisden cricketer, TimeOut, TOPbike, topCar, topMotor, TRUE LOVE, TRUE LOVE babe, TRUE LOVE Bride, tuis, tvplus, VISI, *Weg!, Weg!Sleep, WegRy*, YOU, YOUR baby, YOUR Child, YOUR PREGNANCY, zigzag, ZOO Weekly/Weekliks and My Week, a community magazine
- > **PRINTING** – Imaging Data Solutions, Paarl Gravure, Paarl Media, Paarl Print, Paarl Print Labels, Paarl Web, Paarl Web Gauteng, Print24
- > **LOGISTICS** – MCS24, NLD24, NND24, ON THE DOT
- > **BOOKS** – Afribooks, Book Promotors/Horizon, Jonathan Ball Publishers, Leisure Books/Leserskring, Lux Verbi.BM, NB Publishers, Nasou Via Afrika, Van Schaik Uitgewers, Van Schaik Bookstores
- > **PRIVATE EDUCATION** – Educor: International Colleges Group: Academy of Mathematics and Science, City Varsity, Damelin, Damelin Correspondence College, ICG Learning Solutions, INTEC College, Lyceum College

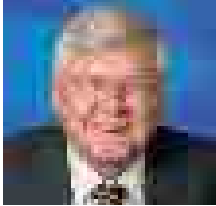
- > **PAY TELEVISION** – AfricaMagic, Big Brother, MultiChoice Africa, MultiChoice Hellas, NetMed, Nova, SuperSport
- > **INTERNET** – ibibo, mail.ru, MWEB (Thailand), QQ, Tencent, Sanook!,
- > **TECHNOLOGY** – Entriq, Irdeto, MediaZone
- > **NEWSPAPERS** – Allgemeine Zeitung Namibia, Beijing Youth Daily, Die Republiekin
- > **MAGAZINES** – Africa: DRUM East Africa, KICKOFF Nigeria, TRUE LOVE East Africa, TRUE LOVE West Africa, tv24  
 – Brazil: Claudia, EXAME, Nova, Ana Maria, Vejá, Viagem, Viva! and some 90 more  
 – China: Allsports, Golf Digest, Outside, Slam, Soccer Weekly, Yoga
- > **BOOKS** – Atica & Scipione (Brazil), Collegium Botswana



● Group operations



# Acceleration



Chairman – Ton Vosloo

## of new investments

### > Overview and prospects

The group continued to experience favourable macro-economic conditions in the key markets in which it operates. This is reflected in group revenues, which grew 24% to R19,5 billion and core headline earnings, which grew 39% to R2,8 billion.

The year was characterised by an acceleration of new investments and the introduction of black economic empowerment shareholders into all our major South African businesses.

New investments concluded over the past year totalled R5,3 billion. The major investments were:

- > a 30% stake in a Brazilian media company, Abril S.A., for a cash consideration of US\$422 million
- > a 30% stake in *Mail.ru*, a leading Russian internet company, for a cash consideration of US\$165 million

> an additional 12% interest in NetMed NV in Greece for a cash consideration of €67 million

> the CryptoTec conditional access business acquired from Philips in the Netherlands, for a cash consideration of €34 million.

In addition, Johncom's 39% interest in M-Net/SuperSport, the consideration being 20,9 million Naspers N ordinary shares and R250 million cash. This transaction is subject to the approval of the Competition Tribunal.

The group has also invested heavily over the past few years in developing new technologies and business opportunities. These developments are focused largely on broadband, print media, the internet and mobile television. In aggregate,



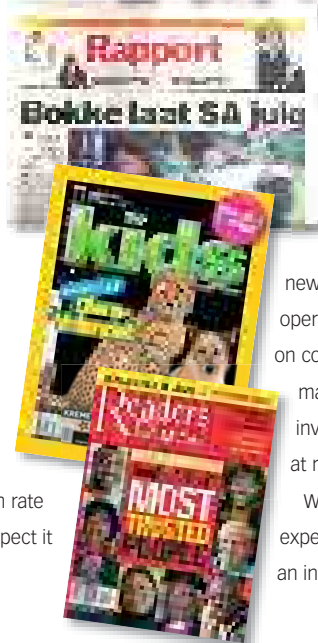


this business development expenditure amounted to R876 million (2006: R535 million) in the current year.

In addition, capital expenditure of R890 million was incurred, mostly to meet capacity demands in the South African print media business.

In funding all these activities, the group incurred a net cash outflow in the year of R2,6 billion. In March 2007, given favourable market conditions, the group placed 45,6 million new Naspers N ordinary shares in the market and raised a net R7,2 billion. This capital will be used to fund our international strategy.

The group has experienced tremendous growth in recent years. This is reflected in core headline earnings per share, which shows an annual compounded growth in excess of 65% over the past three years. Whilst this historic growth rate is pleasing, it is unrealistic to expect it to continue.



Looking forward, the group plans to continue its expansion through a combination of organic growth in existing businesses and new investments in either established or start-up operations. The former is, to a large degree, reliant on continued macro-economic expansion in our key markets; the latter on our ability to identify investment opportunities in our chosen markets at reasonable valuations.

We anticipate that business development expenditure in the year ahead will accelerate, with an increased impact on earnings and cash flows.



## > Electronic media

### Pay television

The pay-television segment recorded an increase in revenue of 26%, largely from a net increase of 200 000 subscribers to 2,2 million. The switch by analogue subscribers to our digital services continued and 88% of the base now subscribes to a digital service.

Whilst operating profits before amortisation and other gains/losses increased to R3,4 billion, margins were under pressure because of business development costs of R260 million, mostly for the development of mobile television services.

Looking forward, whilst further growth in subscriber numbers is possible, competition is increasing, particularly on the African continent. This is expected, over time, to increase the cost of sport and other programming rights.

Internationally, the launch of commercial mobile television services is still in its infancy. Business models are unclear and will evolve as platforms launch. Whilst risky, the development of these services creates the opportunity for our group to build new mobile broadcast platforms in our existing and new markets, using digital video broadcasting-handheld platforms (DVB-H) and other technologies.

### *South Africa*

In South Africa the net pay-television subscriber base grew by 140 000 to end the year at just below 1,4 million households. The subscriber base of the lower-priced *Compact* bouquet, refreshed with additional channels, grew by 63 000 to 106 000 households. The number of homes with personal video recorders (PVRs) reflected strong growth, with 133 000 active subscribers at year-end.

The Independent Communications Authority of South Africa (Icasa) is issuing subscription broadcasting licences in South Africa. Eighteen licence applications were received by Icasa and it is expected that licences will be issued in the year ahead, resulting in new competitors entering the pay-television market in South Africa.

The trial mobile television broadcast service made progress with technical and content enhancements, which included the broadcast of the 2006 FIFA World Cup Soccer tournament.

**Sub-Saharan Africa**

The sub-Saharan subscriber base grew by 85 000 subscribers for the year to 470 000 households. Growth continues to come mostly from Angola and Nigeria.

We continue to focus on customising content for this market. The total number of African public and commercial free-to-air channels carried on the *DStv* service increased to 17. Various M-Net and SuperSport channels were expanded into 24-hour channels and customised for this market.

A mobile television broadcast service in Namibia was extended from a trial into a commercial service. Licences are being pursued in a number of other

African countries.

The regulatory environment in sub-Saharan Africa remains unpredictable.

**Mediterranean**

In Greece the subscriber base grew by a net 20 000 to 330 000 households. New distribution platforms were deployed with SuperSport events being streamed via the internet; clips of



winning goals and sports highlights distributed to mobile phone users and internet protocol television (IPTV) services deployed for the first time.

In Cyprus the contract to administer the analogue base on behalf of a third party was terminated and this resulted in a loss of some 43 000 analogue subscribers. At present there are 15 000 subscribers to the digital service.

The Greek regulatory framework for the digitisation of the terrestrial networks is taking shape and may bring further opportunities, although the timetable remains uncertain.

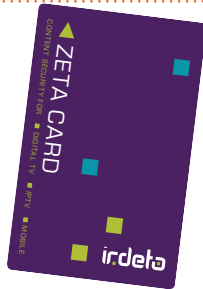




### Conditional access

The Irdeto content security business had a good year, more than doubling revenues to R775 million. This growth was due to orders from new and existing customers, as well as from the CryptoTec business acquired from Philips in April 2006.

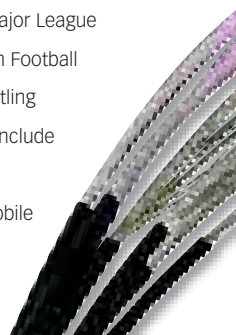
Irdeto continued its participation in mobile television technical trials worldwide as operators prepare for commercial launches. This included supporting initiatives in Africa with *DStv Mobile*, as well as trials in Hungary, Spain and France. Irdeto has now supplied more than three million security devices to TU Media, the mobile television business in South Korea.



### Broadband technologies

Globally the broadband market continues to expand and has passed 230 million users. This has created opportunities for delivery of content, applications and other broadband services. Against this backdrop, Entriq continues to invest in broadband technologies and application services for distribution to broadband-connected PCs, mobile devices and televisions.

Entriq supplies pay-media services to first-tier sports leagues including MLB (Major League Basketball), UEFA (Union of European Football Associations), and WWE (World Wrestling Entertainment). Other major clients include NBC Universal (USA) and ProSieben (Germany), MTV radio services on mobile and Channel 5 in the UK.





Although Entriq has gained traction with revenues growing 38%, substantial investment is expected in the short term to consolidate the progress achieved.

### Internet

The internet segment reported revenue growth of 17% to R1,1 billion. This excludes the equity-accounted earnings of Tencent and *Mail.ru*. The group remains focused on emerging markets as it continued to expand its activities in China, Africa, Russia and India.

### China

Tencent consolidated its position as the leading Chinese internet business and expanded its product offering. Peak concurrent users grew from 19,7 million to 28,5 million over the year, whilst internet value-added services subscribers grew from 13,5 million to 15 million. The Tencent portal, *QQ.com*, is ranked



number one in China by Alexa.com. Peak concurrent users to the leading Tencent-owned Chinese casual games portal increased from 2,7 million

to 3,4 million.

Tencent contributed R343 million to the group's core headline earnings.

### Russia

In December 2006 MIH acquired a 30% stake in



*Mail.ru*, the leading Russian portal. Under the guidance of a strong local management team, *Mail.ru* has attained a leading position and is currently the most popular Russian website.

Core products are e-mail and instant messaging, which are integrated into local service offerings like online photo and video albums, blogs, scraps and various other social interaction products. *Mail.ru* derives the major share of its revenues from advertising.

### Africa

MWEB maintained its lead in South Africa where the slow deregulation of Telkom continues to hamper growth. Subscribers in South Africa total 340 000. MWEB was awarded trial WiMAX frequencies and is rolling out a trial network utilising wireless technologies to deliver broadband services to the home. MWEB hopes to receive permanent WiMAX frequencies later this year.

### Thailand

*Sanook!* extended its leading position as a Thai portal during the year and achieved 16 million daily page views. *Sanook!* offers, amongst others, the most comprehensive local search and web-indexing service in Thailand and achieved 850 000 active *QQ* users.

### India

India is amongst the fastest growing internet markets in the world.



An opportunity was identified to develop an internet product focused on the youth community and local search. To tap into this we recently launched an internet service in India, branded *ibibo*. This is a start-up operation, which we expect to build over the next few years, calling on our internet experience and skills learnt in other markets.



### > Print media

#### Newspapers, magazines and printing

This segment increased revenues by 17%, largely as a result of advertising revenue growth. Growth in operating profits before amortisation and other gains/losses was flat due to the incurrence of business development costs of R223 million (2006: R130 million) mostly for the launch of new titles and the development of new markets.

In the newspaper business, the *Daily Sun's* audited circulation grew to more than 500 000 per day, making it the biggest daily in Africa. The weekly soccer tabloid, *Soccer Laduuuumal*, reached record circulation heights above 320 000. Additional community newspapers were launched, including a larger portfolio of the *City Vision* emerging market product and eight zoned editions of the *People's Post* newspaper in the Western Cape. The free community magazine, *My Week*, was launched, currently comprising 17 editions with a total print run of 422 000.

*Living*. A number of motoring titles were acquired during the year including *topCar*, *TOPbike*, *topdeals* and *Drive Out*. An Afrikaans motoring magazine called *topMotor* was launched to partner with *topCar*.

Media24 is the top internet publisher in South Africa. The *24.com* internet venture was established – combining Media24 Digital and relevant elements from MWEB South Africa, and recorded increased revenues as the internet develops into an important media

channel. The *24.com* portal was successfully launched and is showing rapid growth. A variety of the sub-brands, including *News24.com*, *Health24.com*, *Property24.com*, *Fin24.co.za* and *Wheels24.co.za*, are leaders in their niche fields.

The number of *Property24.com* subscribers continues to grow and this joint venture with Absa is





profitable, as are most of the established internet business units.

**Paarl Media**

Paarl Media, the printing business, had a good year with strong volumes at the new printing plant, Paarl Web Gauteng, requiring the need for an additional press to be commissioned later in 2007. Additional printing equipment has also been ordered for Paarl Print and Paarl Web to cope with increased business volumes.

**Books, publishing and private education**

The publishers and agents continued their improvement from last year. In particular, school book publishers Nasou Via Afrika posted a solid performance.

As part of the process of refocusing on publishing, the religious book retailing chain, Lux Verbi Retail, was sold. Subsequent to March 2007,

Van Schaik Retail was sold, subject to the Competition Commission's approval.

In the private education business, the performance of the face-to-face units was disappointing. Whilst some



progress was made with the restructuring of Damelin, it will take time before this business performs optimally. A number of non-core units were disposed of.

International Colleges Group (ICG), the distance education unit, had a good year

with increased student numbers.

**Print international**

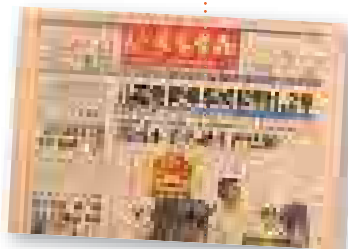
The group continues to seek print media opportunities in the leading emerging markets.

Abril S.A., the leading magazine publisher in Brazil, performed to expectation and contributed R82 million to the group's core headline earnings.

Beijing Media Corporation Limited, in which the group has a 9.9% interest, had a challenging year due to advertising regulations negatively affecting the newspaper industry.

The group acquired a 20% interest in Titan Media, a leading sports publisher in China.

In Africa, *DRUM* (East Africa), *KICKOFF* (West Africa), *TRUE LOVE* (East and West Africa) and *tv24*, an Angolan TV listings magazine, continue to be developed.





Over the past year the group undertook two major empowerment schemes in its South African businesses.

Media24 launched the broad-based Welkom Yizani empowerment scheme, which offered eligible participants an opportunity to invest in Media24. The offer was three times subscribed with 107 000 BEE shareholders acquiring a 15% equity interest in Media24.

MultiChoice South Africa (MCSA) launched the Phuthuma Nathi and Phuthuma Nathi 2 empowerment schemes, together offering an equity interest of 22,5% in MCSA's pay-television and internet businesses. The offer was also three times subscribed, with some 120 000 BEE applicants now shareholders in MCSA.

In addition to these broad-based equity offerings, our South African businesses continue to develop elements relating to skills development, employment equity, procurement, corporate social investment and enterprise development.

### > Strategy

Naspers focuses on media businesses in growing markets in which it can develop strong, sustainable market positions. We have identified emerging markets specifically as growth areas. Content, brands and distribution channels are used to grow businesses.

### > Dividend

The board has recommended that the annual dividend be increased by 30% to 156c (previously 120c) per N Ordinary share and 31c (previously 24c), per unlisted A Ordinary share. If approved by the shareholders, the dividends are payable to shareholders recorded in the books on 7 September 2007 and will be paid on 10 September 2007. The last date to trade cum dividend will be 31 August 2007.

### > Black economic empowerment (BEE)

Naspers supports the aim to incorporate previously disadvantaged communities into South Africa's mainstream economy. Over the past year the group made significant progress in dealing with BEE equity ownership in its South African businesses.

The Welkom Share Scheme, launched in 1999, matured in September 2006, generating an excellent return for participants. The total amount paid to BEE participants was R235 million.

Naspers has integrated the internet into most of its businesses to better reach customers and to increase the value of its content.

The group has a two-pronged growth strategy:

- > firstly, focusing on our existing businesses to develop their full potential
- > secondly, investigating new ventures within our field of expertise, especially in emerging markets.

We hope, but cannot guarantee, that this approach will deliver growth in future.

### > Stock exchange listings

Naspers's primary listing is on the JSE Limited (JSE). It also had a secondary listing on the NASDAQ Stock Market (NASDAQ) in New York with an American Depositary Receipt (ADR) programme. Subsequent to the year-end, the company decided to delist its American Depositary Shares (ADSS), and terminate its registration of the ADSS with the US Securities and Exchange Commission (SEC). Naspers will convert its current ADR programme into a Level I ADR programme to allow current ADR holders the option to continue to hold ADRs.

Naspers also intends making application to list a Depositary Receipt programme on the London Stock Exchange (LSE) to provide a platform for international investors who wish to trade in Naspers N ordinary shares other than on the JSE. The listing on the LSE is expected to become effective during the third quarter of the 2007 calendar year.

The company's decision to delist from NASDAQ is based on the high costs of maintaining its listing and registration in the USA and complying with US obligations, especially the provisions of the Sarbanes-Oxley Act of 2002. Naspers believes that

## INTEGRITY CHAIN

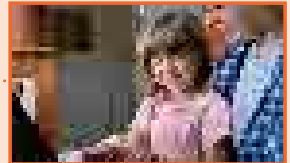
Community



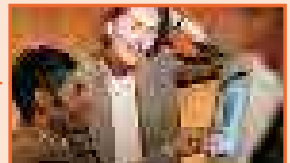
Connection



Communication



Commitment



the resulting savings in costs and management time will benefit Naspers and its shareholders, while the continued trading of the company's N ordinary shares on the JSE will provide liquidity to its shareholders and access to capital for Naspers.

Naspers's primary listing will remain on the JSE. Accordingly, it is subject to the JSE Listings Requirements, high corporate governance standards as reflected in King II, as well as laws applicable to publicly listed companies in South Africa.

The group took the necessary steps to ensure that its internal controls over International Financial Reporting Standards (IFRS) financial reporting were compliant with the provisions of Section 404 of the Sarbanes-Oxley Act as at 31 March 2007.

## > Corporate governance

The board is committed to high standards of corporate governance throughout the group. Our group recognises the need to conduct its business with integrity and in accordance with appropriate governance practices, and knows that it is accountable for good governance.

The board's audit and risk management and human resources and nomination committees fulfil key roles in ensuring good corporate governance. The group also uses independent external advisors.

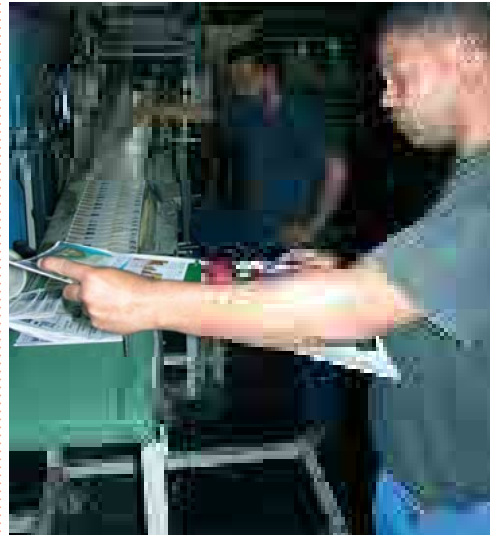
For the ensuing financial year, Naspers will continue to evaluate areas where corporate governance at a corporate and major subsidiary level can be strengthened. The implications of the new Companies Amendment Bill 2007 in South Africa will also be analysed and taken cognisance of.

A detailed review of the group's corporate governance can be found on pages 50 to 59.

## > Risk management

Managing risk plays a central role in the day-to-day operations of all our businesses. As an international multi-media group with business activities in various countries, the group is exposed to a wide range of risks that may have serious consequences. The diversified nature of the group does, however, assist in spreading exposure.

The Naspers board, in conjunction with its boards of major subsidiary companies, is responsible for



determining risk management and control procedures, as well as for evaluating the effectiveness of those procedures. The identification of risks and their management form part of each business unit's business plan.

Risk management functions have been established in the larger group companies and the process is subject to periodic review.

The main risks to which the group businesses are exposed include:

- > global political and market developments
- > competition and technical innovations
- > currency fluctuations
- > legislation and regulations
- > political and economic instability
- > technology failures.

While these risks are mostly outside the board's control, measures may be implemented to limit or prevent the effects. A more detailed review of the risks facing the group and the compensatory steps taken are contained on pages 56 and 57.

> **Directors**

In terms of the company's articles of association, one-third of the non-executive directors retire annually and re-appointment is not automatic. Messrs T Vosloo, N P van Heerden and L N Jonker, who retire by rotation at the annual general meeting, being eligible, offer themselves for re-election.

Prof H S S Willemse was appointed during the year to fill a vacancy on the board.

Shareholders will be asked to consider the re-election of those directors who retire by rotation, and the ratification of the appointment of Prof Willemse at the upcoming annual general meeting, notice of which is contained in this annual report. The abridged curricula vitae of all the directors appear on pages 60 and 61.

Mr J P Bekker, the chief executive of the group, is 54 years of age and the applicable policy is retirement at 60. He has been head of a major media company for 21 years and of a listed entity for 16. The board has granted a request for an unpaid sabbatical of one financial year, from 1 April 2007, until he resumes his duties on 1 April 2008. Mr J D T Stofberg, CEO of MIH, and with 21 years' service with the group, will act as chief executive of Naspers for that year.

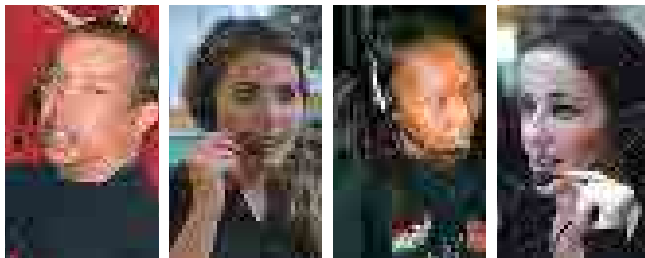


> **People**

We are grateful for the contribution made by our people in so many countries. They have shown determination, character and ingenuity to achieve most of the goals our businesses were set.

Fast-moving and evolving markets necessitate that we be flexible and adapt quickly to change. The group has experienced significant change over the years and hopes that it has the skills, drive and people to meet the challenges in each of the markets in which we operate and utilise the opportunities.

Finally, my thanks to our people for their dedication and to my fellow board members for their guidance and support over the past year.



**Ton Vosloo**  
Chairman

# Revenue growth of 24%

This review presents the highlights of the group's performance during the past year. Full details can be found in the annual financial statements presented on pages 66 to 170 of this annual report.

## > Overview of group results

### Revenue

The group reported revenue growth of 24% to R19,5 billion over the period. Our electronic media assets grew revenues by 28%, whilst print media continued to experience positive advertising revenue growth on the back of strong macro-economic conditions, and grew revenues by 16%.

### Operating profit

Operating profit before amortisation and other gains/losses grew to R3,8 billion (2006: R3,1 billion) notwithstanding the incurrence of business development costs of R876 million (2006: R535 million).

### Finance costs

Net finance costs for the period were R376 million and include interest income on net cash deposits of R165 million, imputed interest paid on finance leases of R174 million, preference dividend income

of R70 million and an aggregate amount of R437 million in respect of foreign currency translation differences and fair value adjustments where we are required to "mark to market" foreign assets and liabilities, and to reflect such adjustment as a cost in the income statement. Included, and as reported at the interim period, is a foreign currency translation loss of R260 million. This accounting loss arises from partly settling a net investment in a foreign subsidiary which, as it is of a capital nature, is reversed for the purpose of calculating headline earnings.

### Equity-accounted results

The group's share of earnings from its equity associates improved strongly to R339 million and relates mainly to Tencent in China.

As reported at the interim period the share price of Beijing Media Corporation Limited, a company listed on the Hong Kong Stock Exchange in which we have an interest of 9,9%, is below the level at which we bought. Whilst positive about medium-term prospects, we believe it prudent to record an equity investment impairment charge of R150 million.

## > **Headline earnings and core headline earnings**

The net effect of the above is headline earnings for the period of R2,6 billion and core headline earnings of R2,8 billion. The calculation of headline and core headline earnings is detailed below.

	<b>Year ended 31 March 2007 R'm</b>	Year ended 31 March 2006 R'm
<b>Net profit attributable to shareholders</b>	<b>1 999</b>	3 161
Adjusted for:		
– impairment of goodwill and other assets	<b>111</b>	69
– profit on sale of property, plant and equipment	<b>(5)</b>	(17)
– loss/(profit) on sale of investments	<b>279</b>	(13)
– discontinuance of operations	<b>–</b>	(1 032)
– impairment of equity-accounted investments	<b>176</b>	–
<b>Headline earnings</b>	<b>2 560</b>	2 168
Adjusted for:		
– profit from discontinued operations	<b>–</b>	(32)
– creation of deferred tax assets	<b>(30)</b>	(42)
– amortisation of intangible assets	<b>173</b>	51
– fair value adjustments and currency translation differences	<b>109</b>	(118)
<b>Core headline earnings</b>	<b>2 812</b>	2 027

As regularly reported to shareholders, the board remains of the view that core headline earnings is an appropriate measure of the sustainable operating performance of the group, as it adjusts for non-recurring and non-operational items.

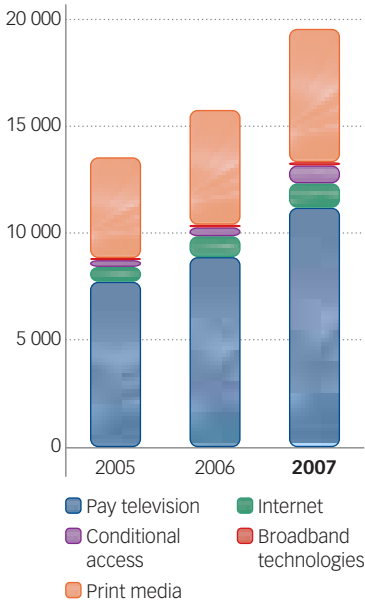
> Segmental review

	Revenue			Ebitda		
	2007 R'm	2006 R'm	%	2007 R'm	2006 R'm	%
Electronic media	<b>13 223</b>	10 296	28	<b>3 700</b>	2 930	26
– pay television	<b>11 214</b>	8 903	26	<b>3 811</b>	3 105	23
– internet	<b>1 143</b>	975	17	<b>19</b>	(41)	+100
– conditional access	<b>775</b>	352	+100	<b>139</b>	19	+100
– broadband technologies	<b>91</b>	66	38	<b>(269)</b>	(153)	(76)
Print media	<b>6 308</b>	5 437	16	<b>858</b>	818	5
– newspapers, magazines and printing	<b>4 680</b>	3 983	17	<b>768</b>	745	3
– book publishing and private education	<b>1 628</b>	1 454	12	<b>90</b>	73	23
Corporate services	<b>(23)</b>	(27)	–	<b>(55)</b>	(52)	–
	<b>19 508</b>	<b>15 706</b>	<b>24</b>	<b>4 503</b>	<b>3 696</b>	<b>22</b>

	Operating profit before amortisation and other gains/(losses)			Operating profit		
	2007 R'm	2006 R'm	%	2007 R'm	2006 R'm	%
Electronic media	<b>3 227</b>	2 496	29	<b>3 131</b>	2 458	27
– pay television	<b>3 424</b>	2 761	24	<b>3 459</b>	2 785	24
– internet	<b>(30)</b>	(105)	71	<b>(102)</b>	(162)	37
– conditional access	<b>123</b>	5	+100	<b>64</b>	–	+100
– broadband technologies	<b>(290)</b>	(165)	(76)	<b>(290)</b>	(165)	(76)
Print media	<b>663</b>	659	1	<b>559</b>	604	(7)
– newspapers, magazines and printing	<b>606</b>	616	(2)	<b>549</b>	612	(10)
– book publishing and private education	<b>57</b>	43	33	<b>10</b>	(8)	+100
Corporate services	<b>(58)</b>	(55)	–	<b>(59)</b>	(58)	–
	<b>3 832</b>	<b>3 100</b>	<b>24</b>	<b>3 631</b>	<b>3 004</b>	<b>21</b>

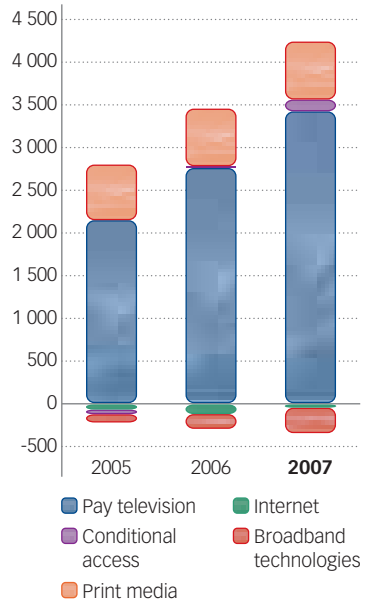
> Revenue by segment

in rand millions



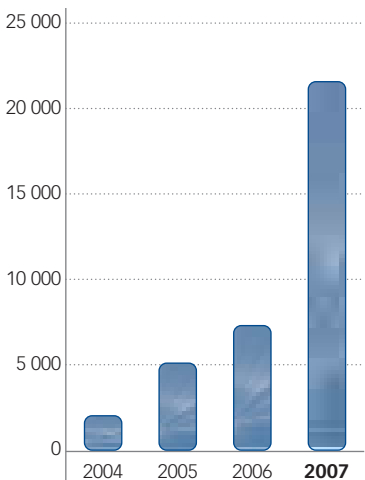
> Operating profit before amortisation and other gains/(losses) – net by segment

in rand millions



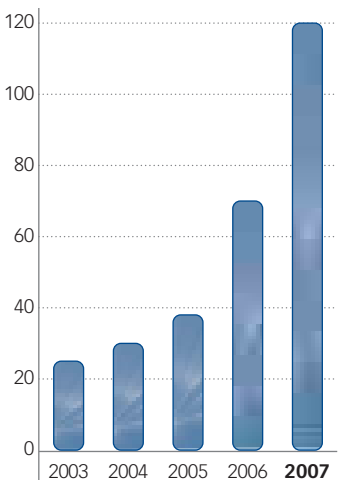
> Shareholders' equity

in rand millions



> Dividend per share

in cents



## Electronic media

The electronic media segment comprises pay-television subscriber platforms, pay-television channels and internet platforms in South Africa, as well as pay-television platforms in sub-Saharan Africa and Greece. It also includes businesses that develop the underlying technologies used by these platforms, and internet investments in China, Thailand, Russia, India, the USA and sub-Saharan Africa.

## Print media

The print media segment comprises magazines, newspapers, printing, book publishing and distribution businesses and private education in South Africa, as well as print media investments in China, Brazil and sub-Saharan Africa.

## Cash flows and balance sheet

In March 2007, given favourable market conditions, the group placed 45,6 million new Naspers N ordinary shares in the market and raised approximately R7,2 billion. This capital will be used to fund our international strategy.

The group's balance sheet remains sound. Free cash flow of R2,2 billion (2006: R1,9 billion) was generated in the year under review.

## > Accounting policies and changes in accounting treatment

The financial results are prepared in accordance with International Financial Reporting Standards (IFRS), the requirements of the South African Companies Act, No 61 of 1973, and the Listings Requirements of the JSE Limited (Listings Requirements). A copy of the unqualified audit opinion of the auditor, PricewaterhouseCoopers Inc., is available for inspection at the registered office of the company. Certain changes in accounting treatment occurred in the year under review, full details of which can be found in the annual financial statements on pages 66 to 170 of this annual report.

Revenue

**R19 508 million**

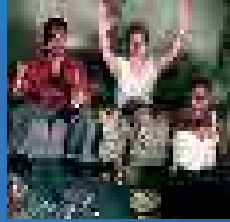
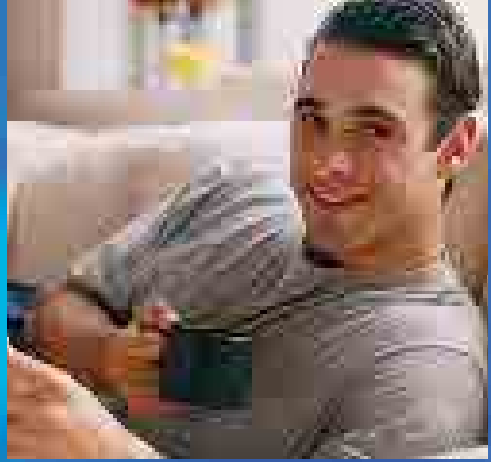
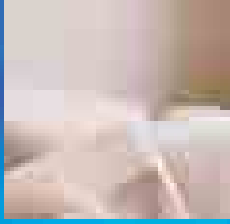
Operating profit before amortisation  
and other gains/losses

**R3 832 million**

Cash flow from operating activities

**R3 523 million**

	2007 R'm	2006 R'm
<b>Income statement and cash flow</b>		
Revenue	<b>19 508</b>	15 706
Operating profit before amortisation and other gains and losses	<b>3 832</b>	3 100
Operating profit	<b>3 631</b>	3 004
Net attributable profit	<b>1 999</b>	3 161
Cash flow from operating activities	<b>3 523</b>	3 166
<b>Balance sheet</b>		
Total assets	<b>32 184</b>	17 253
Current assets	<b>16 169</b>	10 067
Shareholders' equity	<b>21 570</b>	7 204
Non-current liabilities	<b>3 086</b>	3 372
Current liabilities	<b>7 528</b>	6 677
<b>Other information</b>		
Dividend per N ordinary share (cents)	<b>120</b>	70
Earnings per N ordinary share (cents)	<b>676</b>	1 114
Weighted average number of N ordinary shares in issue ('000)	<b>295 756</b>	283 719



# results

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## Statement of responsibility by the board of directors

for the year ended 31 March 2007

The annual financial statements of the group and the company are the responsibility of the directors of Naspers Limited. In discharging this responsibility, they rely on the management of the group to prepare the annual financial statements presented on pages 69 to 170 in accordance with International Financial Reporting Standards and the South African Companies Act. As such, the annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

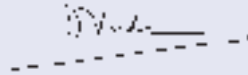
The directors accept responsibility for the preparation, integrity and fair presentation of the annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective.

The directors believe that the company and group have adequate resources to continue operations as a going concern in the foreseeable future, based on forecasts and available cash resources. The financial statements support the viability of the company and the group.

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial

records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the annual financial statements. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 68.

The annual financial statements were approved by the board of directors on 22 June 2007 and are signed on its behalf by:



**T Vosloo**

*Chairman*

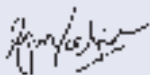


**S J Z Pacak**

*Executive director*

## Certificate by the 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.



**G M Coetzee**

*Company secretary*

22 June 2007

## Independent auditor's report

to the members of Naspers Limited

We have audited the annual financial statements and group annual financial statements of Naspers Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 31 March 2007, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 69 to 170.

### **DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

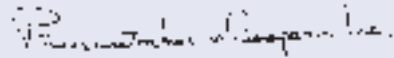
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the

financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **OPINION**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and of the group as at 31 March 2007, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.



**PricewaterhouseCoopers Inc.**

*Director: Brendan Deegan*

*Registered auditor*

Cape Town, South Africa

22 June 2007

The directors present their annual report, which forms part of the audited annual financial statements of the company and the group for the year ended 31 March 2007.

## **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, joint ventures and associated companies (collectively "the group") are the operation of pay-television, internet and instant messaging subscriber platforms and the provision of related technologies, the publishing, distribution and printing of magazines, newspapers and books, and the provision of private education services. These activities are conducted primarily in South Africa, sub-Saharan Africa, Greece, Cyprus, Brazil, Russia, China, the Netherlands and the United States of America.

## **OPERATING REVIEW**

The group continued to experience favourable macro-economic conditions in the key markets in which it operates. This is reflected in group revenues, which grew 24% to R19,5 billion.

The year was characterised by an acceleration of new investments and the introduction of black economic empowerment shareholders into all our major South African businesses. New investments concluded over the past year totalled R5,3 billion. The major investments were:

- > a 30% stake in a Brazilian media company, Abril S.A., for a cash consideration of \$422 million
- > a 30% stake in Mail.ru, a leading Russian internet company, for a cash consideration of \$165 million
- > an additional 12% interest in NetMed NV in Greece for a cash consideration of €67 million
- > the CryptoTec conditional access business, acquired from Philips, in the Netherlands for a cash consideration of €34 million.

In addition, Johncom's 39% interest in M-Net/SuperSport, the consideration being 20,9 million Naspers N ordinary shares and R250 million cash. This transaction is subject to the approval of the Competition Tribunal.

The group has also invested heavily over the past few years in developing new technologies and business opportunities. These developments are focused largely on broadband, print media, the internet and mobile television.

In addition, net capital expenditure of R890 million was incurred, mostly to meet capacity demands in the South African print media business.

In funding all these activities, the group incurred a net cash outflow in the year of R2,6 billion. In March 2007, given favourable market conditions, the group placed 45,6 million new Naspers N ordinary shares in the market and raised a net R7,2 billion. This capital will be used to fund the group's international strategy.

Looking forward, the group is set to continue its expansion through a combination of organic growth in existing businesses and new investments in either established or start-up operations. The former is, to a large degree, reliant on continued macro-economic expansion in key markets, the latter on identifying investment opportunities in chosen markets at reasonable valuations.

We anticipate that business development expenditure in the year ahead will accelerate, with an increased impact on earnings and cash flows.

## **FINANCIAL REVIEW**

The group reported revenue growth of 24% to R19,5 billion over the period. Our electronic media businesses grew revenues by 28%, whilst print media continued to experience positive advertising revenue growth on the back of strong macro-economic conditions, and grew revenues by 16%. Operating profit before amortisation and other gains/losses grew to R3,8 billion (2006: R3,1 billion).

Net finance costs for the period were R376 million and include interest income on net cash deposits of R165 million, imputed interest paid on finance leases of R174 million, preference dividend income of R70 million and an aggregate amount of R437 million in respect of foreign currency translation differences and fair value adjustments where we are required to "mark to market" foreign assets and liabilities, and to reflect such adjustment as a cost in the income statement. Included, and as reported at the interim period, is a foreign currency translation loss of R260 million. This accounting loss arises from partly settling a net investment in a foreign subsidiary which, as it is of a capital nature, is reversed for the purpose of calculating headline earnings.

The group's share of earnings from its associates improved strongly to R339 million and relates mainly to Tencent in China.

As reported at the interim period the share price of Beijing Media Corporation Limited, a company listed on the Hong Kong Stock Exchange in which we have an interest of 9,9%, is below the level at which we bought. Whilst positive about medium-term prospects, we believe it prudent to record an equity investment impairment charge of R150 million.

The net effect of the above is headline earnings for the period of R2,6 billion.

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

### **SHARE CAPITAL**

The authorised share capital at 31 March 2007 was: 1 250 000 A ordinary shares of R20 each; and 500 000 000 N ordinary shares of 2 cents each.

Naspers issued no new A ordinary shares during the 2007 financial year. During the year the group placed 45,6 million new Naspers N ordinary shares in the market and issued 5,6 million N ordinary shares to participants of the Welkom Trust share scheme. 220 000 N ordinary shares were issued to the MIH (BVI) Share Incentive Trust, and 150 000 N ordinary shares were issued to the Naspers Share Incentive Trust.

The issued share capital at 31 March 2007 was:

712 131 A ordinary shares of R20 each	R14 242 620
366 688 936 N ordinary shares of 2 cents each	R7 333 779

### **PROPERTY, PLANT AND EQUIPMENT**

At 31 March 2007 the group's investment in property, plant and equipment amounted to R4 089 million, compared with R3 689 million last year. Details are reflected in note 4 of the consolidated annual financial statements.

Capital commitments at 31 March 2007 amounted to R887 million (2006: R445 million). Further capital expenditure to the amount of R965 million has been approved by the boards of directors of the various group companies, but has not been contracted for as at 31 March 2007.

### **DIVIDENDS**

The board recommends that a dividend of 156 cents per N ordinary share be declared (2006: 120 cents) and 31 cents per A ordinary share (2006: 24 cents).

### **GROUP**

Naspers Limited is not a subsidiary of any other company. The name, country of incorporation and effective financial percentage interest of the holding company in each of the Naspers group's principal subsidiaries are disclosed in note 7 to the consolidated annual financial statements. All subsidiaries, significant associated companies and joint ventures share the same financial year-end as the holding company, except for Tencent Holdings Limited, Abril S.A. and Port.ru Inc., which have a 31 December year-end. The holding company's interest in the aggregate amount of profit after tax earned by subsidiaries totalled R1 783,8 million (2006: R1 953,2 million) and its interest in the aggregate losses after tax amounted to Rnil (2006: R0,7 million).

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

## DIRECTORS, SECRETARY AND AUDITOR

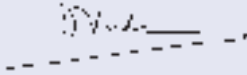
The directors' names and details are presented on pages 60 and 61 and the secretary's name and business and postal addresses are presented on page 63 of the annual report. Directors' shareholdings in the issued share capital of the company are disclosed in note 13 to the consolidated annual financial statements.

PricewaterhouseCoopers Inc. will continue in office as auditor in accordance with section 270(2) of the South African Companies Act, 1973.

## BORROWINGS

The company has unlimited borrowing powers in terms of its articles of association.

Signed on behalf of the board:



**T Vosloo**

*Chairman*



**S J Z Pacak**

*Executive director*

22 June 2007

## Consolidated balance sheets

at 31 March 2007 and 31 March 2006

	Notes	31 March 2007 R'000	31 March 2006 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>16 015 189</b>	7 186 429
Property, plant and equipment	4	4 088 749	3 688 509
Goodwill	5	904 351	789 735
Other intangible assets	6	646 675	369 449
Investments in associates	7	6 274 611	1 222 332
Investments and loans	7	3 388 620	74 863
Programme and film rights	8	204 002	171 145
Derivative financial instruments	37	2 017	32 647
Deferred taxation	9	506 164	837 749
<b>Current assets</b>		<b>16 169 052</b>	10 067 144
Inventory	10	720 174	504 476
Programme and film rights	8	714 481	596 033
Trade receivables	11	1 977 387	1 536 844
Other receivables	12	828 161	499 727
Related-party receivables	13	20 200	19 839
Investments and loans	7	2 000	–
Derivative financial instruments	37	61 502	134 683
Cash and deposits	35	11 845 147	6 775 542
<b>TOTAL ASSETS</b>		<b>32 184 241</b>	17 253 573
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to the group's equity holders</b>		<b>21 143 709</b>	7 032 603
Share capital and premium	14	12 784 384	5 561 320
Other reserves	15	1 894 117	(3 344 147)
Retained earnings	16	6 465 208	4 815 430
<b>Minority interest</b>		<b>426 848</b>	171 547
<b>Total equity</b>		<b>21 570 557</b>	7 204 150
<b>Non-current liabilities</b>		<b>3 085 544</b>	3 372 397
Post-retirement medical liability	17	194 971	153 465
Long-term liabilities	18	2 385 894	2 355 561
Cash-settled share-based payment liability	39	120 239	108 371
Provisions	19	5 355	39 659
Derivative financial instruments	37	264 047	212 664
Deferred taxation	9	115 038	502 677
<b>Current liabilities</b>		<b>7 528 140</b>	6 677 026
Current portion of long-term debt	18	1 253 313	1 699 542
Provisions	19	59 096	28 390
Post-retirement medical liability	17	304	8 164
Trade payables		1 583 564	1 118 353
Accrued expenses and other current liabilities	20	3 769 326	2 914 208
Related-party payables	13	107 816	104 438
Taxation		381 201	346 292
Dividends payable		9 102	–
Derivative financial instruments	37	379	92 862
Bank overdrafts and call loans	35	364 039	364 777
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32 184 241</b>	17 253 573

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

	Notes	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>Revenue</b>	22	<b>19 508 081</b>	15 706 424
Cost of providing services and sale of goods	23	<b>(10 660 970)</b>	(8 753 690)
Selling, general and administration expenses	23	<b>(5 187 990)</b>	(3 948 677)
Other (losses)/gains – net	24	<b>(28 441)</b>	(7)
<b>Operating profit</b>		<b>3 630 680</b>	3 004 050
Finance costs – net	25	<b>(376 172)</b>	15 677
Share of equity-accounted results	7	<b>338 628</b>	94 784
Impairment of equity-accounted investment	7	<b>(175 648)</b>	–
Profit on sale of investments		<b>23 838</b>	74 366
<b>Profit before taxation</b>		<b>3 441 326</b>	3 188 877
Taxation	26	<b>(1 250 502)</b>	(934 813)
<b>Profit after taxation</b>		<b>2 190 824</b>	2 254 064
Profit from discontinued operations	27	–	31 816
Profit arising on discontinuance of operations	27	–	1 032 160
<b>Profit for the year</b>		<b>2 190 824</b>	3 318 040
<b>Attributable to:</b>			
Equity holders of the group		<b>1 998 877</b>	3 160 804
Minority interest		<b>191 947</b>	157 236
		<b>2 190 824</b>	3 318 040
Earnings per N ordinary share (cents)			
Basic	28	<b>676</b>	1 114
Fully diluted	28	<b>649</b>	1 053
Headline earnings per N ordinary share (cents)			
Basic	28	<b>866</b>	764
Fully diluted	28	<b>832</b>	722
Dividend paid per A ordinary share (cents)		<b>24</b>	14
Dividend paid per N ordinary share (cents)		<b>120</b>	70
Proposed dividend per A ordinary share (cents)		<b>31</b>	24
Proposed dividend per N ordinary share (cents)		<b>156</b>	120

*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 2007 and 31 March 2006

	<b>Share capital and premium</b>	
	<b>A shares</b>	<b>N shares</b>
	<b>R'000</b>	<b>R'000</b>
<b>Balance at 1 April 2005</b>	14 243	5 376 908
Share capital movements	–	69 723
Treasury share movements	–	64 537
Share-based compensation movements	–	35 909
Foreign currency translation effect	–	–
Transactions with minorities and successive acquisitions	–	–
Sale of existing subsidiary	–	–
Net fair value gains	–	–
– Fair value adjustment to available-for-sale investments, gross	–	–
– Fair value adjustment to available-for-sale investments, tax portion	–	–
– Realisation of fair value on sale of available-for-sale investments, gross	–	–
– Realisation of fair value on sale of available-for-sale investments, tax portion	–	–
Cash flow hedges	–	–
– Net fair value gains, gross	–	–
– Net fair value gains, tax portion	–	–
– Derecognised and added to asset, gross	–	–
– Derecognised and added to asset, tax portion	–	–
– Derecognised and reported in income, gross	–	–
– Derecognised and reported in income, tax portion	–	–
Profit for the year	–	–
Dividends	–	–
Other minority interest movements	–	–
<b>Balance at 31 March 2006</b>	<b>14 243</b>	<b>5 547 077</b>
<b>Balance at 1 April 2006</b>	14 243	5 547 077
Share capital movements	–	7 432 601
Treasury share movements	–	(209 537)
Share-based compensation movements	–	–
Foreign currency translation effect	–	–
Transactions with minorities and successive acquisitions	–	–
Cash flow hedges	–	–
– Net fair value gains, gross	–	–
– Net fair value gains, tax portion	–	–
– Derecognised and added to asset, gross	–	–
– Derecognised and added to asset, tax portion	–	–
Profit for the year	–	–
Dividends	–	–
Other minority interest movements	–	–
<b>Balance at 31 March 2007</b>	<b>14 243</b>	<b>12 770 141</b>

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



Foreign currency translation reserve	Hedging reserve	Fair value reserve	Existing control business combination reserve	Share- based compen- sation reserve	Retained earnings	Minority interest	Total
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
(1 316)	(18 920)	23 796	(2 473 525)	56 374	1 863 497	227 328	5 068 385
-	-	-	-	-	-	-	69 723
-	-	-	-	-	-	-	64 537
-	-	-	-	134 808	-	-	170 717
(13 318)	-	-	-	-	-	1 010	(12 308)
-	-	-	(1 028 058)	-	-	(49 592)	(1 077 650)
-	-	-	908	-	-	-	908
-	-	(23 623)	-	-	-	-	(23 623)
-	-	(17 849)	-	-	-	-	(17 849)
-	-	5 176	-	-	-	-	5 176
-	-	(15 422)	-	-	-	-	(15 422)
-	-	4 472	-	-	-	-	4 472
-	(1 273)	-	-	-	-	(1 109)	(2 382)
-	19 917	-	-	-	-	(317)	19 600
-	(5 776)	-	-	-	-	98	(5 678)
-	(9 837)	-	-	-	-	(1 153)	(10 990)
-	2 853	-	-	-	-	263	3 116
-	(11 873)	-	-	-	-	-	(11 873)
-	3 443	-	-	-	-	-	3 443
-	-	-	-	-	3 160 804	157 236	3 318 040
-	-	-	-	-	(208 871)	(127 514)	(336 385)
-	-	-	-	-	-	(35 812)	(35 812)
<b>(14 634)</b>	<b>(20 193)</b>	<b>173</b>	<b>(3 500 675)</b>	<b>191 182</b>	<b>4 815 430</b>	<b>171 547</b>	<b>7 204 150</b>
(14 634)	(20 193)	173	(3 500 675)	191 182	4 815 430	171 547	7 204 150
-	-	-	-	-	-	-	7 432 601
-	-	-	-	-	-	-	(209 537)
-	-	-	-	146 426	-	-	146 426
1 222 514	-	-	-	-	-	9 337	1 231 851
-	-	-	3 845 895	-	-	129 438	3 975 333
-	23 429	-	-	-	-	390	23 819
-	23 453	-	-	-	-	300	23 753
-	(6 800)	-	-	-	-	(87)	(6 887)
-	9 079	-	-	-	-	245	9 324
-	(2 303)	-	-	-	-	(68)	(2 371)
-	-	-	-	-	1 998 877	191 947	2 190 824
-	-	-	-	-	(349 099)	(103 288)	(452 387)
-	-	-	-	-	-	27 477	27 477
<b>1 207 880</b>	<b>3 236</b>	<b>173</b>	<b>345 220</b>	<b>337 608</b>	<b>6 465 208</b>	<b>426 848</b>	<b>21 570 557</b>

## Consolidated cash flow statements

for the years ended 31 March 2007 and 31 March 2006

	Notes	31 March 2007 R'000	31 March 2006 R'000
<b>Cash flows from operating activities</b>			
Cash from operating activities	29	4 745 345	4 019 905
Investment income received		3 682	2 170
Dividends received from equity-accounted companies		46 755	44 589
Cash generated from operating activities		4 795 782	4 066 664
Net finance costs paid		(41 109)	(78 480)
Taxation paid		(1 232 093)	(821 737)
<i>Net cash from operating activities</i>		<b>3 522 580</b>	3 166 447
<b>Cash flows from investment activities</b>			
Property, plant and equipment acquired		(866 733)	(809 661)
Proceeds from sale of property, plant and equipment		66 010	46 025
Intangible assets acquired		(91 142)	(106 805)
Proceeds from sale of intangible assets		2 347	–
Acquisition of subsidiaries	30	(274 029)	(42 919)
Disposal of subsidiaries	31	10 211	36 726
Additional investment in existing subsidiaries		(612 975)	(193 280)
Partial disposal of interest in subsidiaries	34	732 151	10 000
Acquisition of joint ventures	32	(138 152)	–
Partial disposal of interest in joint ventures	33	–	751 845
Net investment in associated companies		(4 251 668)	(23 212)
Net cash movement in other investments and loans		29 831	(741)
Acquisition of available-for-sale investments		–	(3 417)
<i>Net cash utilised in investing activities</i>		<b>(5 394 149)</b>	(335 439)
<b>Cash flows from financing activities</b>			
Long-term loans raised		44 453	460 916
Repayments of capitalised finance lease liabilities		(306 623)	(268 052)
Payments to finance share-based compensation shares		(287 973)	–
Proceeds from share issue		7 396 568	166 951
Contributions by minority shareholders		2 699	583
Dividend paid by subsidiaries		(94 282)	(127 005)
Dividend paid by holding company		(349 088)	(208 871)
Other		1 342	–
<i>Net cash from financing activities</i>		<b>6 407 096</b>	24 522
Net increase in cash and cash equivalents		4 535 527	2 855 530
Foreign exchange translation adjustments on cash and cash equivalents		534 816	(45 222)
Cash and cash equivalents at beginning of the year		6 410 765	3 600 457
<b>Cash and cash equivalents at end of the year</b>	35	<b>11 481 108</b>	6 410 765

The accompanying notes are an integral part of these 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, joint ventures and associated companies (collectively, "the group") are the operation of pay-television, internet and instant messaging subscriber platforms and the provision of related technologies, the publishing, distribution and printing of magazines, newspapers and books, and the provision of private education services. These activities are conducted primarily in South Africa, sub-Saharan Africa, Greece, Cyprus, Brazil, Russia, China, the Netherlands and the United States of America.

## 2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated annual financial statements of the group are presented in accordance with, and comply with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements. The consolidated financial statements are prepared according to the historic cost convention as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value with movements recognised in the income statement.

The preparation of the consolidated financial statements necessitates the use of estimates, assumptions and judgements. These estimates and assumptions affect the reported amounts of assets, liabilities and contingent liabilities at the balance sheet date as well as affecting the reported income and expenses for the year. Although estimates are based on management's best knowledge and judgement of current facts as at the balance sheet date, the actual outcome may differ from these estimates. Refer to the individual notes for details of estimates, assumptions and judgements used.

### (a) Basis of consolidation

The consolidated annual financial statements include the results of Naspers Limited and its subsidiaries, associates, joint ventures and related share incentive trusts.

#### **Subsidiaries**

The consolidated annual financial statements include the results of Naspers Limited and its 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 the power to exercise control over their operations. The existence and effect of potential voting rights that are currently exercisable or convertible without restriction are considered when assessing whether the group controls another entity. 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. For certain entities, the group has entered into contractual arrangements (such as nominee relationships and escrow arrangements), which allow the group, along with its direct interests in such entities, to control a majority of the voting rights or otherwise have power to exercise control over the operations of such entities. Because the group controls such entities in this manner they are considered to be subsidiaries and are therefore consolidated in the annual financial statements.

All intergroup transactions and balances are eliminated as part of the consolidation process. The interests of minority shareholders in the consolidated equity and results of the group are shown separately in the consolidated balance sheet and 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 and allocated to those minority interests only to the extent that the minority shareholders have a binding obligation and are able to fund the losses. Where the group previously did not recognise the minority shareholders' portion of losses and the subsidiary subsequently turns profitable, the group recognises all the profits until the minority shareholders' share of losses previously absorbed by the group has been recovered.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

The group applies the economic entity model in accounting for transactions with minority shareholders. In terms of this model, minority shareholders are viewed as equity participants of the group and all transactions with minorities are therefore accounted for as equity transactions and included in the statement of changes in equity. On acquisition of an interest from a minority shareholder, any excess of the cost of the transaction over the acquirer's proportionate share of the net asset value acquired is allocated to a separate component of equity. Dilution profits and losses relating to non-wholly owned subsidiary entities are similarly accounted for in the statement of changes in equity in terms of the economic entity model.

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

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

### (a) Basis of consolidation (continued)

#### **Associated companies**

Investments in associated companies are accounted for under the equity method. Associated companies are those companies in which the group generally has between 20% and 50% of the voting rights, or 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 net of taxation and minority interests in the associate. The group's share of post-acquisition movements in reserves is accounted for in the reserves of the group. The group's interest in the associate is carried on the balance sheet at cost, adjusted for the group's share of the change in post-acquisition net assets, and inclusive of goodwill and other identifiable intangible assets recognised on acquisitions. Where the group's share of losses exceeds the carrying amount of its investment, the carrying amount of the investment as well as any loans to the associate are reduced to nil and no further losses are recognised, unless the group has incurred obligations to the associate or the group has guaranteed or committed to satisfy obligations of the associate. Unrealised gains and losses on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates, unless the loss provides evidence of an impairment of the asset transferred. Dilution profits and losses relating to associated companies are accounted for in the income statement. The group's accounting policy for associated companies with December financial year-ends is to account for a three-month lag period in reporting their results. Any significant transactions that occurred between December and the group's March year-end are taken into account.

#### **Joint ventures**

The group's interest in jointly controlled entities is accounted for by way of proportionate consolidation. The group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the group's financial statements. The group recognises the portion of gains or losses on the sale of assets by the group to the joint venture that is attributable to the other venturers. The group does not recognise its share of gains or losses from the joint venture that result from the purchase of assets by the group from the joint venture until it resells the assets to an independent third party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

### (b) Investments

The group classifies its investments in debt and equity securities into the following categories: at fair value through profit and loss, held-to-maturity, available-for-sale and loans and receivables. The classification is dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of purchase and re-evaluates such designation on an annual basis. At fair value through profit and loss assets has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified into this category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or, if permitted to do so, designated by management. For the purpose of these financial statements short term is defined as a period of three months or less. The group does not hold financial assets for trading, therefore assets held as at fair value through profit and loss are designated as such on initial recognition. Derivatives are also classified as held for trading unless they are designated as hedges.

Investments with a fixed maturity that management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the balance sheet date, which are classified as current assets. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the group intends to sell in the short term or that it has designated as at fair value through income or available-for-sale. All other investments, including those that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity, changes in fair value or interest rates, are classified as available-for-sale. Available-for-sale assets are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

**2. PRINCIPAL ACCOUNTING POLICIES** (continued)**(b) Investments** (continued)

Purchases and sales of investments are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. At fair value through profit and loss and available-for-sale investments are subsequently carried at fair value. Held-to-maturity investments and loans and receivables are carried at amortised cost using the effective yield method. Realised and unrealised gains and losses arising from changes in the fair value of at fair value through profit and loss investments are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity.

The fair values of investments are based on quoted bid prices or amounts derived from cash flow models. Fair values for unlisted equity securities are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as "profit/loss on sale of investments". Investments are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the group has also transferred substantially all risks and rewards of ownership.

**(c) Property, plant and equipment**

Property, plant and equipment are stated at cost, being the purchase cost plus any cost to prepare the assets for their intended use, less accumulated depreciation and any accumulated impairment losses. Cost includes transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchase costs. 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 range of useful lives:

Buildings:	Factory buildings	1 – 50 years
	Other buildings	1 – 50 years
Manufacturing equipment:	Printing presses	3 – 25 years
	Production equipment	3 – 25 years
Office equipment		1 – 20 years
Furniture		1 – 20 years
Computer equipment:	Manufacturing	1 – 20 years
	Office	1 – 20 years
Vehicles		2 – 12 years
Transmission equipment:	Set-top boxes	3 – 20 years
	Transponders and transmitters	3 – 20 years

Major leasehold improvements are amortised over the shorter of their respective lease periods and estimated useful economic life.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are not capitalised as part of the cost of those assets. All borrowing costs are expensed under the benchmark treatment, in the period in which they are incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will flow to the group and the cost can be reliably measured. Major renovations are depreciated over the remaining useful economic life of the related asset.

The carrying values of 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.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing the proceeds with the asset's carrying amount.

**2. PRINCIPAL ACCOUNTING POLICIES** (continued)

**(d) Leased assets**

Leases of property, plant and equipment, except land, 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 lower of the fair value of the leased asset and the estimated present value of the underlying minimum lease payments, with the related lease obligation recognised at the estimated present value of the minimum lease payments. Bank rates are used to calculate present values of minimum lease payments. Capitalised leased assets are depreciated over their estimated useful lives, limited to the duration of the lease agreement. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long or short-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases of assets under which substantially all the risks and rewards of ownership are effectively retained by the third-party lessor are classified as operating leases. Operating lease rentals (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**(e) Goodwill and other intangible assets**

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary, associate or joint venture at the date of acquisition. Goodwill on acquisition of subsidiaries and joint ventures is included in "goodwill" on the balance sheet. Goodwill on acquisitions of associates is included in "investments in associates". Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Patents, brand names, trademarks, title rights, concession rights, software and other similar intangible assets acquired are capitalised at cost. Intangible assets with indefinite useful lives are not amortised, but tested annually for impairment and carried at cost less accumulated impairment losses. Intangible assets with finite useful lives are being amortised using the straight-line method over their estimated useful lives. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where the carrying amount exceeds the recoverable amount. The useful lives and residual values of intangible assets are reassessed on an annual basis. Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Patents	5 years
Title rights	10 years
Brand names and trademarks	20 years
Software	5 years
Intellectual property rights	7 years
Subscriber base	8 years

No value is attributed to internally developed trademarks or similar rights and assets. The costs incurred to develop these items are charged to the income statement in the period in which they are incurred.

**(f) Programme and film rights**

Purchased programme and film rights are stated at acquisition costs less accumulated amortisation. The group has certain programme and film rights liabilities that are classified as financial liabilities in terms of IAS 39 which requires that financial liabilities be measured at amortised cost using the effective interest method. Certain programme and film rights liabilities have settlement dates that are long term in nature; therefore these liabilities are recorded as non-current liabilities and have been discounted in terms of IAS 39. 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 on initial broadcasting of the event whereas general entertainment and films are amortised either on a straight-line basis over the duration of the licence or based on broadcasts where the number of screenings are 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.

**2. PRINCIPAL ACCOUNTING POLICIES** *(continued)***(g) Impairment****Financial assets**

The group assesses, at each balance sheet date, whether there is any objective evidence that an investment or group of investments is impaired. If any such evidence exists, the entity applies the following principles for each class of financial asset to determine the amount of any impairment loss:

*Financial assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced directly through profit and loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed through profit and loss. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The reversal is recognised in the income statement in the same line as the original impairment charge.

*Available-for-sale financial assets*

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from equity and recognised in profit or loss even though the financial asset has not been derecognised.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale shall not be reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

**Long-lived assets**

The group evaluates the carrying value of assets with finite useful lives annually and when events and circumstances indicate that the carrying value may not be recoverable. Indicators of possible impairment 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 asset value. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

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. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the recoverable amount exceeds the new carrying amount. The reversal of the impairment is limited to the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years. The reversal of such an impairment loss is recognised in the income statement in the same line item as the original impairment charge.

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

### (h) Development activities

#### **Research and development costs**

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be profitable considering its commercial and technical feasibility and its costs can be measured reliably. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding the limits stated in note (e). Development assets are tested for impairment annually, and the impairment loss is recognised in the income statement when the carrying amount of the asset exceeds its recoverable amount. This loss is also reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the recoverable amount exceeds the new carrying amount. The reversal of the impairment is limited to the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years. The reversal of such an impairment loss is recognised in the income statement in the same line item as the original impairment charge.

#### **Software development costs**

Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining software programs are recognised as an expense as incurred.

#### **Website development costs**

Website development costs are capitalised as intangible assets if it is probable that the expected future economic benefits attributable to the asset will flow to the group, and its cost can be measured reliably, otherwise these costs are charged against operating profit as the expenditure is incurred.

### (i) 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 or the weighted average method. The majority of inventory is valued using the first-in-first-out basis, but for certain inventories with a specific nature and use which differs significantly from other classes of inventory, the weighted average is used. 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. Costs of inventories include the transfer from equity of any gains or losses on qualifying cash flow hedges relating to inventory purchases. 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.

### (j) Trade receivables

Trade receivables are recognised at fair value at the date of initial recognition, and subsequently carried at amortised cost less provision made for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the estimated recoverable amount.

### (k) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash on 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. Certain cash balances are restricted from immediate use according to terms with banks or other financial institutions. For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

### (l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds and the redemption value is recognised in the income statement over the period of the borrowings.

**2. PRINCIPAL ACCOUNTING POLICIES** *(continued)***(m) 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. The group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract. Restructuring provisions are recognised in the period in which the group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the group are not provided in advance.

**(n) Taxation*****Taxation rates***

The normal South African company tax rate used for the year ending 31 March 2007 is 29% (2006: 29%). Deferred tax assets and liabilities for South African entities at 31 March 2007 have been calculated using this rate, being the rate that the group expects to apply to the periods when the assets are realised or the liabilities are settled. Secondary tax on companies is calculated at 12,5%, and capital gains tax is calculated at 50% of the company tax rate. International tax rates vary from jurisdiction to jurisdiction.

***Deferred taxation***

Deferred taxation is provided in full, using the balance sheet liability method, for all timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted, or where appropriate, substantially 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 timing differences arise from depreciation on property, plant and equipment, other intangibles, provisions and other current liabilities, income received in advance and tax losses carried forward. Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which timing differences and unused tax losses can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

***Secondary tax on companies ("STC")***

Dividends declared by South African companies are subject to STC, but the STC liability is reduced by dividends received during the dividend cycle. Where the dividends received exceed dividends declared within a cycle, there is no liability to pay STC. The potential tax benefit related to excess dividends received is carried forward to the next dividend cycle. 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 in the period that the dividend is paid. Deferred tax assets are recognised on unutilised STC credits to the extent that it is probable that the group will declare future dividends to utilise such STC credits.

**(o) Foreign currencies**

The consolidated financial statements are presented in rands, which is the company's functional and presentation currency. However, the group separately measures the transactions of each of its material operations using the functional currency determined for that specific entity, which in most instances, but not always, is the currency of the primary economic environment in which the operation conducts its business.

***For transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

### (o) Foreign currencies (continued)

#### **For translation of group companies' results**

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange 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 the foreign entity's assets and liabilities and are translated at the closing rate.

### (p) Derivative financial instruments

The group uses derivative instruments to reduce exposure to fluctuations in foreign currency exchange rates and interest rates. These instruments mainly comprise foreign exchange contracts, interest rate caps and interest rate swap agreements. Foreign exchange contracts protect the group from movements in exchange rates by fixing the rate at which a foreign currency asset or liability will be settled. Interest rate caps and swap agreements protect the group from movements in interest rates. It is the policy of the group not to trade in derivative financial instruments for economically speculative purposes.

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are expected to be and have been highly effective in offsetting changes in fair values or cash flows of hedged items. The fair values of various derivative instruments used for hedging purposes are disclosed in note 38. Movements on the hedging reserve are shown in the statement of changes in shareholders' equity.

Derivative financial instruments are recognised in the balance sheet at fair value. The method of recognising the resulting gain or loss is dependent on the nature of the item being hedged. The group designates derivatives as either (1) a hedge of the fair value of a recognised asset or liability or firm commitment (fair value hedge), or (2) a hedge of a forecast transaction or of the foreign currency risk of a firm commitment (cash flow hedge), or (3) a hedge of a net investment in a foreign entity on the date a derivative contract is entered into.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that are highly effective, are recorded in the income statement, along with changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and that are highly effective are recognised in equity, and the ineffective part of the hedge is recognised in the income statement. Where the forecast transaction or firm commitment of which the foreign currency risk is being hedged results in the recognition of an asset or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. Otherwise, amounts deferred in equity are transferred to the income statement and classified as income or expense in the same periods during which the hedged transaction affects the income statement.

Certain derivative transactions, while providing effective economic hedges under the group's risk management policies, do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the committed or forecast transaction ultimately is recognised in the income statement. When a committed or forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

**2. PRINCIPAL ACCOUNTING POLICIES** *(continued)***(p) Derivative financial instruments** *(continued)*

Hedges of net investments in foreign entities are accounted for similarly to cash flow hedges. Where the hedging instrument is a derivative, any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. However, where the hedging instrument is not a derivative, all foreign exchange gains and losses arising on translation are recognised in the income statement.

Embedded derivatives are derivative instruments that are embedded in another contract or host contract. The group separates an embedded derivative from its host contract and accounts for it separately, when its economic characteristics are not clearly and closely related to those of the host contract. These separated embedded derivatives are classified as trading assets or liabilities and marked to market through the income statement, provided that the combined contract is not measured at fair value with changes through the income statement. The group classifies gains and losses on embedded derivative instruments as follows: while the asset related to the embedded derivative is recorded on the balance sheet, any fair value adjustments are recorded as part of "finance cost – net". Once the embedded derivative is derecognised or realised, any foreign exchange gain or loss is recorded as part of "cost of providing services and goods sold" to match the cost of the item that was recognised in operating profit during that period.

**(q) Revenue recognition****Product sales**

Sales are recognised upon delivery of products and customer acceptance, net of sales taxes, VAT and discounts, and after eliminating sales within the group. No element of financing is deemed present as the sales are made with credit terms, which are short term in nature.

**Subscription fees**

Pay-television and internet subscription fees are earned over the period the services are provided. Subscription revenue arises from the monthly billing of subscribers for pay-television and internet services provided by the group. Revenue is recognised in the month the service is rendered. Any subscription revenue received in advance of the service being provided is recorded as deferred revenue and recognised in the month the service is provided.

**Advertising revenues**

The group mainly derives advertising revenues from advertisements published in its newspapers and magazines, broadcast on its pay-television platforms and shown online on its websites and instant messaging windows. Advertising revenues from pay-television and print media products are recognised upon showing or publication over the period of the advertising contract. Publication is regarded to be when the print media product has been delivered to the retailer and is available to be purchased by the general public. Online advertising revenues are recognised over the period in which the advertisements are displayed.

**Printing and distribution**

Revenues from print and distribution services are recognised upon completion of the services and delivery of the related product and customer acceptance, net of taxes, VAT and discounts, and after elimination of sales within the group. The recognition of print services revenue is based upon delivery of the product to the distribution depot and acceptance by the distributor of the client, or where the customer is responsible for the transport of the customers' products, acceptance by the customer or its nominated transport company. Revenues from distribution services are recognised upon delivery of the product to the retailer and acceptance thereof.

Print and distribution services are separately provided by different entities within the group and separately contracted for by third party customers. Where these services are provided to the same client, the terms of each separate contract are consistent with contracts where an unrelated party provides one of the services. Revenue is recognised separately for print and distribution services as the contracts are separately negotiated based on fair value for each service.

**2. PRINCIPAL ACCOUNTING POLICIES** (continued)

**(q) Revenue recognition** (continued)

**Technology contracts and licensing**

For contracts with multiple obligations (eg 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.

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 non-refundable and are recognised on a percentage of completion method over the term of the applicable course for face-to-face learning, and for distance learning it is recognised as a percentage of cost.

**Contract publishing**

Revenue relating to any particular publication is brought into account in the month that it is published. Sales are recognised net of sales taxes, VAT and discounts, and after eliminating sales within the group.

**Decoder maintenance revenue**

Decoder maintenance revenue is recognised over the period the service is provided.

**Reconnection fees**

Reconnection fees are recognised as the reconnection is established.

**(r) Other income**

Interest and dividends received on available-for-sale financial assets are included in investment income and not as part of the fair value movement in equity.

**Interest income**

Interest is accrued on the effective yield method.

**Dividend income**

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

**(s) 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 in the countries in which the group operates. The assets of these funds are generally held in separate trustee-administered funds. The group's contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

**Medical aid benefits**

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

**2. PRINCIPAL ACCOUNTING POLICIES** *(continued)***(s) Employee benefits** *(continued)***Post-retirement medical aid benefit**

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

**(t) Equity compensation benefits**

The group grants share options/share appreciation rights (SARs) to its employees under a number of equity compensation plans. In accordance with IFRS 2, the group has recognised an employee benefit expense in the income statement, representing the fair value of share options/SARs granted to the group's employees. A corresponding credit to equity has been raised for equity-settled plans, whereas a corresponding credit to liabilities has been raised for cash-settled plans. The fair value of the options/SARs at the date of grant under equity-settled plans is charged to income over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the group remeasures the fair value of the recognised liability at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period. A share option scheme/SAR is considered equity-settled when the option/gain is settled by the issue of a Naspers N share. They are considered cash-settled when they are settled in cash or any other asset, ie not by the issue of a Naspers N share. Each share trust deed and SAR plan deed, as appropriate, indicates whether a plan is to be settled by the issue of Naspers shares or not.

**(u) 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. The secondary segmental reporting has been prepared on a geographical basis. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. These inter- and intragroup transactions are eliminated on consolidation.

**(v) Discontinuing operations**

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

**(w) Advertising expenses**

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

**(x) Treasury shares**

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

**(y) Recently issued accounting standards**

The International Accounting Standards Board ("IASB") issued a number of standards, amendments to standards and interpretations during the financial year ended 31 March 2007. These amendments and standards will therefore be implemented by the group during the financial year starting 1 April 2007.

- IFRIC 11 "IFRS 2 – Group and Treasury Share Transactions". If a parent makes a grant of its shares to employees of a subsidiary, the transaction will be treated as an equity-settled scheme for group and subsidiary reporting. However, if a subsidiary makes the grant of its parent's shares to his employees, the subsidiary treats the transaction as a cash-settled share-based payment transaction, and the group as a equity-settled transaction. This IFRIC was issued on 2 November 2006, and is effective for annual periods starting on or after 1 March 2007. The group will adopt these amendments during its financial year ending 31 March 2008, and is currently evaluating the effects of these amendments.
- IFRS 8 "Operating Segments": Requires a management approach to reporting on financial performance of operating segments, but needs to be reconciled to IFRS amounts reported. IFRS 8 was published on 30 November 2006 and is only effective for the group for its 31 March 2010 year-end.

## 2. PRINCIPAL ACCOUNTING POLICIES (continued)

### (y) Recently issued accounting standards (continued)

- On 29 March 2007 a revised IAS 23 "Borrowing Costs" was issued. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. An entity is, therefore, required to capitalise borrowing costs as part of the cost of such assets. The revised standard applies to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009. The group will adopt these amendments in its financial year ending 31 March 2010, and is currently evaluating the effects of these amendments.

The following changes were issued during the years ended 31 March 2006 and 2005 with the following effects:

- Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates": The group has adjusted its reported results to reflect the amended accounting treatment for monetary items in terms of IAS 21 as it relates to its net investment in foreign operations. The effect of the amendment on the group's reported results is a net decrease in its finance costs of R27 million for the year ended 31 March 2006. The group has restated its results accordingly.
- The amendments that have been made to IAS 39 included amendments to the accounting of cash flow hedges of forecast intragroup transactions, the scope of IAS 39 to include financial guarantee contracts and the amendment to the Fair Value Option. These amendments had no material effect on the group's results.
- The amendment to IAS 1 "Presentation of Financial Statements: Capital Disclosures" will be adopted by the group during its financial year ending 31 March 2008.
- IFRS 7 "Financial Instruments: Disclosures" will be adopted by the group during its financial year ending 31 March 2008. This new standard will add certain new disclosures about financial instruments to those currently required by IAS 32 "Financial Instruments: Presentation".
- IFRIC 10 "Interim Financial Reporting and Impairment" states that an entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. This IFRIC was issued on 1 March 2006, with an effective date of 1 November 2006. Earlier adoption was encouraged, and Naspers elected to apply this from its 30 September 2006 interim reporting period.
- IFRIC 4 "Determining whether an Arrangement contains a Lease" was adopted by the group during the financial year ended 31 March 2007, and had no material effect on the group.
- IFRIC 6 "Liabilities arising from Participating in a Specific Market – Waste Electronic and Electronic Equipment" was adopted by the group during the financial year ended 31 March 2007, and had no material effect on the group.
- IFRIC 8 "Scope of IFRS 2" clarifies that IFRS 2 "Share-based Payment" will be adopted by the group during the financial year ending 31 March 2008, and the group is currently evaluating the effects of this interpretation.
- IFRIC 9 "Reassessment of Embedded Derivatives" will be adopted by the group during the financial year ending 31 March 2008, and the group is currently evaluating the effects of this interpretation.
- AC 503 "Accounting for Black Economic Empowerment ("BEE") Transactions" will be adopted by the group during the financial year ending 31 March 2008, and the group is currently evaluating the effects of this interpretation.

### **Changes in accounting treatment**

#### *IAS 28 "Investments in Associates"*

- The group changed its accounting policy for associated companies with December financial year-ends by adopting a three-month lag period in reporting their results. The decision to account for these investments for the 12 months to 31 December rather than to 31 March is a change in accounting policy and the group has accordingly restated its comparative information at 31 March 2006 in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The effect of the change on the group's reported results is a net decrease in its share of Equity-accounted results of R56 million for the year ended 31 March 2006.

#### *IAS 39 "Financial Instruments: Recognition and Measurement"*

- The group regularly enters into long-term US dollar-based contracts that relate to the purchase of film and television programme content. At 31 March 2006 the group recorded approximately R162 million as US dollar foreign currency embedded derivative assets. Subsequent to the year-end, IFRS interpretation in South Africa concluded that the US dollar is currently "commonly used" by South African entities in the import and export environment. Accordingly, the group reassessed its contracts under these changed circumstances and has ceased to separate these embedded derivatives as from 1 April 2006. This has resulted in the derecognition of all US dollar embedded derivative assets in the 2007 financial year.

The total effect of the change in accounting policy for associate companies and the amendment to IAS 21 on equity on 1 April 2005 was a net decrease of R24,9 million.

**3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES****Financial year ended 31 March 2007**

The group acquired 100% of CryptoTec's conditional access business in April 2006 for a cash consideration of R255 million. Based upon an appraisal, the total purchase consideration was allocated to net assets.

In May 2006 the group acquired a 30% interest in Abril S.A., a leading Brazilian media company, for a cash consideration of R2,6 billion. The total purchase consideration was allocated, based upon an appraisal, as follows: net assets (R516,9 million) and the remaining balance to goodwill.

In July 2006 the group bought an additional 12% interest in NetMed NV for a cash consideration of approximately R612 million. The group now owns 87,5% of NetMed and the remaining 12,5% is owned by Teletypos.

In August 2006 the group acquired a 20% interest in Titan for a cash consideration of approximately R114 million. The total purchase consideration was allocated, based upon an appraisal, as follows: net assets (R108,9 million) and the remaining balance to goodwill. It is anticipated that an additional shareholding for approximately US\$13,5 million will be acquired in Titan, increasing the group's investment to 37%. This amount has been reflected as a commitment.

On 14 November 2006 it was announced that an agreement had been concluded with Johnnic Communications Limited ("Johncom") in terms of which Naspers will acquire Johncom's entire 38,56% interest in M-Net/SuperSport. In consideration for this acquisition, Naspers will issue 20 886 667 Naspers N ordinary shares and pay R250 million in cash. This transaction is subject to a number of conditions precedent, inter alia the approval of the appropriate regulatory authorities.

During December 2006 Media24 Limited ("Media24") launched the broad-based Welkom Yizani empowerment scheme, which offered eligible participants an opportunity to invest in Media24. The group sold 15% of Media24 Holdings (Proprietary) Limited ("Media24 Holdings"), the holding company of Media24, to Welkom Yizani Investments Limited ("Welkom Yizani") for R730 million. The total price was paid by means of a cash consideration of R146 million and the issuance of preference shares of R584 million to the group.

During December 2006 MultiChoice Africa (Proprietary) Limited ("MCA") launched the Phuthuma Nathi and Phuthuma Nathi 2 empowerment schemes, together offering eligible Black Persons and Groups an equity interest of 22,5% in MCA's pay-television and internet businesses. The group sold the 22,5% interest for R3,375 billion to Phuthuma Nathi Investments Limited ("Phuthuma Nathi"), which now holds ordinary shares in the issued share capital of MultiChoice South Africa Holdings (Proprietary) Limited ("MCSA Holdings"), the holding company of MCA. The total purchase price was paid with R675 million cash, and the issuance of R2,7 billion preference shares.

During December 2006 the group acquired a 30% interest in Mail.ru, a leading provider of internet and communication services to the global Russian-speaking community, for a cash consideration of approximately R1,2 billion. The group is currently finalising the purchase price allocation.

**Financial year ended 31 March 2006**

On 1 April 2005 Media24 acquired an additional interest of 7,5% in its subsidiary, Paarl Media Holdings (Proprietary) Limited ("Paarl Media"), for a purchase consideration of R180 million in cash. This increased Media24's effective financial interest in Paarl Media to 92,11%. This transaction was accounted for as a common control transaction, and the excess of the purchase consideration over the net asset value was recognised in equity.

During February 2006 MIH QQ (BVI) Limited acquired a 25% interest in ChineseAll for a cash consideration of R24,6 million. The total purchase consideration was allocated based upon an appraisal, as follows: net assets (R1,7 million) and goodwill (R22,9 million).

During October 2005 the company disposed of its investment in Computicket (Proprietary) Limited for a cash consideration of R67,5 million. A profit on sale of investments of R56,7 million was realised on this transaction and is included in profit from continuing operations.

On 7 November 2005 the group publicly announced that it had entered into an agreement in terms of which it would sell its entire interest in United Broadcasting Corporation Public Company Limited and MKSC World Dot Com Co. Limited to True Corporation for a consideration of approximately US\$164 million. A profit on discontinuance of operations of R1 032,2 million was realised on the transaction. Details relating to this transaction are highlighted in note 27 to the consolidated annual financial statements.

During December 2005 the company acquired 100% of the equity of Orbicom (Proprietary) Limited ("Orbicom") from MTN Group Limited ("MTN") for a cash consideration of R44,2 million. The total purchase consideration was allocated based upon appraisal, as follows: net assets (R35,1 million) and goodwill (R9,1 million).

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings – owned	<b>780 701</b>	648 013
Cost price	<b>921 127</b>	744 504
Accumulated depreciation	<b>140 426</b>	96 491
Land and buildings – leased	<b>100 721</b>	128 047
Cost price	<b>123 719</b>	157 581
Accumulated depreciation	<b>22 998</b>	29 534
Manufacturing equipment – owned	<b>985 818</b>	847 715
Cost price	<b>1 509 064</b>	1 303 009
Accumulated depreciation	<b>523 246</b>	455 294
Manufacturing equipment – leased	<b>62 535</b>	69 811
Cost price	<b>148 225</b>	148 768
Accumulated depreciation	<b>85 690</b>	78 957
Transmission equipment – owned	<b>203 895</b>	99 625
Cost price	<b>457 800</b>	356 374
Accumulated depreciation	<b>253 905</b>	256 749
Transmission equipment – leased	<b>1 097 934</b>	1 211 234
Cost price	<b>3 191 169</b>	2 689 472
Accumulated depreciation	<b>2 093 235</b>	1 478 238
Vehicles, computer and office equipment – owned	<b>676 132</b>	596 413
Cost price	<b>1 797 842</b>	1 769 894
Accumulated depreciation	<b>1 121 710</b>	1 173 481
Vehicles, computers and office equipment – leased	<b>13 828</b>	6 367
Cost price	<b>17 556</b>	9 359
Accumulated depreciation	<b>3 728</b>	2 992
Subtotal	<b>3 921 564</b>	3 607 225
Work-in-progress	<b>167 185</b>	81 284
<b>Net book value</b>	<b>4 088 749</b>	3 688 509
Total cost price	<b>8 333 687</b>	7 260 245
Total accumulated depreciation	<b>4 244 938</b>	3 571 736
<b>Net book value</b>	<b>4 088 749</b>	3 688 509

**4. PROPERTY, PLANT AND EQUIPMENT** (continued)

	Land and buildings R'000	Manu- facturing equipment R'000	Trans- mission equipment R'000	Vehicles, computers and office equipment R'000	Total 2007 R'000	Total 2006 R'000
<b>Cost</b>						
Opening balance	902 085	1 451 777	3 045 846	1 779 253	<b>7 178 961</b>	6 945 582
Joint venture activities	10 787	4 787	–	2 739	<b>18 313</b>	(428 666)
Foreign currency translation effects	21 353	–	474 221	115 420	<b>610 994</b>	(134 465)
Reclassifications	(8 626)	–	92 974	(84 348)	–	–
Acquisition of subsidiaries	389	–	–	42 431	<b>42 820</b>	30 885
Disposal of subsidiaries	(82)	–	–	(42 340)	<b>(42 422)</b>	(16 896)
Acquisitions	139 313	236 801	131 785	372 708	<b>880 607</b>	1 028 413
Disposals/scrappings	(20 373)	(36 076)	(95 857)	(370 465)	<b>(522 771)</b>	(245 892)
<b>Closing balance</b>	<b>1 044 846</b>	<b>1 657 289</b>	<b>3 648 969</b>	<b>1 815 398</b>	<b>8 166 502</b>	<b>7 178 961</b>
<b>Work-in-progress 31 March</b>					<b>167 185</b>	<b>81 284</b>
<b>Total cost</b>					<b>8 333 687</b>	<b>7 260 245</b>
<b>Accumulated depreciation</b>						
Opening balance	126 025	534 251	1 734 987	1 176 473	<b>3 571 736</b>	3 649 517
Joint venture activities	273	2 180	–	1 754	<b>4 207</b>	(338 428)
Foreign currency translation effects	7 020	–	304 501	87 675	<b>399 196</b>	(102 912)
Reclassifications	3 927	–	37 856	(41 783)	–	–
Impairment	–	1 557	52 624	12 673	<b>66 854</b>	326
Reversal of previous impairment	–	–	–	–	–	(2 075)
Acquisition of subsidiaries	165	–	–	26 095	<b>26 260</b>	–
Disposal of subsidiaries	(37)	–	–	(34 145)	<b>(34 182)</b>	(12 968)
Depreciation	30 924	103 081	312 479	224 327	<b>670 811</b>	595 546
Disposals/scrappings	(4 873)	(32 133)	(95 307)	(327 631)	<b>(459 944)</b>	(217 270)
<b>Closing balance</b>	<b>163 424</b>	<b>608 936</b>	<b>2 347 140</b>	<b>1 125 438</b>	<b>4 244 938</b>	<b>3 571 736</b>
Cost	1 044 846	1 657 289	3 648 969	1 815 398	<b>8 166 502</b>	7 178 961
Accumulated depreciation	163 424	608 936	2 347 140	1 125 438	<b>4 244 938</b>	3 571 736
<b>Net book value</b>	<b>881 422</b>	<b>1 048 353</b>	<b>1 301 829</b>	<b>689 960</b>	<b>3 921 564</b>	<b>3 607 225</b>
<b>Work-in-progress 31 March</b>					<b>167 185</b>	<b>81 284</b>
<b>Total net book value</b>					<b>4 088 749</b>	<b>3 688 509</b>

In terms of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" an assessment of the expected future benefits associated with property, plant and equipment was determined. Based on the latest available and reliable information there was a change in the estimated useful life and residual value, which resulted in an increase in depreciation of R15,7 million (2006: decrease of R0,3 million).

During the financial year ended 31 March 2007 the group recognised an impairment of property, plant and equipment with a net book value of R66,9 million (2006: R0,3 million). The impairment loss has been included in "Other (losses)/gains – net" in the income statement. The recoverable amount has been determined based on a value-in-use calculation. The impairment resulted from the recoverable amount of the assets being lower than the carrying value thereof.

The group has pledged property, plant and equipment with a carrying value of R951,3 million at 31 March 2007 (2006: R452,4 million) as security against certain term loans and overdrafts with banks.

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.

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>5. GOODWILL</b>		
<b>Cost</b>		
Opening balance	<b>866 755</b>	867 045
Foreign currency translation effects	<b>21 363</b>	(3 736)
Acquisitions	<b>435</b>	2 500
Acquisition of joint ventures	<b>104 371</b>	–
Disposal of interest in joint ventures	–	(2 284)
Acquisition of subsidiaries	<b>22 960</b>	9 145
Successive acquisition	–	(5 915)
<b>Closing balance</b>	<b>1 015 884</b>	866 755
<b>Accumulated impairment</b>		
Opening balance	<b>77 020</b>	8 011
Impairment	<b>34 513</b>	69 009
<b>Closing balance</b>	<b>111 533</b>	77 020
<b>Net book value</b>	<b>904 351</b>	789 735

The group recognised impairment losses on goodwill of R34,5 million (2006: R69,0 million) during the financial year ended 31 March 2007, due to the fact that the recoverable amount of certain cash-generating units were less than their carrying value. The impairment charges have been included in "Other (losses)/gains – net" in the income statement. The recoverable amounts have been based on value-in-use calculations.

The changes in the carrying amount of goodwill on a segmental basis for the year ended 31 March 2007 are as follows:

	<b>Electronic media</b>			<b>Print media</b>				<b>Total R'000</b>
	<b>Pay television R'000</b>	<b>Internet R'000</b>	<b>Conditional access R'000</b>	<b>Newspapers, magazines and printing R'000</b>	<b>Books R'000</b>	<b>Education R'000</b>		
<b>Net book value</b>								
Opening balance	370 258	250 902	53 887	77 063	10 056	27 569	789 735	
Foreign currency translation effects	11 482	–	9 881	–	–	–	21 363	
Impairment	–	–	–	–	(6 944)	(27 569)	(34 513)	
Acquisition of subsidiaries	–	2 131	–	10 971	9 858	–	22 960	
Acquisitions	–	–	–	–	435	–	435	
Acquisition of joint ventures	–	90 262	–	14 109	–	–	104 371	
<b>Closing balance</b>	<b>381 740</b>	<b>343 295</b>	<b>63 768</b>	<b>102 143</b>	<b>13 405</b>	<b>–</b>	<b>904 351</b>	

**5. GOODWILL** (continued)

**Impairment testing of goodwill**

The group has allocated its goodwill to various cash-generating units. The recoverable amounts of these cash-generating units have been determined based on either a value-in-use calculation or on a fair value less costs to sell basis. The value-in-use is based on discounted cash flow calculations. The group based its cash flow calculations on three to five year budgeted and forecast information approved by senior management and the various boards of directors of group companies. Long-term average growth rates for the respective countries in which the entities operate were used to extrapolate the cash flows into the future. Where fair value was used to calculate recoverable amounts, it is based on publicly traded market prices. The group allocated goodwill to the following cash-generating units:

	<b>Net book value R'000</b>	<b>Basis of determination of recoverable amount</b>	<b>Discount rate applied to cash flows</b>	<b>Growth rate used to extrapolate cash flows</b>
<b>Cash-generating unit</b>				
MultiChoice Holdings (Cyprus) Limited	53 869	Value in use	9,0%	2,8%
Electronic Media Network Limited and SuperSport International Holdings Limited	327 870	Value in use	13,0%	5,4%
Irdeto Access B.V.	63 768	Value in use	9,0%	2,5%
M-Web Holdings (Proprietary) Limited	252 015	Value in use	18,0%	5,4%
Boland Koerante (Eiendoms) Beperk	23 581	Value in use	12,0%	4,0%
Paarl Media Holdings (Proprietary) Limited	34 669	Value in use	13,0%	5,0%
The Natal Witness Printing and Publishing Company (Proprietary) Limited	14 370	Value in use	13,0%	4,0%
Alchemy Publishing (Proprietary) Limited	3 941	Value in use	12,0%	5,0%
Gallo Images Middle East FZ LLC	1 143	Value in use	11,0%	7,0%
Gallo Images sub-Saharan Africa (Proprietary) Limited	3 392	Value in use	15,0%	7,0%
Alienroc Bemarking en Opleiding (Eiendoms) Beperk	9 859	Value in use	15,0%	4,0%
Sunbird (Proprietary) Limited	2 000	Value in use	14,0%	6,0%
MXit Lifestyle (Proprietary) Limited	90 262	Value in use	17,5%	4,5%
Democratic Media Holdings (Proprietary) Limited	9 564	Acquired at year-end and determined in purchase price allocation process		
Various other units	14 048	Value in use	various	various
	<b>904 351</b>			

## 6. OTHER INTANGIBLE ASSETS

	Intellectual property rights and patents R'000	Subscriber base R'000	Brand names and title rights R'000	Software R'000	Total 2007 R'000	Total 2006 R'000
<b>Cost</b>						
Opening balance	145 383	227 727	209 494	140 185	<b>722 789</b>	638 171
Acquisition of interest in joint venture	33 196	483	3 560	1 220	<b>38 459</b>	–
Disposal of interest in joint venture	–	–	–	–	–	(11 792)
Foreign currency translation effects	24 132	72 672	3	108	<b>96 915</b>	(1 816)
Acquisition of subsidiaries	8 094	234 768	18 094	2 726	<b>263 682</b>	–
Disposal of subsidiaries	–	–	–	(896)	<b>(896)</b>	(3 578)
Acquisitions	1 530	3 907	2 707	70 431	<b>78 575</b>	100 881
Reclassifications	6 129	(42 007)	8 655	27 223	–	–
Disposals	–	–	(845)	(28 794)	<b>(29 639)</b>	(7 179)
Work-in-progress	3 530	–	3	9 361	<b>12 894</b>	8 102
<b>Closing balance</b>	<b>221 994</b>	<b>497 550</b>	<b>241 671</b>	<b>221 564</b>	<b>1 182 779</b>	<b>722 789</b>
<b>Accumulated amortisation</b>						
Opening balance	93 080	54 586	153 648	52 026	<b>353 340</b>	270 828
Disposal of interest in joint ventures	–	–	–	–	–	(5 852)
Foreign currency translation effects	23 580	3 157	3	3	<b>26 743</b>	(748)
Impairment	–	–	200	2 932	<b>3 132</b>	838
Reversal of previous impairment	–	–	–	–	–	(413)
Acquisition of subsidiaries	4 905	–	327	2 381	<b>7 613</b>	–
Disposal of subsidiaries	–	–	–	(862)	<b>(862)</b>	(939)
Reclassifications	12 785	(38 081)	8 419	16 877	–	–
Disposals	–	–	(707)	(26 052)	<b>(26 759)</b>	(6 086)
Amortisation	18 752	99 453	12 344	42 348	<b>172 897</b>	95 712
<b>Closing balance</b>	<b>153 102</b>	<b>119 115</b>	<b>174 234</b>	<b>89 653</b>	<b>536 104</b>	<b>353 340</b>
<b>Net book value</b>	<b>68 892</b>	<b>378 435</b>	<b>67 437</b>	<b>131 911</b>	<b>646 675</b>	<b>369 449</b>

The group recognised impairment losses on other intangible assets of R3,1 million (2006: R0,8 million) during the financial year ended 31 March 2007, due to the fact that the recoverable amounts of certain cash-generating units were less than their carrying values. The impairment charges have been included in "Other (losses)/gains – net" in the income statement. The recoverable amounts have been based on value-in-use calculations with discount rates comparable to those used in assessing the impairment of goodwill.

In terms of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" an assessment of the expected future benefits associated with other intangible assets was determined. Based on the latest available and reliable information there was a change in the estimated useful life, which resulted in a decrease in amortisation of R1,9 million (2006: decrease of R12,6 million).

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>7. INVESTMENTS AND LOANS</b>		
<b>Investments in associates</b>		
Listed	<b>1 543 017</b>	1 163 222
Unlisted	<b>4 731 594</b>	59 110
<b>Total investments in associates</b>	<b>6 274 611</b>	1 222 332
<b>Investments and loans</b>		
<b>Loans to related parties</b>		
Unlisted	<b>22 206</b>	23 114
<b>At fair value through profit and loss investments</b>		
Unlisted	<b>33 942</b>	32 031
<b>Available-for-sale investments</b>		
Unlisted	<b>356</b>	387
<b>Loans and receivables</b>		
Unlisted	<b>3 334 116</b>	19 331
<b>Total investments and loans</b>	<b>3 390 620</b>	74 863
<b>Investments classified on balance sheet</b>		
Non-current	<b>3 388 620</b>	74 863
Current	<b>2 000</b>	–
	<b>3 390 620</b>	74 863

The market value of the group's listed investments at 31 March 2007 amounted to R15 123,1 million (2006: R6 505,5 million). Tencent Holdings Limited contributed R14 963,1 million (2006: R6 309,5 million) and Beijing Media Corporation Limited R160,0 million (2006: R196,0 million). The valuation of total unlisted investments and loans, as approved by the directors of the respective group companies amounted to R8 122,2 million (2006: R134,0 million). During the financial year ended 31 March 2007, Naspers launched a broad-based BEE ownership initiative, which included a public offer of ordinary shares to qualifying Black Persons and Black Groups in the issued share capital of Welkom Yizani Investments Limited ("Welkom Yizani"), which holds ordinary shares in Media24 Holdings (Proprietary) Limited. In parallel, Phuthuma Nathi Investments Limited ("Phuthuma Nathi") holds ordinary shares in MultiChoice South Africa Holdings (Proprietary) Limited. BEE participants funded 20% of the transaction with cash and the remaining 80% was funded through the issuance of preference shares to Naspers Limited and MIH Holdings Limited. These preference shares are variable, cumulative, redeemable preference shares and are classified as loans and receivables. The carrying value is R599,6 million for Welkom Yizani and R2 752,7 million for Phuthuma Nathi respectively at 31 March 2007. Preference dividends are calculated at a rate of 75% of the prime interest rate.

## 7. INVESTMENTS AND LOANS (continued)

The following information relates to Naspers Limited's financial interest in its significant subsidiaries, over which the group has voting control through its direct and indirect interests in respective intermediate holding companies and other entities:

Name of subsidiary	Effective percentage interest*		Nature of business	Country of incorporation	Functional currency	D or I
	2007 %	2006 %				
<b>LISTED COMPANIES</b>						
MultiChoice (Cyprus) Public Company Limited	<b>30,8</b>	26,4	Subscription television	Cyprus	CYP	I
<b>UNLISTED COMPANIES</b>						
Media24 Holdings Limited <sup>(1)</sup>	<b>85,0</b>	100,0	Print media company	South Africa	ZAR	D
Paarl Media Holdings (Proprietary) Limited <sup>(1)</sup>	<b>78,3</b>	92,1	Printing	South Africa	ZAR	I
Touchline Media (Proprietary) Limited <sup>(1)</sup>	<b>85,0</b>	100,0	Publishing of magazines	South Africa	ZAR	I
Boland Koerante (Eiendoms) Beperk <sup>(1)</sup>	<b>63,8</b>	75,0	Publishers of newspapers	South Africa	ZAR	I
Via Afrika Limited <sup>(1)</sup>	<b>85,0</b>	100,0	Publishing of books	South Africa	ZAR	I
Educor Holdings (Proprietary) Limited <sup>(1)</sup>	<b>85,0</b>	100,0	Education	South Africa	ZAR	I
MIH Investments (Proprietary) Limited	<b>100,0</b>	100,0	Investment holding	South Africa	ZAR	D
MIH Holdings Limited	<b>100,0</b>	100,0	Holding company	South Africa	ZAR	D
MultiChoice SA Holdings (Proprietary) Limited <sup>(1)</sup>	<b>77,5</b>	100,0	Subscription television	South Africa	ZAR	I
M-Web Holdings (Proprietary) Limited <sup>(1)</sup>	<b>77,5</b>	100,0	Internet content provider	South Africa	ZAR	I
MIH (BVI) Limited	<b>100,0</b>	100,0	Investment holding	British Virgin Islands	USD	I
Myriad International Holdings B.V.	<b>100,0</b>	100,0	Investment holding	The Netherlands	EUR	I
MultiChoice Africa Limited	<b>100,0</b>	100,0	Investment holding	Mauritius	USD	I
NetMed NV	<b>87,5</b>	75,5	Investment holding	The Netherlands	EUR	I
NetMed Hellas SA	<b>87,5</b>	75,5	Subscription television	Greece	EUR	I
MultiChoice Hellas SA	<b>35,0</b>	44,9	Subscription television	Greece	EUR	I
Entriq Incorporated	<b>100,0</b>	100,0	Technology development	USA	USD	I
Irdeto Access B.V.	<b>100,0</b>	100,0	Technology development	The Netherlands	USD	I
M-Web (Thailand) Limited	<b>100,0</b>	100,0	Internet content provider	Thailand	THB	I
MultiChoice Holdings (Cyprus) Limited	<b>60,4</b>	51,7	Holding company	Cyprus	CYP	I
Shanghai Sportcn.com Information Technology Company Limited	<b>87,7</b>	87,7	Online sport content	China	CNY	I

D – Direct interest

I – Combined direct and indirect effective interest

\* – The percentage interest shown is the financial effective interest, after adjusting for the interests of the group's equity compensation plans treated as treasury shares.

(1) – The effective holding decreased in these companies due to the empowerment schemes launched in December 2006, in which the group sold a 15% interest in Media24 Holdings Limited and a 22,5% interest in MultiChoice South Africa Holdings (Proprietary) Limited.

**7. INVESTMENTS AND LOANS** (continued)

The following information relates to Naspers Limited's financial interest in its significant joint ventures, over which the group has joint voting control through its direct and indirect interests in respective intermediate holding companies and other entities:

Name of joint venture	Effective percentage interest*		Nature of business	Country of incorporation	Functional currency	D or I
	2007 %	2006 %				
<b>UNLISTED COMPANIES</b>						
MNH Holdings (1998) (Proprietary) Limited	50,0	50,0	Investment holding	South Africa	ZAR	D
Electronic Media Network Limited	60,1	60,1	Pay-TV content provider	South Africa	ZAR	I
SuperSport International Holdings Limited	60,1	60,1	Pay-TV content provider	South Africa	ZAR	I
MultiChoice Supplies (Proprietary) Limited <sup>(1)</sup>	38,8	50,0	Set-top box rentals	South Africa	ZAR	I
Myriad International Programming Services B.V.	80,0	80,0	Programme and film rights	The Netherlands	EUR	I
The Natal Witness Printing and Publishing Company (Proprietary) Limited <sup>(1)</sup>	42,5	50,0	Publishing and printing of newspapers	South Africa	ZAR	I
Mxit Lifestyle (Proprietary) Limited	23,6	–	Instant messaging services	South Africa	ZAR	I

D – Direct interest

I – Combined direct and indirect effective interest

\* – The percentage interest shown is the financial effective interest, after adjusting for the interests of the group's equity compensation plans treated as treasury shares.

(1) – The effective holding decreased in these companies due to the empowerment schemes launched in December 2006, in which the group sold a 15% interest in Media24 Holdings Limited and a 22,5% interest in MultiChoice South Africa Holdings (Proprietary) Limited.

**Additional joint venture disclosure**

The following is the group's interest in the combined summarised balance sheets and income statements of the joint ventures as per their financial statements:

	31 March 2007 R'000	31 March 2006 R'000
<b>Balance sheet information</b>		
Non-current assets	402 472	340 680
Current assets	1 265 357	879 660
<i>Total assets</i>	<b>1 667 829</b>	1 220 340
Non-current liabilities	77 053	64 184
Current liabilities	869 385	813 915
Total liabilities	946 438	878 099
Total shareholders' equity	721 391	342 241
<i>Total equity and liabilities</i>	<b>1 667 829</b>	1 220 340
<b>Income statement information</b>		
Revenue	2 727 357	2 277 088
Net profit	481 783	356 060

The group's interest in the joint ventures' capital commitments and contingent liabilities at 31 March 2007 amounted to R96,0 million (2006: R78,4 million) and R17,4 million (2006: R3,0 million) respectively.

**7. INVESTMENTS AND LOANS** (continued)

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

Name of associated company	Effective percentage interest*		Nature of business	Country of incorporation	Functional currency	D or I
	2007 %	2006 %				
<b>LISTED COMPANIES</b>						
Tencent Holdings Limited	<b>35,5</b>	35,7	Instant messaging services	China	CNY	I
Beijing Media Corporation Limited	<b>9,9</b>	9,9	Print media advertising and print-related services	China	HKD	I
<b>UNLISTED COMPANIES</b>						
Abril S.A.	<b>30,0</b>	–	Print media, Pay TV, educational books	Brazil	BRL	I
Port.ru Inc.	<b>30,0</b>	–	Internet-related services	USA	USD	I
The Hometrader (Eastern Cape) (Proprietary) Limited <sup>(1)</sup>	<b>21,3</b>	25,0	Production of newspaper inserts	South Africa	ZAR	I
Alibiprops 12 (Proprietary) Limited <sup>(1)</sup>	<b>16,7</b>	19,6	Educational book retailer	South Africa	ZAR	I
ChineseAll	<b>25,0</b>	25,0	Internet-related services	China	CNY	I
Internet Music Company (Proprietary) Limited	<b>34,0</b>	34,0	Internet-related services	South Africa	ZAR	I
Free State Cheetahs (Proprietary) Limited	<b>14,7</b>	14,7	Rugby operations	South Africa	ZAR	I
Griqualand West Rugby (Proprietary) Limited	–	14,7	Rugby operations	South Africa	ZAR	I
Natal Sharks (Proprietary) Limited	<b>24,0</b>	24,0	Rugby operations	South Africa	ZAR	I
Hunan Titan Culture Exchange Company Limited	<b>20,2</b>	–	Print media	China	CNY	I
MIH Tixa (BVI) Limited	<b>25,0</b>	–	Internet-related services	China	CNY	I

I – Combined direct and indirect effective interest

\* – The percentage interest shown is the financial effective interest, after adjusting for the interests of the group's equity compensation plans treated as treasury shares.

(1) – The effective holding decreased in these companies due to the empowerment schemes launched in December 2006, in which the group sold a 15% interest in Media24 Holdings Limited and a 22,5% interest in MultiChoice South Africa Holdings (Proprietary) Limited.

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>7. INVESTMENTS AND LOANS (continued)</b>		
<b>Investments in associated companies</b>		
Opening balance	<b>1 222 332</b>	808 348
Associated companies acquired – gross consideration	<b>4 538 392</b>	325 404
Net assets acquired	<b>(971 833)</b>	–
Goodwill and intangibles recognised	<b>6 375 448</b>	383 688
Deferred taxation recognised	<b>(871 545)</b>	(61 642)
Other	<b>6 322</b>	3 358
Associated companies sold	<b>(181)</b>	(1 388)
Share of current year other reserve movements	<b>46 960</b>	(50)
Share of equity-accounted results	<b>420 248</b>	97 662
Net income before amortisation	<b>451 396</b>	89 491
Net loss before amortisation	<b>(7 719)</b>	(269)
Amortisation/impairment at associate company	<b>(6 785)</b>	–
Profit from discontinued operations	<b>31 128</b>	–
Taxation	<b>(47 772)</b>	8 440
Equity-accounted results due to purchase accounting	<b>(81 620)</b>	(2 878)
Amortisation of other intangible assets	<b>(128 311)</b>	(3 184)
Realisation of deferred taxation	<b>46 691</b>	306
Impairment of equity-accounted investment	<b>(175 648)</b>	–
Dividends received	<b>(48 716)</b>	(44 589)
Foreign currency translation adjustments	<b>399 434</b>	39 823
Dilution loss	<b>(46 590)</b>	–
<b>Closing balance</b>	<b>6 274 611</b>	1 222 332
The group recognised R338,6 million (2006: R94,8 million) as its share of equity-accounted results in the income statement.		
<b>Additional associate disclosure</b>		
The following are the combined summarised balance sheets and income statements of the associated companies as per their financial statements:		
<b>Balance sheet</b>		
Non-current assets	<b>4 415 938</b>	882 808
Current assets	<b>8 499 390</b>	3 488 656
<b>Total assets</b>	<b>12 915 328</b>	4 371 464
Non-current liabilities	<b>4 696 679</b>	124 503
Current liabilities	<b>6 392 730</b>	848 425
<b>Total liabilities</b>	<b>11 089 409</b>	972 928
<b>Total shareholders' equity</b>	<b>1 825 919</b>	3 398 536
<b>Total equity and liabilities</b>	<b>12 915 328</b>	4 371 464
<b>Income statement</b>		
Revenue	<b>9 007 891</b>	1 764 681
Operating profit	<b>1 934 567</b>	495 013
Net profit	<b>1 276 781</b>	484 477

**7. INVESTMENTS AND LOANS** (continued)

The following are entities with more than 50% ownership, which are not consolidated due to immaterial operations:

Name of entity	Effective percentage interest	Country of incorporation
M-Web Zimbabwe (Proprietary) Limited	70,0	Zimbabwe
Betung Cable (China) Limited	100,0	Hong Kong
Mkungumanga Limited	50,0	Kenya
International Co-Productions (Proprietary) Limited	60,1	South Africa
M-Net Intelprop Limited	60,1	Mauritius

The following entities are consolidated due to management control through shareholder agreements even though ownership is less than 50%. These entities would normally be accounted for as associates, but are now consolidated:

Name of entity	Effective percentage interest	Country of incorporation
MultiChoice Namibia (Proprietary) Limited	49,0	South Africa
Details Nigeria Limited	49,0	Nigeria
MultiChoice Hellas SA	35,0	Greece
Afribooks (Proprietary) Limited	34,0	South Africa
MultiChoice (Cyprus) Public Company Limited	30,8	Cyprus

The following entities have less than 20% ownership, but are classified as associates as significant influence is established through cooperation agreements, board representation, and the placement of key management:

Name of entity	Effective percentage interest	Country of incorporation
Beijing Media Corporation Limited	9,9	China
Alibiprops 12 (Proprietary) Limited	16,7	South Africa

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>Loans to related parties</b>		
Uppercase Media (Proprietary) Limited	<b>10 264</b>	6 733
Natal Witness Printing and Publishing Company (Proprietary) Limited	<b>5 000</b>	5 000
8 Ink Publishing (Proprietary) Limited	–	6 642
Shape SA (Proprietary) Limited	<b>1 467</b>	1 050
East African Magazines (Proprietary) Limited	–	2 706
Gallo Images sub-Saharan Africa (Proprietary) Limited	<b>1 322</b>	–
Democratic Media Holdings (Proprietary) Limited	<b>2 500</b>	–
Rodale & Touchline Publishers (Proprietary) Limited	<b>1 653</b>	178
Other	–	805
<i>Total loans to related parties</i>	<b>22 206</b>	23 114
<b>At fair value through profit and loss investments</b>		
Sanlam Alternative Income Fund	<b>33 942</b>	32 029
Other	–	2
<i>Total at fair value through profit and loss investments</i>	<b>33 942</b>	32 031
<b>Available-for-sale investments and loans</b>		
Other	<b>356</b>	387
<i>Total available-for-sale investments and loans</i>	<b>356</b>	387
<b>Loans and receivables</b>		
Thebe Scitech (Proprietary) Limited	<b>11 000</b>	13 000
Welkom Yizani preference shares	<b>599 600</b>	–
Phuthuma Nathi preference shares	<b>2 752 705</b>	–
Other	<b>39 116</b>	6 331
<i>Total loans and receivables</i>	<b>3 402 421</b>	19 331
Short-term accrued dividends on preference shares	<b>(68 305)</b>	–
Long-term portion of loans and receivables	<b>3 334 116</b>	19 331
<b>Total investments and loans</b>	<b>3 390 620</b>	74 863

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>8. PROGRAMME AND FILM RIGHTS</b>		
<b>Cost price</b>		
– programme rights	<b>1 757 702</b>	1 015 155
– film rights	<b>1 231 948</b>	504 365
	<b>2 989 650</b>	1 519 520
<b>Accumulated amortisation</b>		
– programme rights	<b>(987 516)</b>	(518 732)
– film rights	<b>(1 083 651)</b>	(233 610)
	<b>(2 071 167)</b>	(752 342)
<b>Net book value</b>		
– programme rights	<b>770 186</b>	496 423
– film rights	<b>148 297</b>	270 755
	<b>918 483</b>	767 178
<b>Classified on the balance sheet as follows:</b>		
– non-current assets	<b>204 002</b>	171 145
– current assets	<b>714 481</b>	596 033
	<b>918 483</b>	767 178
<b>9. DEFERRED TAXATION</b>		
<b>Opening balance</b>	<b>335 072</b>	388 634
Acquisition of subsidiaries and joint ventures	<b>(13 281)</b>	(5 087)
Disposal of subsidiaries and joint ventures	<b>(3 536)</b>	(7 677)
Accounted for in income statement	<b>33 769</b>	(29 450)
Accounted for against reserves	<b>(9 258)</b>	10 687
Foreign currency translation effects	<b>48 360</b>	(22 035)
<b>Closing balance</b>	<b>391 126</b>	335 072

**9. DEFERRED TAXATION** (continued)

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

	1 April 2006 R'000	Charged to income R'000	Charged to equity R'000	Acquisition of subsidiaries and joint ventures R'000	Disposal of subsidiaries and joint ventures R'000	Foreign exchange adjustments R'000	31 March 2007 R'000
<b>Deferred taxation assets</b>							
Property, plant and equipment	92 074	(59 764)	–	(30)	(35)	(14)	<b>32 231</b>
Intangible assets	30 286	(1 640)	–	–	–	2 316	<b>30 962</b>
Receivables and current assets	43 403	9 528	–	529	(360)	5 249	<b>58 349</b>
Provisions and other current liabilities	231 294	45 628	–	196	(870)	10 846	<b>287 094</b>
Programme and film rights	32 569	(3 449)	–	–	–	8 890	<b>38 010</b>
Income received in advance	101 953	18 968	–	–	(4 657)	12 525	<b>128 789</b>
Tax losses carried forward	670 794	196 590	–	50 738	(49 252)	92 462	<b>961 332</b>
Capitalised finance leases	210 474	(132)	–	–	(634)	13 673	<b>223 381</b>
Derivative assets	27 536	(20 167)	–	–	–	(7 369)	<b>–</b>
Hedging reserve	10 201	(5 271)	(3 286)	–	–	–	<b>1 644</b>
STC credits	108 851	471 903	–	–	–	–	<b>580 754</b>
Other	5 760	5 605	–	12	–	(3 535)	<b>7 842</b>
	<b>1 565 195</b>	<b>657 799</b>	<b>(3 286)</b>	<b>51 445</b>	<b>(55 808)</b>	<b>135 043</b>	<b>2 350 388</b>
Valuation allowance	727 446	626 617	–	51 121	(48 701)	77 727	<b>1 434 210</b>
	<b>837 749</b>	<b>31 182</b>	<b>(3 286)</b>	<b>324</b>	<b>(7 107)</b>	<b>57 316</b>	<b>916 178</b>
<b>Deferred taxation liabilities</b>							
Property, plant and equipment	333 450	(99 964)	–	2 492	(841)	9 600	<b>244 737</b>
Intangible assets	2 684	40 431	–	9 629	(77)	341	<b>53 008</b>
Receivables and current assets	75 240	(11 885)	–	77	(2 653)	(342)	<b>60 437</b>
Provisions and other current liabilities	519	2 699	–	(66)	–	–	<b>3 152</b>
Programme and film rights	10 371	(6 830)	–	–	–	–	<b>3 541</b>
Capitalised finance leases	56 584	78 328	–	–	–	–	<b>134 912</b>
Derivative assets	21 421	(12 646)	–	–	–	–	<b>8 775</b>
Hedging reserve	1 281	–	5 972	–	–	–	<b>7 253</b>
Other	1 127	7 280	–	1 473	–	(643)	<b>9 237</b>
	<b>502 677</b>	<b>(2 587)</b>	<b>5 972</b>	<b>13 605</b>	<b>(3 571)</b>	<b>8 956</b>	<b>525 052</b>
<b>Net deferred taxation</b>	<b>335 072</b>	<b>33 769</b>	<b>(9 258)</b>	<b>(13 281)</b>	<b>(3 536)</b>	<b>48 360</b>	<b>391 126</b>

**9. DEFERRED TAXATION** (continued)

Valuation allowances are created against the net deferred tax assets, when it is probable that the deferred tax assets will not be realised in the near future, due to the timing on available tax loss carry-forwards that arose on these losses or due to the uncertainty of the utilisation of STC credits. Further valuation allowances have been raised when it is uncertain if future taxable profits will be available to utilise unused tax losses and timing differences.

	South Africa R'000	Rest of Africa R'000	Greece and Cyprus R'000	Thailand R'000	Netherlands R'000	USA R'000	Other R'000	Total R'000
Valuation allowance	787 819	16 485	56 691	30 688	209 949	322 316	10 262	1 434 210

The group has tax losses carried forward of approximately R2 687,7 million (2006: R2 313,1 million). A summary of the tax losses carried forward at 31 March 2007 by tax jurisdiction and the expected expiry dates are set out below:

	South Africa R'000	Rest of Africa R'000	Greece and Cyprus R'000	Thailand R'000	Netherlands R'000	USA R'000	Other R'000	Total R'000
Expires in year one	–	–	128 844	13 096	–	–	–	141 940
Expires in year two	–	12 402	–	10 003	–	–	–	22 405
Expires in year three	–	37 325	150 965	7 572	–	–	–	195 862
Expires in year four	–	6 935	–	8	–	–	–	6 943
Expires in year five	–	–	159	9	128 187	–	–	128 355
Expires after year five	1 115 176	2 493	–	–	181 787	856 480	36 278	2 192 214
	1 115 176	59 155	279 968	30 688	309 974	856 480	36 278	2 687 719

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 sheets:

	31 March 2007 R'000	31 March 2006 R'000
<b>Classification on balance sheet</b>		
Deferred tax assets	506 164	837 749
Deferred tax liabilities	(115 038)	(502 677)
<b>Net deferred tax assets</b>	<b>391 126</b>	<b>335 072</b>

The group charged deferred income tax of R9,3 million (2006: R10,7 million) to equity as a result of changes in the fair value of derivative financial instruments where the forecast transaction or commitment has not resulted in an asset or liability.

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>10. INVENTORY</b>		
<b>Carry value</b>		
Raw materials	<b>206 077</b>	157 809
Finished products, trading inventory and consumables	<b>325 769</b>	302 783
Work-in-progress	<b>32 430</b>	26 136
Decoders, internet and associated components	<b>302 140</b>	136 383
Gross inventory	<b>866 416</b>	623 111
Provision for slow-moving and obsolete inventories	<b>(146 242)</b>	(118 635)
Net inventory	<b>720 174</b>	504 476
The total provision charged to write inventory down to net realisable value in the income statement amounted to R61,6 million (2006: R34,2 million), and reversals of these provisions amounted to R13,0 million (2006: R24,8 million).		
<b>11. TRADE RECEIVABLES</b>		
<b>Carry value</b>		
Trade accounts receivable, gross	<b>2 263 114</b>	1 747 922
Less: provision for impairment of receivables	<b>(285 727)</b>	(211 078)
	<b>1 977 387</b>	1 536 844
Included in trade receivables are R1 189,6 million at 31 March 2007 (2006: R949,5 million), pre-billed to customers, which have been included in deferred income (see note 20). The group has pledged accounts receivable with a carrying value of R7,3 million at 31 March 2007 (2006: R2,5 million) as security against certain term loans and overdrafts with banks.		
<b>12. OTHER RECEIVABLES</b>		
Prepayments and accrued income	<b>429 558</b>	237 042
Receivables from minority shareholders	<b>3 086</b>	8 917
Staff debtors	<b>13 301</b>	8 587
VAT and related taxes receivable	<b>42 528</b>	28 821
Other receivables	<b>339 688</b>	216 360
	<b>828 161</b>	499 727

**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. Transactions that are eliminated on consolidation are not included. The transactions and balances with related parties are summarised below:

		<b>31 March 2007 R'000</b>	31 March 2006 R'000
	Notes		
<b>Sale of goods and services to related parties</b>			
Electronic Media Network Limited	[a]	<b>46 416</b>	50 431
SuperSport International Holdings Limited	[a]	<b>3 925</b>	3 490
Jane Raphaely & Associates (Proprietary) Limited	[b]	<b>14 219</b>	13 405
New Media Publishers (Proprietary) Limited	[b]	<b>47 345</b>	39 702
East African Magazines (Proprietary) Limited	[b]	<b>2 295</b>	204
8 Ink (Proprietary) Limited	[b]	<b>8 142</b>	4 939
Capital Media (Proprietary) Limited	[b]	<b>2 961</b>	1 822
Rodale & Touchline Publishers (Proprietary) Limited	[b]	<b>14 984</b>	11 336
Shape SA (Proprietary) Limited	[b]	<b>4 989</b>	3 956
The Hometrader (Eastern Cape) (Proprietary) Limited	[b]	<b>8 768</b>	–
Uppercase Media (Proprietary) Limited	[b]	<b>25 725</b>	17 120
CTP Limited	[b]	–	13 334
Associated Magazines (Proprietary) Limited	[b]	–	1 722
Other		<b>279</b>	159
		<b>180 048</b>	161 620
<b>Notes:</b>			
<i>[a] Sale of goods and services to M-Net and SuperSport.</i>			
<i>[b] Media24 Limited receives revenue from a number of its related parties mainly for the printing and distribution of magazines and newspapers.</i>			
<b>Purchase of goods and services</b>			
Electronic Media Network Limited and SuperSport International Holdings Limited	[a]	<b>2 488 907</b>	2 182 677
CTP Limited	[b]	–	12 897
Gallo Images sub-Saharan Africa (Proprietary) Limited	[b]	<b>383</b>	–
New Media Publishers (Proprietary) Limited	[b]	<b>6 419</b>	5 513
Natal Witness Printing & Publishing Company (Proprietary) Limited	[b]	<b>6 657</b>	4 672
Lumiere Productions AE	[c]	<b>49 892</b>	35 987
		<b>2 552 258</b>	2 241 746

**Notes:**

*[a] Channel and programming rights purchased by MultiChoice Africa (Proprietary) Limited.*

*[b] Media24 Limited purchases goods and services from a number of its related parties mainly for the printing and distribution of magazines and newspapers.*

*[c] Technical support for MultiChoice Holdings (Cyprus) Limited's channels.*

**Other transactions with related parties****Tencent Holdings Limited ("Tencent")**

The group entered into a number of intellectual property and know-how licensing agreements with Tencent. On 27 June 2002 Tencent granted a sole and exclusive licence to a group company to use, and to authorise its affiliates ("the operators"), which carry on business in sub-Saharan Africa (including South Africa), Indonesia, Thailand, Greece and Cyprus to use certain proprietary intellectual property and know-how of Tencent for a licence fee computed at 40% of gross revenue derived by the operators by using this proprietary information. The agreement is for a term of 15 years and expires in 2017.

**MultiChoice Nigeria Limited ("MCN")**

The group has a loan of R33,9 million (2006: R39,0 million) with MCN's minority shareholder, which bears interest at 10,12%. An impairment charge of R33,9 million was raised during the year against the outstanding balance as this was not deemed recoverable.

**13. RELATED-PARTY TRANSACTIONS AND BALANCES** (continued)

**Other transactions with related parties** (continued)

**Antenna TV ("Antenna")**

In prior years NetMed NV entered into agreements with Antenna for the purchase of a 5% interest (plus a 10% option) in NetMed NV and for the right to distribute three Antenna channels. In October 2001 Antenna concluded the transaction for the acquisition of 5% of the shares in NetMed NV for a consideration of approximately R94,7 million (US\$12 million). Two channels were aired in the previous year. On 2 January 2006 Antenna exercised a put option to sell the above stake to Myriad International Holdings B.V. at a price equal to the fair value of each share. After an extended valuation and negotiation process, MIH Holdings Limited acquired the shares for a consideration of approximately R612,0 million on 19 July 2006. The group now owns 87,5% of NetMed NV with the remaining 12,5% owned by Teletypos.

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
The balances of advances, deposits, receivables and payables between the group and related parties are as follows:		
<b>Receivables</b>		
Electronic Media Network Limited	–	2 176
SuperSport International Holdings Limited	<b>29</b>	1 301
The Hometrader (Eastern Cape) (Proprietary) Limited	<b>935</b>	–
Jane Raphaely & Associates (Proprietary) Limited	<b>2 540</b>	2 381
New Media Publishers (Proprietary) Limited	<b>10 728</b>	8 096
Rodale & Touchline Publishers (Proprietary) Limited	<b>3 351</b>	3 246
Shape SA (Proprietary) Limited	<b>1 105</b>	965
Associated Magazines (Proprietary) Limited	–	1 517
Other related parties	<b>1 512</b>	157
	<b>20 200</b>	19 839
<b>Payables</b>		
Electronic Media Network Limited	<b>92 261</b>	84 270
SuperSport International Holdings Limited	<b>3 278</b>	3 476
Alibiprops 12 (Proprietary) Limited	<b>2 503</b>	586
Natal Witness Printing & Publishing Company (Proprietary) Limited	<b>506</b>	7 925
Jane Raphaely & Associates (Proprietary) Limited	<b>1 341</b>	1 238
Rodale & Touchline Publishers (Proprietary) Limited	<b>1 912</b>	–
8 Ink Publishing (Proprietary) Limited	<b>814</b>	–
Uppercase Media (Proprietary) Limited	<b>4 039</b>	2 544
CTP Limited	–	1 857
New Media Publishers (Proprietary) Limited	<b>759</b>	1 709
Other related parties	<b>403</b>	833
	<b>107 816</b>	104 438
Refer to note 7 for long-term loans to related parties.		
<b>Directors' emoluments</b>		
Executive directors:		
Remuneration for other services paid by subsidiary companies	–	314
Non-executive directors:		
Fees for services as directors	<b>3 944</b>	3 082
Fees for services as directors of subsidiary companies	<b>2 908</b>	2 030
	<b>6 852</b>	5 426

No director has a notice period of more than one year.

No director's service contract includes predetermined compensation as a result of termination that would exceed 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	Bonuses and performance-related fees	Pension contributions	Total		
	R'000	R'000	R'000	R'000		
<b>2007</b>						
J P Bekker	–	–	–	–		
S J Z Pacak	2 139	2 400	214	4 753		
	<b>2 139</b>	<b>2 400</b>	<b>214</b>	<b>4 753</b>		
<b>2006</b>						
J P Bekker	–	–	–	–		
S J Z Pacak	1 957	2 200	196	4 353		
	<b>1 957</b>	<b>2 200</b>	<b>196</b>	<b>4 353</b>		
Non-executive directors	Directors' fees	Committee <sup>1</sup> and trustee <sup>2</sup> fees	Total	Directors' fees	Committee <sup>1</sup> and trustee <sup>2</sup> fees	Total
	R'000	R'000	2007 R'000	R'000	R'000	2006 R'000
T Vosloo <sup>3, 4, 5</sup>	2 629	–	2 629	1 863	–	1 863
J J M van Zyl <sup>3, 5</sup>	759	455	1 214	535	460	995
L N Jonker	225	–	225	175	–	175
N P van Heerden	225	–	225	175	–	175
B J van der Ross	225	19	244	175	4	179
G J Gerwel <sup>3, 6</sup>	670	75	745	435	60	495
H S S Willemse	225	15	240	175	3	178
F du Plessis	225	365	590	175	220	395
F T M Phaswana <sup>3</sup>	275	–	275	175	–	175
R C C Jafta <sup>3</sup>	275	190	465	175	150	325
	<b>5 733</b>	<b>1 119</b>	<b>6 852</b>	<b>4 058</b>	<b>897</b>	<b>4 955</b>

**Notes on non-executive directors' remuneration**

Note 1: Committee fees include fees for the attendance of the audit committee, the human resources committee, the budget committee and the 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: Directors' fees include fees for services as directors of Media24 Limited.

Note 4: Directors' fees include fees for services as directors of Via Afrika Limited.

Note 5: Directors' fees include fees for services as directors of MIH Holdings Limited and MIH B.V.

Note 6: Directors' fees include fees for services as directors of Educor Holdings Limited.

### 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 not yet released are as follows:

Name	Purchase date	Number of N shares	Purchase price	Release period
J P Bekker <sup>1</sup>	01/10/2002	817 471	R24,50	01/10/2007
	17/12/2002	745 428	R31,54	17/12/2007
S J Z Pacak	02/01/2003	166 668	R23,50	02/01/2008
	09/09/2004	100 000	R50,00	09/09/2007 – 09/09/2009
	07/08/2006	150 000	R114,52	07/08/2009 – 07/08/2011

1. J P Bekker has allocations, 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 periods of five years. The purchase prices relating to the allocations 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 each of the 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 whatever are payable. The managing director's contract is for a five-year period starting on 1 October 2002. No compensation will apply to termination.

The board has granted J P Bekker a request for an unpaid sabbatical of one financial year, from 1 April 2007, until he resumes his duties on 1 April 2008. Accordingly, Mr Bekker resigns as managing director with effect from close of business on 30 March 2007.

On 24 July 2006 20 000 released Naspers N ordinary shares were sold by S J Z Pacak upon payment of the amount of an average price of R21,22 per share (the original average offer prices based on the listed market prices of Naspers Limited N ordinary shares on the dates of the offers) due to the Naspers Share Incentive Trust, at an average selling price of R115,08 per Naspers N ordinary share.

On 25 July 2006 30 000 released Naspers N ordinary shares were sold by S J Z Pacak upon payment of an average price of R21,22 per share (the original average offer prices based on the listed market prices of Naspers Limited N ordinary shares on the dates of the offers) due to the Naspers Share Incentive Trust, at an average selling price of R116,00 per Naspers N ordinary share.

On 26 July 2006 50 000 released Naspers N ordinary shares were sold by S J Z Pacak upon payment of an average price of R21,22 per share (the original average offer prices based on the listed market prices of Naspers Limited N ordinary shares on the dates of the offers) due to the Naspers Share Incentive Trust, at an average selling price of R116,22 per Naspers N ordinary share.

#### Director's interest in MIH Holdings Share Incentive Scheme

Historically S J Z Pacak has been a participant under the MIH Holdings Share Incentive Scheme. In December 2002 Naspers Limited acquired all the MIH Holdings ordinary shares held by the MIH Holdings Share Trust in exchange for Naspers N ordinary shares. Participants exchanged their rights to MIH Holdings shares for Naspers N ordinary shares.

On 18 December 2006, 29 630 released Naspers N ordinary shares were sold by S J Z Pacak upon payment of the amount of an average price of R25,28 per Naspers N ordinary share (the original average offer price based on the listed market price of Naspers Limited N ordinary shares on the date of the offer) due to the MIH Holdings Share Trust, at an average selling price of R148,86 per Naspers N ordinary share.

At 31 March 2007 a total of 36 901 (2006: 66 531) Naspers N ordinary shares have been allocated to S J Z Pacak with vesting periods until 18 February 2007.

#### Director's interest in SuperSport Share Incentive Scheme

Historically S J Z Pacak has been a participant under the SuperSport Share Incentive Scheme. In March 2003 SuperSport completed a capital reduction in terms of which Naspers N ordinary shares were distributed to its shareholders, including the SuperSport Share Incentive Trust. In terms of his participation in the SuperSport Share Incentive Scheme 2 119 Naspers N ordinary shares were allocated to S J Z Pacak with vesting periods until 26 August 2004.

In March 2004 Naspers Limited acquired all the SuperSport ordinary shares held by the SuperSport Share Incentive Trust in exchange for Naspers N ordinary shares. Participants could exchange their rights to SuperSport shares for Naspers N ordinary shares. A total of 5 305 Naspers N ordinary shares were allocated to S J Z Pacak with vesting periods until 26 August 2004.

On 18 December 2006, 5 305 released Naspers N ordinary shares were sold by S J Z Pacak at an average selling price of R148,86 per Naspers N ordinary share and upon payment of an average price of R32,41 per share (the original average offer price based on the listed market price of Naspers Limited N ordinary shares on the dates of the offers) due to the SuperSport Share Trust.

On 18 December 2006, 2 119 Naspers N ordinary shares released in terms of the capital reduction were sold by S J Z Pacak at an average selling price of R148,86 per Naspers N ordinary share.

**13. RELATED-PARTY TRANSACTIONS AND BALANCES** (continued)

**Directors' interest in M-Net Share Incentive Scheme**

Historically S J Z Pacak has been a participant under the M-Net Share Incentive Scheme. In March 2004 Naspers Limited acquired all the M-Net ordinary shares held by the M-Net Share Incentive Trust in exchange for Naspers N ordinary shares. Participants could exchange their rights to M-Net shares for Naspers N ordinary shares. A total of 5 805 Naspers N ordinary shares were allocated to S J Z Pacak with vesting periods until 26 August 2004.

On 18 December 2006, 5 805 released Naspers N ordinary shares were sold by S J Z Pacak at an average selling price of R148,86 per Naspers N ordinary share and upon payment of an average price of R5,69 per share (the original average offer price based on the listed market price of Naspers Limited N ordinary shares on the dates of the offers) due to the M-Net Share Trust.

**Directors' interest in MIH (BVI) Limited Share Incentive Scheme**

On 29 March 2007, 84 000 Naspers N ordinary shares were offered as an option to and accepted by S J Z Pacak. The market price of a Naspers N ordinary share at close of business on 29 March 2007 was R175,00 per share. At 31 March 2007 a total of 84 000 (2006: nil) Naspers N ordinary shares have been allocated to S J Z Pacak with vesting periods until 29 March 2012.

**Directors' interests in Naspers shares**

The directors of Naspers have the following interests in Naspers A ordinary shares on 31 March 2007:

Name	31 March 2007 Naspers A ordinary shares				31 March 2006 Naspers A ordinary shares			
	Beneficial		Non-beneficial		Beneficial		Non-beneficial	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
J J M van Zyl	745	-	-	-	745	-	-	-

Mr J P Bekker has an indirect 25% interest in Wheatfields 221 (Proprietary) Limited, which controls 168 605 Naspers Beleggings Limited ordinary shares, 16 876 500 Keeromstraat 30 Beleggings Limited ordinary shares and 133 350 Naspers A shares.

No other director of Naspers had any direct interest in Naspers A ordinary shares at 31 March 2007 or 31 March 2006.

The directors of Naspers had the following interest in Naspers N ordinary shares as at 31 March:

Name	31 March 2007 Naspers N ordinary shares				31 March 2006 Naspers N ordinary shares			
	Beneficial		Non-beneficial		Beneficial		Non-beneficial	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
T Vosloo	25 000	250 000	-	-	25 000	250 000	-	-
J P Bekker	-	-	-	6 480 212	-	-	-	4 917 316
S J Z Pacak	94 510	370 233	-	67 548	94 510	291 267	-	122 707
J J M van Zyl	50 361	173 793	-	-	50 361	173 793	-	-
L N Jonker	1 000	-	-	67 000	1 000	-	-	67 000
N P van Heerden	-	1 300	-	-	-	1 300	-	-
B J van der Ross	-	-	-	-	-	-	-	-
G J Gerwel	-	-	-	-	-	-	-	-
H S S Willemse	-	-	-	-	-	-	-	-
F du Plessis	-	-	-	500	-	-	-	500
F T M Phaswana	3 530	-	-	-	630	-	-	-
R C C Jafta	-	-	-	-	-	-	-	-

There have been no changes to these interests between the end of the financial year and 30 June 2007, save for the resignation of Mr J P Bekker as managing director for the duration of his sabbatical from close of business on 30 March 2007.

**Key management remuneration and participation in share-based incentive plans**

Comparatives have not been restated to account for the change in the composition of key management.

The total of executive directors' and key management emoluments amounted to R122 million (2006: R97,2 million); comprising short-term employee benefits of R64,0 million (2006: R65,4 million), post-employment benefits of R5,2 million (2006: R5,4 million) and a share-based payment charge of R47,7 million (2006: R26,4 million). The aggregate number of share options granted to the executive directors and key management during the 2007 financial year and the number of shares allocated to the executive directors and key management at 31 March 2007 respectively are:

For shares listed on a recognised stock exchange as follows: 354 093 (2006: 794 678) Naspers Limited N ordinary shares were allocated during the 2007 financial year and an aggregate of 12 450 784 (2006: 13 200 771) N ordinary shares were allocated as at 31 March 2007.

**13. RELATED-PARTY TRANSACTIONS AND BALANCES** (continued)

**Key management remuneration and participation in share-based incentive plans** (continued)

For shares in unlisted companies as follows: nil (2006: 17 238) Media24 Limited ordinary shares were allocated during 2007 and an aggregate of 300 681 (2006: 487 977) ordinary shares were allocated as at 31 March 2007; nil (2006: nil) via Afrika Limited ordinary shares were allocated during 2007 and 192 780 (2006: 243 840) ordinary shares were allocated as at 31 March 2007; nil (2006: 50 000) Irdeto Access B.V. ordinary shares were allocated during 2007 and an aggregate of 207 500 (2006: 207 500) ordinary shares were allocated as at 31 March 2007; nil (2006: nil) Paarl Media Holdings (Proprietary) Limited ordinary shares were allocated during 2007 and 135 000 (2006: 185 000) ordinary shares were allocated as at 31 March 2007; 756 (2006: 18 250) MIH QQ (BVI) Limited ordinary shares were allocated during 2007 and an aggregate of 22 256 (2006: 32 625) shares were allocated as at 31 March 2007; nil (2006: nil) Entriq (Mauritius) Limited shares were allocated during 2007 and an aggregate of 2 100 000 (2006: 2 200 000) shares were allocated as at 31 March 2007; 310 000 (2006: nil) MediaZone Holdings B.V. shares were allocated during 2007 and an aggregate of 310 000 (2006: nil) shares were allocated as at 31 March 2007.

For share appreciation rights (SARs) in unlisted companies as follows: 60 606 (2006: 1 182 923) Media24 SARs were allocated during 2007 and an aggregate of 811 106 (2006: 1 182 923) SARs were allocated as at 31 March 2007; 25 082 (2006: 928 213) MCA SARs were allocated during 2007 and an aggregate of 705 194 (2006: 928 213) SARs were allocated as at 31 March 2007; 238 215 (2006: 1 793 890) M-Net/SuperSport SARs were allocated during 2007 and an aggregate of 1 434 900 (2006: 1 793 890) SARs were allocated as at 31 March 2007; 688 668 (2006: nil) NetMed NV SARs were allocated during 2007 and an aggregate of 688 668 (2006: nil) SARs were allocated as at 31 March 2007; 121 700 (2006: nil) MIH Brazil SARs were allocated during 2007 and an aggregate of 118 200 (2006: nil) SARs were allocated as at 31 March 2007.

These shares and SARs were granted on the same terms and conditions as those offered to employees of the group.

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>14. SHARE CAPITAL AND PREMIUM</b>		
<b>Authorised</b>		
1 250 000 A ordinary shares of R20 each	<b>25 000</b>	25 000
500 000 000 N ordinary shares of 2c each	<b>10 000</b>	10 000
	<b>35 000</b>	35 000
<b>Issued</b>		
712 131 A ordinary shares of R20 each (2006: 712 131)	<b>14 243</b>	14 243
366 688 936 N ordinary shares of 2c each (2006: 315 113 700)	<b>7 334</b>	6 302
	<b>21 577</b>	20 545
<b>Share premium</b>	<b>13 710 449</b>	6 278 880
	<b>13 732 026</b>	6 299 425
Less: 22 057 036 N ordinary shares held as treasury shares (2006: 24 558 886 N ordinary shares)	<b>(947 642)</b>	(738 105)
	<b>12 784 384</b>	5 561 320

**Treasury shares**

The group holds a total of 22 057 036 N ordinary shares (2006: 24 558 886), or 6,0% of the gross number in issue (2006: 7,8%) at 31 March 2007 as treasury shares. Equity compensation plans hold 17 347 765 of the N ordinary shares (2006: 19 849 615) and the remaining 4 709 271 N ordinary shares (2006: 4 709 271) are held by various group companies.

**Voting and dividend rights**

The A ordinary shareholders are entitled to 1 000 votes per share and may receive 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. The A ordinary shareholders do not have a right to receive a dividend when dividends are declared to N ordinary shareholders, although a dividend to A ordinary shareholders could be proposed by the board. In respect of all other rights, the A ordinary shares rank pari passu with the N ordinary shares of the company.

Naspers Beleggings Beperk holds 350 000 A ordinary shares (2006: 350 000) and Keeromstraat 30 Beleggings Beperk holds 219 344 A ordinary shares (2006: 219 344) of the total 712 131 A ordinary shares in issue at the year-end.

As a result of the voting rights attached to these shares, the companies have significant influence over the group.

The companies are controlled by certain directors of Naspers. Wheatfields 221 (Proprietary) Limited controls 133 350 A ordinary shares.

**14. SHARE CAPITAL AND PREMIUM** (continued)**Unissued share capital**

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 133 311 064 N ordinary shares in the company, subject to the provisions of section 221 of the Companies Act, 1973, and the JSE Listings Requirements.

**Share incentive plans holding Naspers N ordinary shares**

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. With the acquisition of the minority interests in MIH Holdings Limited and MIH Limited in December 2002, the MIH Holdings Share Incentive plan and the MIH (BVI) plan received Naspers N ordinary shares. The SuperSport Share Incentive plan received Naspers N ordinary shares in February 2003 from the distribution of Naspers N ordinary shares by SuperSport as part of a capital reduction exercise. The SuperSport Share Incentive plan and the M-Net Share Incentive plan received Naspers N ordinary shares in April 2004 from the acquisition of the minority interests in Electronic Media Network Limited and SuperSport International Holdings Limited by Naspers. Aggregate information on Naspers N ordinary shares held by the Naspers, MIH Holdings, MIH (BVI), M-Net and SuperSport plans are as follows:

	<b>2007</b>	2006
	<b>Number of N shares</b>	Number of N shares
<b>Movement in N ordinary shares in issue during the year</b>		
Shares in issue at 1 April	<b>315 113 700</b>	314 548 700
Shares issued for cash	<b>45 600 000</b>	–
Shares issued to the Welkom Trust share scheme	<b>5 605 236</b>	–
Shares issued to share incentive trusts	<b>370 000</b>	565 000
<b>Shares in issue at 31 March</b>	<b>366 688 936</b>	315 113 700
<b>Movement in N ordinary shares held as treasury shares during the year</b>		
Shares held as treasury shares at 1 April	<b>24 558 886</b>	31 959 017
Shares issued to share incentive trusts	<b>370 000</b>	565 000
Shares sold in open market	–	(486 972)
Shares acquired by participants from equity compensation plans	<b>(2 871 850)</b>	(7 478 159)
<b>Shares held as treasury shares at 31 March</b>	<b>22 057 036</b>	24 558 886
<b>Net number of shares in issue at 31 March</b>	<b>344 631 900</b>	290 554 814
	<b>31 March</b>	31 March
	<b>2007</b>	2006
	<b>R'000</b>	R'000
<b>Share premium</b>		
Balance at 1 April	<b>6 278 880</b>	6 173 258
Share premium on share issues	<b>7 657 226</b>	69 766
Share issue expenses	<b>(225 657)</b>	(53)
On vesting of shares – transfer to share premium	–	35 909
<b>Balance at 31 March</b>	<b>13 710 449</b>	6 278 880

Shares allocated to participants of the incentive schemes vest in equal numbers after respectively three, four and five years after the date of allocation. The plans are 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.

**Share options outstanding**

In terms of the Welkom Trust share scheme, share options were issued to the participants to subscribe for 5 605 236 Naspers N ordinary shares at a subscription price of R31,96 per N ordinary share during the 30-day period from 9 September 2006. All of the outstanding options were taken up during the year ended 31 March 2007.

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>15. OTHER RESERVES</b>		
Other reserves on the balance sheet comprise:		
Fair value reserve	<b>173</b>	173
Hedging reserve	<b>3 236</b>	(20 193)
Foreign currency translation reserve	<b>1 207 880</b>	(14 634)
Existing control business combination reserve	<b>345 220</b>	(3 500 675)
Share-based compensation reserve	<b>337 608</b>	191 182
	<b>1 894 117</b>	(3 344 147)

The fair value reserve relates to unrealised profits and losses arising from changes in the fair value of investments classified as available-for-sale.

The hedging reserve relates to the changes in the fair value of derivative financial instruments. It hedges forecast transactions or the foreign currency part of firm commitments. The changes in fair value are recorded in the hedging reserve until the forecast transaction or firm commitment results in the recognition of an asset or liability, when such deferred gains or losses are then included in the initial measurement of the asset or liability.

The foreign currency translation reserve relates to exchange differences arising from the translation of foreign subsidiaries', joint ventures' and associates' income statements at average exchange rates for the year and their balance sheets at the ruling exchange rates at the balance sheet date if the functional currency differs.

The existing control business combination reserve is used to account for transactions with minority shareholders in terms of the economic entity model, whereby the excess of the cost of the transactions over the acquirer's interest in previously recognised assets and liabilities is allocated to this reserve in equity.

The fair value of options issued to employees is accounted for in the share-based compensation reserve over the vesting period. The reserve is adjusted when the entity revises its estimates of the number of share options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to this reserve in equity for equity-settled plans.

## 16. RETAINED EARNINGS

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 ("STC") at a rate of 12,5% of the dividends declared. Dividends received by group companies during their various dividend cycles can be carried forward as unutilised STC credits. These STC credits can then be utilised to reduce any STC payable on future dividends declared by group companies. The group's total unutilised STC credits at 31 March 2007 amounted to R4 646,0 million (2006: R870,8 million). The group has raised a valuation allowance against deferred tax assets of R476,2 million relating to unutilised STC credits at 31 March 2007 (2006: nil) due to uncertainties relating to the utilisation of these credits. The valuation allowance was based on the difference between the total unutilised STC credit available to the group, and the estimated STC liability for the next annual dividend cycle.

The board of directors has proposed that a dividend of 156 cents (2006: 120 cents) per N ordinary share and 31 cents (2006: 24 cents) per A ordinary share be paid to shareholders on 10 September 2007. If approved by the shareholders of the company at its annual general meeting, the company will pay a total dividend of R572,3 million based on the number of shares in issue at 31 March 2007. The company has enough STC credits carried forward to cover such a dividend. The utilisation of these STC credits will, however, lead to the realisation of a deferred tax asset of R71,5 million that will be charged to the income statement during the 2008 financial year.

**17. POST-RETIREMENT LIABILITIES****17.1 Medical liability**

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 way of a valuation. The key assumptions and valuation method are described below. The directors believe that adequate provision has been made for future liabilities. Media24 Limited and Via Afrika Limited entered into agreements during the year ended 31 March 2004 with certain employees to terminate their future participation in the post-retirement medical aid benefits plan, in exchange for certain future contributions to endowment policies for these employees. The endowment policy asset amounted to R34,8 million at 31 March 2007 and has been included under "Loans and receivables". At 31 March 2007 the group had a liability of R41,2 million (2006: R17,9 million) relating to these future contributions.

**Key assumptions and valuation method**

The actuarial valuation method used to value the liabilities is the projected unit credit method prescribed by IAS 19. Future benefits valued are projected using specific actuarial assumptions and the liability for in-service members is accrued over the expected working lifetime. Any plan assets are valued at current market value as required by IAS 19.

The most significant actuarial assumptions used for the current and previous valuations are outlined below:

Valuation date	31 March 2007	31 March 2006
Discount rate	7,75% pa	7,5% pa
Healthcare cost inflation	7,25% pa	6,5% pa
Expected retirement age	60	60
Membership discontinued at retirement	0%	0%

We assumed that current in-service members would retire on their current medical scheme option and that there would be no change in options in retirement.

The difference between the discount rate and the inflation assumption is more important than their absolute values.

Actuarial assumptions are generally more suited to the estimation of the future experience of larger groups of individuals. The overall experience of larger groups is less variable and is more likely to tend to the expected value of the underlying statistical distribution. The smaller the group size, the less likely it is that the actual future experience will be close to that expected. Furthermore, please note that even if the assumptions are appropriate for the group overall, they may not be appropriate at an individual level.

There is no allowance for deferred taxation in our calculations.

	31 March 2007 R'000	31 March 2006 R'000
<b>Post-retirement medical liability</b>		
Opening balance	161 629	161 298
Additional provisions charged to income statement	13 403	20 689
Provisions reversed to income statement	(630)	(3 019)
Provisions charged to other accounts	24 441	–
Provisions utilised	(3 554)	(12 953)
Partial disposal of interest in joint venture	–	(4 026)
Foreign currency translation effect	(14)	(360)
	195 275	161 629
Less: short-term portion	(304)	(8 164)
<b>Closing balance</b>	<b>194 971</b>	<b>153 465</b>

**17. POST-RETIREMENT LIABILITIES** (continued)

**17.1 Medical liability** (continued)

The closing balance of the above post-retirement medical liability includes the Media24 Limited plan liability of R149,6 million; the R41,2 million liability in respect of the agreement with certain employees of Media24 Limited and Via Afrika Limited; and the liability of Educor Holdings Limited of R4,5 million. Further disclosure of the Media24 Limited plan liability is presented below.

	31 March				
	2007 R'000	2006 R'000	2005 R'000	2004 R'000	2003 R'000
<b>Trend information</b>					
Present value of obligations	149 570	139 411	121 227	124 149	133 400
Experience adjustments:					
In respect of present value of obligations – actuarial gain/(loss)	5 547	(3 808)	10 039	(24)	(8 358)

As the value of the liability is based on a number of assumptions, a sensitivity analysis is presented below to show the effect of a one percentage point decrease or increase in the rate of healthcare cost inflation:

Healthcare cost inflation	Assumption		
	7,25%	(1%)	+1%
Accrued liability 31 March 2007 (R'000)	149 570	128 981	175 506
% change	–	(13,8%)	+17,3%
Current service cost + interest cost 2007/8 (R'000)	13 111	11 200	15 551
% change	–	(14,6%)	+18,6%

**17.2 Pension and provident benefits**

The group provides retirement benefits for its full-time employees by way of various separate defined contribution pension and provident funds. All full-time employees have access to these funds. Contributions to these funds are paid on a fixed scale. The South African retirement funds of the group are governed by the Pension Funds Act of South Africa. Substantially all the group's full-time employees are members of either one of the group's retirement benefit plans or a third-party plan.

An amount of R200,1 million (2006: R178,7 million) was recognised as an expense in relation to the group's retirement funds.

	31 March 2007 R'000	31 March 2006 R'000

**18. LONG-TERM LIABILITIES**

**Interest-bearing: Capitalised finance leases**

Total liabilities	1 447 638	1 443 636
Less: current portion	1 811 364 (363 726)	1 731 711 (288 075)

**Interest-bearing: Loans and other**

Total liabilities	748 324	722 006
Less: current portion	990 794 (242 470)	1 053 326 (331 320)

**Non-interest-bearing: Programme and film rights**

Total liabilities	170 457	149 971
Less: current portion	785 688 (615 231)	636 827 (486 856)

**Non-interest-bearing: Loans and other**

Total liabilities	19 475	39 948
Less: current portion	51 361 (31 886)	633 239 (593 291)

<b>Net long-term liabilities</b>	<b>2 385 894</b>	<b>2 355 561</b>
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**18. LONG-TERM LIABILITIES** (continued)

**Interest-bearing: Capitalised finance leases**

Type of lease	Currency	Year of final repayment	Weighted average year-end interest rate	31 March 2007 R'000	31 March 2006 R'000
Land and buildings	ZAR	2007	21,5%	–	26 925
	ZAR	2010	14,0%	12 075	14 262
	ZAR	2012	17,0%	51 345	52 808
	ZAR	2023	10,5%	127 731	123 742
				<b>191 151</b>	217 737
Manufacturing equipment	various	2010	5,9%	4 691	1 714
Transmission equipment and satellites	EUR	various	5,0%	–	68
	USD	2011	8,2%	594 796	537 287
	EUR	various	9,1%	306 716	268 754
	EUR	2013	3,5%	66 706	59 153
	USD	2013	4,1%	226 411	219 873
	EUR	2011	4,4%	97 599	94 385
	EUR	2010	9,6%	262 357	274 542
	USD	2011	6,5%	53 685	53 864
				<b>1 608 270</b>	1 507 926
Vehicles, computers and office equipment	ZAR	various	various	7 252	4 334
<b>Total capitalised finance leases</b>				<b>1 811 364</b>	1 731 711
<b>Minimum instalments</b>					
Payable within year one				483 164	407 545
Payable within year two				470 682	383 943
Payable within year three				406 135	373 141
Payable within year four				338 885	323 619
Payable within year five				286 035	271 344
Payable after year five				349 129	567 699
				<b>2 334 030</b>	2 327 291
Future finance costs on finance leases				(522 666)	(595 580)
Present value of finance lease liabilities				<b>1 811 364</b>	1 731 711
<b>Present value</b>					
Payable within year one				363 726	288 075
Payable within year two				387 716	288 945
Payable within year three				344 402	301 468
Payable within year four				301 270	273 757
Payable within year five				266 636	240 527
Payable after year five				147 614	338 939
Present value of finance lease liabilities				<b>1 811 364</b>	1 731 711

**18. LONG-TERM LIABILITIES** (continued)

**Interest-bearing: Loans and other**

Loan	Asset		Year of final repayment	Weighted average year-end interest rate	31 March	31 March
	secured	Currency			2007	2006
					R'000	R'000
<b>Secured</b>						
Term loan: Investec Bank Limited	Investments	ZAR	2007	9,0%	–	400 098
Term loan: Absa Bank Limited	Investments	USD	2007	6,9%	–	309 208
Hire purchase: Nedbank Limited	Vehicles	ZAR	2007	9,5%	–	35
Instalment sale: WesBank Limited	Machinery	ZAR	2010	11,5%	<b>285</b>	446
Instalment sale: WesBank Limited	Machinery	ZAR	2011	9,5%	<b>17 039</b>	–
Term loan: Euro Bank	Working capital	EUR	2011	5,3%	<b>38 862</b>	–
Term loan: Alpha Bank	Working capital	EUR	2011	5,4%	<b>194 312</b>	–
Term loan: Standard Bank	Buildings	ZAR	2012	10,8%	<b>1 536</b>	–
Bond finance: Nedbank Limited	Land	ZAR	2012	10,4%	<b>5 218</b>	5 990
<b>Unsecured</b>						
Term loan: CommerzBank and Futuregrowth		ZAR	2007	10,5%	–	35 143
Loan: Thebe Investment Corporation		ZAR	2008	4,8%	<b>11 500</b>	–
Term loan: Absa Bank Limited		ZAR	2009	15,6%	<b>195 274</b>	195 295
Term loan: Nedbank Limited		ZAR	2009	10,3%	<b>209 603</b>	–
Term loan: Rand Merchant Bank, CommerzBank and Standard Bank		ZAR	2009	8,9%	<b>130 729</b>	196 844
Term loan: CommerzBank		ZAR	2011	10,3%	<b>314 531</b>	–
Term loan: Nedbank Limited		ZAR	2012	14,7%	<b>44 534</b>	43 279
Preference share investments		ZAR	2012	14,7%	<b>(18 686)</b>	(16 532)
Loan: Afrinacol Investment Limited		ZAR	2007	11,0%	–	7 314
Other loans		various	various	various	<b>5 899</b>	1 226
Loans from minority shareholders		ZAR	various	various	<b>12 983</b>	23 184
Right to subscription shares		ZAR	various	various	<b>(172 825)</b>	(148 204)
					<b>990 794</b>	1 053 326

**18. LONG-TERM LIABILITIES** (continued)**Non-interest-bearing: Programme and film rights**

Liabilities	Currency	Year of final repayment	31 March 2007 R'000	31 March 2006 R'000
<b>Unsecured</b>				
Programme and film rights liabilities	EUR	2009	<b>437 066</b>	302 403
Programme and film rights liabilities	USD	various	<b>348 622</b>	334 424
			<b>785 688</b>	636 827
<b>Non-interest-bearing: Loans and other Loans and liabilities</b>				
Gordon Sports Properties	ZAR	2013	<b>583</b>	683
Democratic Media Trust of Namibia	NAD	2008	<b>2 505</b>	–
Service leaving indemnity	EUR	–	<b>14 354</b>	10 398
Loans from minority shareholders	various	various	<b>33 919</b>	29 068
NetMed shareholders' liability	EUR	–	–	593 090
			<b>51 361</b>	633 239
<b>Total long-term liabilities</b>				
<i>Repayment terms of long-term liabilities (excluding capitalised finance leases)</i>				
– payable within year one			<b>889 587</b>	1 411 467
– payable within year two			<b>367 376</b>	420 036
– payable within year three			<b>159 435</b>	233 344
– payable within year four			<b>68 944</b>	89 200
– payable within year five			<b>79 145</b>	89 261
– payable after year five			<b>263 356</b>	80 084
			<b>1 827 843</b>	2 323 392
<i>Interest rate profile of long-term liabilities (long- and short-term portion, including capitalised finance leases)</i>				
– Loans at fixed rates: 1 – 12 months			<b>385 870</b>	211 811
– Loans at fixed rates: more than 12 months			<b>2 125 269</b>	1 837 197
– Interest-free loans			<b>837 049</b>	1 270 066
– Loans linked to variable rates			<b>291 019</b>	736 029
			<b>3 639 207</b>	4 055 103

On application of IAS 32 in the year ended 31 March 2006, put options were identified at subsidiary entities within the group. As required by IFRS 1, the resulting liabilities were recognised at their fair value on 1 April 2005 directly in equity. Corresponding adjustments were made to long-term derivatives (R203 million) and the current portion of non-interest-bearing long-term liabilities (R593 million), respectively. The movement in the fair value of the put options is reflected in the income statement in "Other (losses)/gains – net" (refer to note 24).

## 19. PROVISIONS

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

Group	1 April	Additional provisions	Unutilised provisions	Credited/	Provisions	Foreign	31 March	Less	Long-term
	2006	raised	reversed	to other	utilised	currency	2007	short-term	portion
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Warranties	3 003	968	(1)	–	(41)	847	<b>4 776</b>	(4 776)	–
Pending litigation	24 548	3 370	(8 623)	–	(622)	(376)	<b>18 297</b>	(14 383)	3 914
Onerous contracts	11 440	1 242	(5 719)	–	(5 520)	–	<b>1 443</b>	(201)	1 242
Ad valorem duties	23 100	–	–	–	–	–	<b>23 100</b>	(23 100)	–
Restructuring provision	–	1 317	–	–	–	–	<b>1 317</b>	(1 317)	–
Decommissioning costs	3 548	2 536	(284)	(15)	–	991	<b>6 776</b>	(6 776)	–
Other	2 410	6 332	(19)	–	–	19	<b>8 742</b>	(8 543)	199
	68 049	15 765	(14 646)	(15)	(6 183)	1 481	<b>64 451</b>	(59 096)	5 355

Group	1 April	Additional provisions	Unutilised provisions	Credited/	Provisions	Foreign	31 March	Less	Long-term
	2005	raised	reversed	to other	utilised	currency	2006	short-term	portion
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Warranties	3 889	–	(247)	–	(626)	(13)	3 003	(3 003)	–
Pending litigation	25 862	7 622	(8 107)	1 683	(2 429)	(83)	24 548	(16 337)	8 211
Discontinued operations	4 267	–	–	–	(4 267)	–	–	–	–
Reorganisation	808	–	–	–	(808)	–	–	–	–
Onerous contracts	27 016	2 224	(11 257)	(1 494)	(4 158)	(891)	11 440	(6 640)	4 800
Ad valorem duties	23 100	–	–	–	–	–	23 100	–	23 100
Redundancy	583	–	–	–	(577)	(6)	–	–	–
Contract dispute	9 316	–	–	(9 921)	–	605	–	–	–
Decommissioning costs	2 556	1 058	–	–	–	(66)	3 548	–	3 548
Other	1 675	–	–	–	–	735	2 410	(2 410)	–
	99 072	10 904	(19 611)	(9 732)	(12 865)	281	68 049	(28 390)	39 659

**19. PROVISIONS** (continued)

Further details describing the provisions at 31 March 2007 are included below:

Irdeto provides a 12-month warranty on all hardware provided.

The group is currently involved in various litigation matters. The litigation provision has been made based on legal counsel and management's estimates of costs and claims relating to these actions (refer to note 21).

The provision for onerous contracts relates to obligations that the group has in terms of lease agreements, but the premises have been vacated. The group is liable for the rent under these contracts. The obligation will be settled over the remaining lease periods until 2010.

The provision for ad valorem duties relates to an investigation by tax authorities into the value ascribed to digital satellite decoders purchased for onward sale to major retailers. The provision was raised for the payment of these duties.

The provision for decommissioning relates to the estimated costs of decommissioning rented buildings. The lease agreements require that we return the rented buildings in the original state.

Other provisions relate to various liabilities of the group with uncertain timings and amounts.

**20. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
Deferred income	<b>1 189 626</b>	949 503
Accrued expenses	<b>1 462 295</b>	1 052 584
Amounts owing in respect of investments acquired	<b>46 040</b>	44 370
Taxes and social security	<b>402 609</b>	245 742
Bonus provision	<b>151 834</b>	142 488
Provision for leave	<b>119 729</b>	110 235
Other personnel provisions	<b>50 737</b>	41 749
Cash-settled share-based payment liability (short term)	<b>31 963</b>	23 191
Other current liabilities	<b>314 493</b>	304 346
	<b>3 769 326</b>	2 914 208

## 21. 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 contingencies 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 2007 amounted to R887,3 million (2006: R445,4 million).

### (b) Programme and film rights

At 31 March 2007 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 R2 024,3 million (2006: R1 425,9 million).

### (c) Set-top boxes

At 31 March 2007 the group had entered into contracts for the purchase of set-top boxes (decoders). The group's commitments in respect of these contracts amounted to R198,1 million (2006: R265,7 million).

### (d) Other commitments

At 31 March 2007 the group had entered into contracts for the receipt of various services. These service contracts are for the receipt of advertising, security, cleaning, computer support services and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amounted to R261,5 million (2006: R363,7 million). In addition to these various other commitments, the group also entered into a leasing contract for a new transponder of R1 636,9 million.

	<b>31 March</b>	31 March
	<b>2007</b>	2006
	<b>R'000</b>	R'000
<b>(e) Operating lease commitments</b>		
The group has the following operating lease liabilities at 31 March 2007 and 2006:		
Minimum operating lease payments:		
Payable in year one	<b>163 761</b>	134 501
Payable in year two	<b>109 577</b>	103 783
Payable in year three	<b>82 997</b>	61 572
Payable in year four	<b>39 655</b>	28 855
Payable in year five	<b>20 786</b>	15 487
Payable after five years	<b>53 175</b>	14 864
	<b>469 951</b>	359 062

The group leases office, manufacturing and warehouse space under various non-cancellable operating leases. Certain contracts contain renewal options and escalation clauses for various periods of time.

**21. COMMITMENTS AND CONTINGENCIES** (continued)**(f) Litigation claims****Call Centre Nucleus (Proprietary) Limited**

Call Centre Nucleus (Proprietary) Limited ("CCN") has claimed approximately R13,5 million from M-Web Holdings arising out of the purchase by M-Web Holdings of a subscriber base from CCN. The matter has been referred to arbitration but has not yet been heard.

**PaySmart Africa (Proprietary) Limited**

PaySmart Africa (Proprietary) Limited ("PaySmart") has claimed approximately R10,4 million from Electronic Media Network Limited ("M-Net") and Endemol South Africa Limited ("Endemol") alleging that it would have been paid this amount if M-Net and Endemol had granted it the rights to provide an SMS voting system for *Big Brother Africa* and *Idols*, two television shows, as allegedly contemplated in the head of agreement executed by the parties in April 2003. In February 2004 M-Net and Endemol objected to PaySmart's particulars of claim and since then PaySmart has not taken the proceedings any further.

**Onshelf Trading Forty Four (Proprietary) Limited t/a Mail and Guardian Online ("Onshelf") vs Q-Online (Proprietary) Limited ("Q-Online")**

Onshelf (in which M-Web South Africa ("M-Web") has a 65% shareholding), which had sold its Q-business to Q-Online, issued summons in the South African High Court against Q-Online for the payment of an outstanding portion of the purchase price of R0,2 million. Q-Online then instituted a counterclaim for specific performance of the sale agreement and damages of between R11,0 million and R13,0 million. The litigation has reached the stage where the parties have exchanged discovery affidavits.

**Malivision SARL**

In September 2005 Malivision SARL instituted proceedings against MultiChoice Africa Limited ("MCA") in Mali on the basis of an alleged breach by MCA of an exclusive distribution contract between them. Despite the fact that the contract stipulates South African law to govern the contract and the South African courts to handle any disputes, the Mali court heard the matter on 14 June 2006 and ordered MCA to pay Malivision CFA400 million (approximately US\$0,73 million). MCA has been granted leave to appeal the judgement and is taking steps to do so.

**Lumiere TV Public Company Limited ("LTV")**

In February 2006 NetMed NV ("NetMed") became aware of the fact that LTV, its co-shareholder in MultiChoice Holdings (Cyprus) Limited ("Holdings") (which, in turn, owns the majority of the shares in a listed entity, MultiChoice (Cyprus) Public Company Limited ("MCC"), had entered into arrangements with CYTA (the Cyprus Telecommunications Authority) which NetMed believed were in conflict with LTV's contractual obligations to NetMed, Holdings, MCC and certain of NetMed's affiliates. These obligations flowed from a shareholders' agreement dated 23 June 2000 between NetMed, LTV and Holdings ("the shareholders' agreement"), a channel distribution agreement of 21 June 2004 between MCC and LTV (the "CDA") and a programme supply agreement dated 1 January 2004 between LTV and affiliates of NetMed (the "PSA"). Pursuant to these facts, various legal proceedings have been instituted against LTV in the London Court of International Arbitration ("LCIA") and in the Cypriot courts and are continuing.

**Electronic Media Network Limited ("M-Net")**

Akani Egoli (Proprietary) Limited has instituted action against M-Net and Combined Artistic Productions in the High Court of South Africa for damages of R10,6 million allegedly suffered by the plaintiff as a result of an alleged defamation in a television broadcast. On 15 February 2006 the defendants filed their plea and pleadings are now closed.

**MultiChoice South Africa ("MCSA")**

MCSA instituted legal proceedings against the South African Revenue Service ("SARS") in relation to the ad valorem tariff determination on decoders, which SARS made in 2004. The proceedings were defended by SARS, but in late 2006 the dispute was referred to the Customs Appeal Committee. MCSA's appeal to this body was not successful and the next stage is the court hearing, which is scheduled for June 2007. A provision of R23,1 million has been raised and is included in the total provision in note 19.

**MultiChoice Africa**

MultiChoice Africa is pursuing a claim against four former employees who defrauded the company through manipulating the IBS Billing System and collecting subscriptions for their own account – the amount claimed is approximately R11,0 million. Bank accounts of the defendants in the United Kingdom and Jersey have been frozen. The matter is pending.

## 21. COMMITMENTS AND CONTINGENCIES (continued)

### (f) Litigation claims (continued)

#### **Zietsman patent infringement**

In December 2004 D W Zietsman instituted action against Endemol South Africa, M-Net, MultiChoice Africa (Proprietary) Limited, Vodacom and I-Touch alleging that the defendants had, in the course of certain *Big Brother* television shows infringed a patent belonging to him, and that he had suffered unspecified damages. The defendants are defending the action and the matter is proceeding.

#### **Taxation matters**

In December 2000 MultiChoice Hellas SA ("MCH") received a tax assessment from the Greek tax authorities for approximately €5,4 million relating to the tax treatment of advertising and marketing costs and municipal duties. MCH challenged the assessment and the Court of First Instance found against the company. MCH appealed the decision and the Appeal Court found in favour of MCH. The tax authorities did not lodge a further appeal within the time permitted. However, in February 2006 the tax authorities sent MCH a further assessment for the same amount plus arrear interest amounting to approximately €8,0 million. MCH has advised the tax authorities that their claim is legally unjustified and, in any case, filed too late. Nevertheless, the authorities have indicated that they intend to pursue their claim in the Greek courts.

The South African Revenue Service ("SARS") has alleged that participants in the Naspers and Media24 share incentive schemes should have paid additional income taxes on gains flowing from such participation and maintained that the employer companies in the group should have withheld such taxes. The group has operated deferred delivery employee share incentive schemes in a consistent manner for approximately 15 years. Based on the allegation to date, assessments have been raised by SARS on various Naspers group companies totalling approximately R13,6 million including interest charges. Naspers intends to defend the assessments raised in relation to the Naspers and Media24 share schemes, in court, if necessary.

MultiChoice Uganda Limited ("MUL") lodged an application against the Uganda Revenue Authority before the Tax Appeals Tribunal with respect to an assessment of over US\$4,5 million raised on MUL's dollar-based costs. The Tribunal found in MUL's favour, but the Revenue Authority may appeal the judgment.

MultiChoice Botswana (Proprietary) Limited is resisting a reassessment of tax by the Botswana Unified Revenue Service in an amount of US\$8,7 million.

#### **Equity compensation claims**

Three former employees of the group have made claims against the Royal Bank of Canada Trustees Limited, being the trustees of the Mindport Share Trust, alleging that the trustees used an incorrect valuation methodology in valuing their scheme shares at the time of the cessation of their employment. Since these claims were made, one of these former employees has started legal proceedings against the Royal Bank of Canada Trustees Limited, which proceedings are being defended. The group has indemnified Royal Bank of Canada trustees against claims arising from this litigation.

### (g) Guarantees

At 31 March 2007 the group had provided guarantees of R10,0 million (2006: R26,0 million) mainly in respect of office rental, services and other contracts.

### (h) Assets pledged as security

The group pledged property, plant and equipment, investments, cash and cash equivalents and accounts receivable with a net carrying value of R3 687,6 million at 31 March 2007 (2006: R1 562,0 million) to a number of banks as security for certain term loans and bank overdrafts.

MultiChoice Africa Limited ("MAL") entered into a revolving facility agreement with Absa Bank. This agreement entitles MAL access to a guaranteed facility of US\$125 million (2006: US\$50 million). MIH QQ has pledged such number of Tencent Holdings Limited ordinary par value shares with a market value of US\$375 million as security pursuant to this agreement. This facility bears interest at the London Inter Bank offer rate ("LIBOR") +2% per annum. The first instalment on this loan is due on 24 July 2008 and the repayment amount is as determined by the facility agreement.

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

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>22. REVENUE</b>		
<b>Revenues – continuing operations</b>		
Subscription revenue	<b>10 099 666</b>	8 236 706
Hardware sales	<b>733 589</b>	510 325
Technology revenue	<b>853 648</b>	390 714
Circulation revenue	<b>982 664</b>	915 077
Advertising revenue	<b>2 987 961</b>	2 489 890
Distribution revenue	<b>163 628</b>	139 765
Printing revenue	<b>942 034</b>	751 476
Book publishing and book sales revenue	<b>1 057 586</b>	856 858
Tuition fees	<b>471 333</b>	485 943
e-Commerce revenue	<b>425 545</b>	304 253
Contract publishing	<b>73 804</b>	67 122
Decoder maintenance	<b>73 611</b>	47 148
Reconnection fees	<b>37 711</b>	26 988
Other revenue	<b>605 301</b>	484 159
	<b>19 508 081</b>	15 706 424
<b>Revenue – discontinuing operations</b>		
United Broadcasting Corporation Limited	–	307 163
MKSC World Dot Com Co. Limited	–	51 510
	–	358 673
Other revenues include revenues from backhaul charges and financing service fees.		
<b>Barter revenue</b>		
Amount of barter revenue included in total revenue	<b>72 093</b>	47 239
Amount of barter revenue included in deferred income	<b>9 163</b>	9 106
<b>23. EXPENSES BY NATURE</b>		
Operating profit includes the following items:		
<b>Depreciation classification</b>		
Cost of providing services and sale of goods	<b>518 747</b>	411 653
Selling, general and administration expenses	<b>152 064</b>	157 186
	<b>670 811</b>	568 839
<b>Amortisation classification</b>		
Cost of providing services and sale of goods	<b>78 077</b>	59 625
Selling, general and administration expenses	<b>94 820</b>	35 664
	<b>172 897</b>	95 289
<b>Operating leases</b>		
Buildings	<b>163 531</b>	113 035
Satellite and transponders	<b>1 360</b>	5 940
Other equipment	<b>26 561</b>	23 070
	<b>191 452</b>	142 045
<b>Auditor's remuneration</b>		
Audit fees	<b>32 704</b>	33 028
Audit-related fees	<b>17 606</b>	4 092
Tax fees	<b>5 196</b>	4 167
All other fees	<b>8 531</b>	8 496
	<b>64 037</b>	49 783

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>23. EXPENSES BY NATURE</b> (continued)		
<b>Foreign exchange profits/(losses)</b>		
On capitalisation of forward exchange contracts in hedging transactions	(89)	5 069
On derecognition of embedded derivatives	–	(127 822)
Other	<b>(1 408)</b>	4 043
	<b>(1 497)</b>	(118 710)
<b>Staff costs</b>		
As at 31 March 2007 the group had 15 133 (2006: 12 067) permanent employees. The total cost of employment of all employees, including directors, was as follows:		
Salaries, wages and bonuses	<b>3 066 028</b>	2 434 244
Retirement benefit costs (defined contribution plan)	<b>200 108</b>	178 701
Medical aid fund contributions	<b>189 096</b>	153 434
Post-retirement benefits	<b>16 448</b>	19 007
Training costs	<b>38 019</b>	26 179
Share-based compensation charges	<b>199 509</b>	135 494
<b>Total staff costs</b>	<b>3 709 208</b>	2 947 059
<b>Fees paid to non-employees for administration, management and technical services</b>	<b>195 040</b>	201 093
<b>Research and development costs</b>	<b>63 561</b>	54 921
<b>Advertising expenses</b>	<b>696 027</b>	491 091
<b>Programme and film rights directly expensed</b>	<b>2 398 350</b>	3 205 132
<b>Amortisation of programme and film rights</b>	<b>1 287 817</b>	1 125 783
<b>24. OTHER (LOSSES)/GAINS – NET</b>		
<b>Dividends – listed investments</b>	<b>194</b>	574
<b>Dividends – unlisted investments</b>	<b>3 488</b>	1 596
<b>Profit on sale of assets</b>	<b>8 515</b>	15 370
<b>Fair value adjustment for shareholders' liabilities</b>	<b>72 423</b>	49 764
<b>Impairment losses</b>	<b>(113 470)</b>	(69 152)
Impairment of goodwill and other intangible assets	<b>(37 645)</b>	(69 847)
Impairment of property, plant and equipment and other assets	<b>(77 625)</b>	(326)
Reversal of impairment of property, plant and equipment and other assets	<b>1 800</b>	2 488
Other impairments	–	(1 467)
<b>Compensation received from third parties for property, plant and equipment impaired, lost or stolen</b>	<b>409</b>	1 841
<b>Other (losses)/gains – net</b>	<b>(28 441)</b>	(7)

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>25. FINANCE COSTS – NET</b>		
<b>Interest paid</b>		
Loans and overdrafts	<b>157 524</b>	212 056
Finance lease equipment	<b>174 055</b>	176 601
Other	<b>15 572</b>	5 090
	<b>347 151</b>	393 747
Preference dividends and rights	<b>(48 177)</b>	(118 451)
	<b>298 974</b>	275 296
<b>Interest received</b>		
Preference dividends	<b>(69 614)</b>	–
Loans and bank accounts	<b>(289 703)</b>	(279 458)
	<b>(359 317)</b>	(279 458)
<b>Net loss/(profit) from foreign exchange translation</b>	<b>371 693</b>	(5 290)
On translation of assets and liabilities	<b>263 398</b>	72 034
On translation of transponder leases	<b>120 051</b>	(49 164)
On translation of loans	<b>(11 756)</b>	(28 160)
<b>Net loss/(profit) from fair value adjustments on derivative financial instruments</b>	<b>64 822</b>	(6 225)
On translation of forward exchange contracts	<b>(93 269)</b>	57 682
On accounting for embedded derivatives	<b>158 091</b>	(63 907)
	<b>376 172</b>	(15 677)
<b>26. TAXATION</b>		
Normal taxation		
South Africa	<b>1 030 943</b>	726 067
Current year	<b>1 002 862</b>	739 734
Prior year	<b>28 081</b>	(13 667)
Foreign taxation	<b>218 967</b>	158 066
Current year	<b>217 762</b>	153 563
Prior year	<b>1 205</b>	4 503
Secondary taxation on companies	<b>34 361</b>	21 230
Income taxation for the year	<b>1 284 271</b>	905 363
Deferred taxation	<b>(33 769)</b>	29 450
Current year	<b>(32 919)</b>	(20 519)
Change in rate	<b>32 592</b>	35 472
Prior year	<b>(28 284)</b>	(73 495)
Foreign	<b>(5 158)</b>	87 992
<b>Total tax per income statement</b>	<b>1 250 502</b>	934 813

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>26. TAXATION (continued)</b>		
<b>Reconciliation of taxation</b>		
Taxation at statutory rates	<b>997 985</b>	971 826
Adjusted for:		
Non-deductible expenses	<b>266 684</b>	47 037
Non-taxable income	<b>(53 211)</b>	(124 086)
Unprovided timing differences	<b>113 775</b>	5 433
Assessed losses increased/(utilised)	<b>94 420</b>	(120 748)
Assessed losses expired	<b>426</b>	–
Initial recognition of prior year taxes	<b>(1 111)</b>	(82 659)
Other taxes	<b>68 939</b>	113 051
Changes in taxation rates	<b>33 037</b>	35 472
Tax attributable to associate income	<b>(98 118)</b>	–
Tax adjustment for foreign tax rates	<b>(172 324)</b>	89 487
<b>Taxation provided in income statement</b>	<b>1 250 502</b>	934 813
<b>27. DISCONTINUING OPERATIONS</b>		
No material discontinued operations existed in the group during the 2007 financial year. On 7 November 2005 the group publicly announced that it had entered into an agreement in terms of which it would sell its entire interest in United Broadcasting Corporation Public Company Limited and MKSC World Dot Com Co. Limited to True Corporation for a gross amount of approximately US\$164 million. This transaction was concluded on 6 January 2006. The results of these operations were previously included in the pay-television and internet segments of the group.		
Selected financial information relating to these operations:		
<b>Profit from discontinued operations</b>		
Revenue	–	358 673
Cost of providing services and sale of goods	–	(249 416)
Selling, general and administration expenses	–	(43 244)
Other (losses)/gains – net	–	5 710
<b>Operating profit</b>	–	71 723
Finance costs – net	–	(8 476)
<b>Profit before taxation</b>	–	63 247
Taxation	–	(19 029)
<b>Profit for the year</b>	–	44 218
<b>Attributable to:</b>		
Equity holders of the group	–	43 107
Minority interest	–	1 111
	–	44 218
<b>Profit arising on discontinuance of operations</b>		
Profit on disposal of United Broadcasting Corporation Public Company Limited	–	972 882
Profit on disposal of MKSC World Dot Com Co. Limited	–	59 278
	–	1 032 160
<b>Cash flow information</b>		
Amounts of net cash flow relating to the discontinued operations:		
Operating cash flow	–	79 104
Investing activities	–	(33 015)
Financing activities	–	(6 247)
Net cash flow	–	39 842

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>28. EARNINGS PER SHARE</b>		
<b>Earnings</b>		
Net profit attributable to shareholders	<b>1 998 877</b>	3 160 804
<b>Headline adjustments</b>		
Adjustments:	<b>273 340</b>	(31 413)
Reversal of impairment charge	<b>(1 278)</b>	(1 473)
Disposal of investments and businesses	<b>279 396</b>	(14 398)
Profit on sale of assets	<b>(4 778)</b>	(15 542)
Impairments:	<b>287 274</b>	71 032
Impairment of fixed assets	<b>66 043</b>	225
Impairment of associates	<b>175 648</b>	–
Impairment of investments	–	1 467
Impairment of other assets	<b>11 070</b>	331
Impairment of goodwill	<b>34 513</b>	69 009
Profit arising on discontinuance of operations	–	(1 032 160)
<b>Headline earnings</b>	<b>2 559 491</b>	2 168 263
Headline profit from discontinued operations	–	(31 816)
<b>Headline earnings from continuing operations</b>	<b>2 559 491</b>	2 136 447
Number of N ordinary shares in issue at year-end	<b>344 631 900</b>	290 554 814
New share issue	<b>(46 403 713)</b>	–
Adjusted for movement in shares held by share trusts	<b>(2 471 849)</b>	(6 835 955)
Weighted average number of N ordinary shares in issue during the year	<b>295 756 338</b>	283 718 859
Adjusted for effect of future share-based compensation payments	<b>12 090 704</b>	16 523 922
Diluted weighted average number of N ordinary shares in issue during the year	<b>307 847 042</b>	300 242 781
<b>Continuing operations</b>		
Earnings per N ordinary share (cents)		
Basic	<b>676</b>	1 103
Fully diluted	<b>649</b>	1 042
Headline earnings per N ordinary share (cents)		
Basic	<b>866</b>	753
Fully diluted	<b>832</b>	711
<b>Discontinuing operations</b>		
Earnings per N ordinary share (cents)		
Basic	–	11
Fully diluted	–	11
Headline earnings per N ordinary share (cents)		
Basic	–	11
Fully diluted	–	11

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>29. CASH FROM OPERATING ACTIVITIES</b>		
Profit before tax per income statement	<b>3 441 326</b>	3 188 877
Profit before tax from discontinued operations	–	50 835
	<b>3 441 326</b>	3 239 712
Adjustments:		
– Non-cash and other	<b>1 311 770</b>	656 503
Profit on sale of property, plant and equipment	<b>(8 515)</b>	(21 079)
Depreciation and amortisation	<b>843 710</b>	691 258
Share-based compensation expenses	<b>199 509</b>	112 560
Net finance cost	<b>376 172</b>	(7 201)
Share of equity-accounted results	<b>(338 628)</b>	(94 784)
Impairment of equity-accounted investment	<b>175 648</b>	–
Profit on sale of investments	<b>(23 838)</b>	(74 366)
Other	<b>87 712</b>	50 115
– Working capital	<b>(7 751)</b>	123 690
Cash movement in trade and other receivables	<b>(687 461)</b>	(389 247)
Cash movement in payables, provisions and accruals	<b>802 740</b>	479 272
Cash payments for programme and film rights	<b>65 564</b>	171 781
Cash movement in inventories	<b>(188 594)</b>	(138 116)
Cash from operating activities	<b>4 745 345</b>	4 019 905
<b>30. ACQUISITION OF SUBSIDIARIES</b>		
Fair value of assets and liabilities acquired:		
Property, plant and equipment	<b>16 560</b>	30 885
Investments and loans	<b>35 857</b>	–
Intangible assets	<b>256 069</b>	–
Net current assets/(liabilities)	<b>(1 542)</b>	21 036
Deferred taxation	<b>(4 996)</b>	(5 087)
Long-term liabilities	<b>(2 598)</b>	–
	<b>299 350</b>	46 834
Minority shareholders' interest	<b>(3 735)</b>	–
Goodwill	<b>22 960</b>	9 145
Purchase consideration	<b>318 575</b>	55 979
Cash in subsidiaries acquired	<b>(44 546)</b>	(13 060)
Net cash outflow from acquisition of subsidiaries	<b>274 029</b>	42 919

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>31. DISPOSAL OF SUBSIDIARIES</b>		
Book value of assets and liabilities:		
Property, plant and equipment	<b>8 240</b>	3 928
Goodwill and intangible assets	<b>438</b>	2 639
Investments and loans	<b>27</b>	–
Net current assets	<b>14 004</b>	11 956
Deferred taxation	<b>(3 536)</b>	(7 677)
Long-term liabilities	<b>(6 497)</b>	–
	<b>12 676</b>	10 846
Minority shareholders' interest	<b>(2 963)</b>	–
Profit on sale	<b>38 238</b>	56 663
Selling price	<b>47 951</b>	67 509
Cash in subsidiaries disposed of	<b>(37 740)</b>	(30 783)
Net cash inflow from disposal of subsidiaries	<b>10 211</b>	36 726
<b>32. ACQUISITION OF JOINT VENTURES</b>		
Fair value of assets and liabilities acquired:		
Property, plant and equipment	<b>14 105</b>	–
Intangible assets	<b>38 459</b>	–
Net current liabilities	<b>2 383</b>	–
Deferred taxation	<b>(8 284)</b>	–
	<b>46 663</b>	–
Goodwill	<b>104 371</b>	–
Purchase consideration	<b>151 034</b>	–
Contingent consideration	<b>(7 703)</b>	–
Cash paid in respect of joint ventures acquired	<b>143 331</b>	–
Cash in joint ventures acquired	<b>(5 179)</b>	–
Net cash outflow from additional investment in joint ventures	<b>138 152</b>	–
<b>33. PARTIAL DISPOSAL OF INTEREST IN JOINT VENTURES</b>		
Book value of assets and liabilities:		
Property, plant and equipment	–	90 238
Investments and loans	–	5 097
Goodwill and intangible assets	–	8 224
Net current assets	–	86 210
Long-term liabilities	–	(118 174)
	–	71 595
Minority shareholders' interest	–	(5 789)
Profit on sale	–	933 472
Selling price	–	999 278
Cash in joint ventures disposed of	–	(247 433)
Net cash inflow on disposal of interest in joint ventures	–	751 845

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>34. PARTIAL DISPOSAL OF INTEREST IN SUBSIDIARY</b>		
Selling price	<b>4 105 000</b>	10 000
Preference shares received as settlement	<b>(3 284 000)</b>	–
Costs incurred with sale	<b>(73 302)</b>	–
Amounts receivable	<b>(15 547)</b>	–
Net cash inflow on partial disposal of subsidiaries	<b>732 151</b>	10 000
<b>35. CASH AND CASH EQUIVALENTS</b>		
Cash and deposits	<b>11 845 147</b>	6 775 542
Bank overdrafts and call loans	<b>(364 039)</b>	(364 777)
	<b>11 481 108</b>	6 410 765
<b>Restricted cash</b>		
The following cash balances are restricted from immediate use according to agreements with banks and other financial institutions:		
Mediterranean	–	212
The Netherlands	<b>9 715</b>	233 085
Thailand	<b>673</b>	484
USA	<b>11 323</b>	3 987
<b>Total restricted cash</b>	<b>21 711</b>	237 768

### 36. 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 electronic media, print media and corporate services. Electronic media is further disaggregated into pay television, internet, conditional access systems and broadband technologies. The print media segment is further disaggregated into newspapers, magazines and printing, books and education. The group's business is conducted in the following main business segments:

#### **Electronic media**

- > *Pay television* – through the group's subsidiaries, associated companies and joint ventures based in South Africa, sub-Saharan Africa, Cyprus and Greece, which generate revenue mainly from local customers.
- > *Internet* – through the group's subsidiaries, associated companies and joint ventures based in South Africa, sub-Saharan Africa, Thailand, China and Russia, which generate revenue mainly from local customers.
- > *Conditional access systems* – through Irdeto, provides digital content management and protections systems to customers globally.
- > *Broadband technologies* – through Entriq, to protect, manage and monetise all digital media worldwide on any platform.

#### **Print media**

- > *Newspapers, magazines and printing* – through the group's subsidiaries, joint ventures and associated companies in southern Africa, Brazil and China, which publish, print and distribute various newspapers and magazines for the local market.
- > *Books* – through the group's subsidiaries in southern Africa, which generate income mainly from local customers.
- > *Education* – through the group's subsidiaries in South Africa and Brazil, which generate income mainly from local customers.

**Corporate services** – represents the group's holding company and 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.

**36. BUSINESS AND GEOGRAPHICAL SEGMENTS** (continued)

March 2007	Electronic media				Print media				Elimi <sup>(a)</sup>	Consolidated total
	Pay television	Internet	Conditional access systems	Broad-band technologies	Newspapers, magazines and printing	Books	Education	Corporate services		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Revenue</b>										
External	11 214 291	1 143 073	774 648	90 706	4 680 265	1 084 126	543 681	–	(22 709)	19 508 081
Intersegmental	–	24 444	143 065	14 076	37 191	61 230	2 906	115 824	(398 736)	–
<b>Total revenue</b>	<b>11 214 291</b>	<b>1 167 517</b>	<b>917 713</b>	<b>104 782</b>	<b>4 717 456</b>	<b>1 145 356</b>	<b>546 587</b>	<b>115 824</b>	<b>(421 445)</b>	<b>19 508 081</b>
Cost of providing services and sale of goods	(5 976 053)	(629 610)	(246 013)	(45 865)	(2 954 175)	(678 712)	(281 269)	(103 609)	254 336	(10 660 970)
Selling, general and administration expenses	(1 828 522)	(627 653)	(609 052)	(349 134)	(1 182 643)	(344 034)	(342 419)	(71 642)	167 109	(5 187 990)
Other (losses)/gains – net	49 528	(12 665)	1 007	349	(31 551)	(6 872)	(28 265)	28	–	(28 441)
<b>Operating profit/(loss)</b>	<b>3 459 244</b>	<b>(102 411)</b>	<b>63 655</b>	<b>(289 868)</b>	<b>549 087</b>	<b>115 738</b>	<b>(105 366)</b>	<b>(59 399)</b>	<b>–</b>	<b>3 630 680</b>
Finance costs – net	(204 630)	81 258	3 437	4 233	(280 708)	20 939	(12 853)	12 152	–	(376 172)
Share of equity-accounted results	(15 407)	332 819	–	–	28 889	331	(8 004)	–	–	338 628
Impairment of equity-accounted investment	–	(25 778)	–	–	(149 870)	–	–	–	–	(175 648)
Profit/(loss) on sale of investments	–	–	–	–	41 434	34 603	20 417	346	(72 962)	23 838
<b>Profit/(loss) before taxation</b>	<b>3 239 207</b>	<b>285 888</b>	<b>67 092</b>	<b>(285 635)</b>	<b>188 832</b>	<b>171 611</b>	<b>(105 806)</b>	<b>(46 901)</b>	<b>(72 962)</b>	<b>3 441 326</b>
Taxation	(1 005 115)	(8 296)	(11 446)	(825)	(185 323)	(71 067)	(1 680)	33 250	–	(1 250 502)
<b>Net profit/(loss)</b>	<b>2 234 092</b>	<b>277 592</b>	<b>55 646</b>	<b>(286 460)</b>	<b>3 509</b>	<b>100 544</b>	<b>(107 486)</b>	<b>(13 651)</b>	<b>(72 962)</b>	<b>2 190 824</b>
<b>Attributable to:</b>										
Equity holders of the group	2 105 549	256 938	55 646	(286 460)	(25 132)	87 546	(108 041)	(14 207)	(72 962)	1 998 877
Minority interest	128 543	20 654	–	–	28 641	12 998	555	556	–	191 947
	<b>2 234 092</b>	<b>277 592</b>	<b>55 646</b>	<b>(286 460)</b>	<b>3 509</b>	<b>100 544</b>	<b>(107 486)</b>	<b>(13 651)</b>	<b>(72 962)</b>	<b>2 190 824</b>
Segment assets <sup>(b)</sup>	15 867 045	8 186 380	1 945 838	628 188	7 009 854	735 748	526 552	17 950 805	(21 172 333)	31 678 077
Investments in associates	136 283	2 611 062	14 017	6 007	3 495 036	4 287	7 919	–	–	6 274 611
Segment liabilities <sup>(b)</sup>	13 471 936	7 188 654	1 616 789	1 645 141	6 083 509	311 574	883 167	86 948	(21 170 273)	10 117 445
Capital expenditure	288 762	138 128	26 460	23 815	457 185	49 620	32 205	2 072	(5 200)	1 013 047
Amortisation of programme and film rights*	1 286 483	–	–	1 334	–	–	–	–	–	1 287 817
Depreciation of property, plant and equipment	387 589	48 992	16 003	21 254	162 036	11 030	22 291	1 616	–	670 811
Amortisation of intangible assets	14 008	59 847	60 211	–	24 907	8 385	3 130	2 409	–	172 897
Impairment of tangible assets	52 624	38 382	–	–	162 198	69	–	–	–	253 273
Impairment of intangible assets	–	2 932	–	–	200	6 944	27 569	–	–	37 645
Reversal of impairment of tangible assets	1 800	–	–	–	–	–	–	–	–	1 800

\*Included in operating profit

(a) Represents adjustments relating to intersegmental transactions and balances that eliminate on consolidation.

(b) Excludes deferred tax assets, deferred tax liabilities and other taxes.

**36. BUSINESS AND GEOGRAPHICAL SEGMENTS** (continued)

March 2006	Electronic media				Print media				Elimi- <sup>(a)</sup> nations	Consoli- dated total
	Pay television	Internet	Conditional access systems	Broad- band tech- nologies	Newspapers, magazines and printing	Books	Education	Corporate services		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Revenue</b>										
External	8 903 324	975 187	352 320	65 864	3 983 131	917 993	536 338	9 805	(37 538)	15 706 424
Intersegmental	8 280	31 301	112 965	7 538	82 222	21 971	773	73 944	(338 994)	-
<b>Total revenue</b>	<b>8 911 604</b>	<b>1 006 488</b>	<b>465 285</b>	<b>73 402</b>	<b>4 065 353</b>	<b>939 964</b>	<b>537 111</b>	<b>83 749</b>	<b>(376 532)</b>	<b>15 706 424</b>
Cost of providing services and sale of goods	(4 863 668)	(562 020)	(123 419)	(25 244)	(2 506 406)	(574 308)	(277 032)	(67 364)	245 771	(8 753 690)
Selling, general and administration expenses	(1 296 260)	(604 777)	(342 653)	(213 325)	(960 790)	(285 820)	(301 043)	(74 770)	130 761	(3 948 677)
Other (losses)/gains – net	33 768	(2 035)	411	(2)	13 937	(3 313)	(42 799)	26	-	(7)
<b>Operating profit/(loss)</b>	<b>2 785 444</b>	<b>(162 344)</b>	<b>(376)</b>	<b>(165 169)</b>	<b>612 094</b>	<b>76 523</b>	<b>(83 763)</b>	<b>(58 359)</b>	<b>-</b>	<b>3 004 050</b>
Finance costs – net	(89 764)	78 358	9 523	7 028	(69 113)	97	(29 347)	108 895	-	15 677
Share of equity-accounted results	3 755	91 037	-	-	(57)	49	-	-	-	94 784
Profit/(loss) on sale of investments	-	-	-	-	(1 133)	56 772	334	18 393	-	74 366
<b>Profit/(loss) before taxation</b>	<b>2 699 435</b>	<b>7 051</b>	<b>9 147</b>	<b>(158 141)</b>	<b>541 791</b>	<b>133 441</b>	<b>(112 776)</b>	<b>68 929</b>	<b>-</b>	<b>3 188 877</b>
Taxation	(790 098)	(59 706)	(4 912)	698	(76 201)	1 309	93	(5 996)	-	(934 813)
Net profit/(loss) from continuing operations	1 909 337	(52 655)	4 235	(157 443)	465 590	134 750	(112 683)	62 933	-	2 254 064
Profit/(loss) from discontinued operations	43 810	408	-	-	-	-	(12 402)	-	-	31 816
Profit/(loss) arising on discontinuance of operations	972 882	59 278	-	-	-	-	-	-	-	1 032 160
<b>Net profit/(loss)</b>	<b>2 926 029</b>	<b>7 031</b>	<b>4 235</b>	<b>(157 443)</b>	<b>465 590</b>	<b>134 750</b>	<b>(125 085)</b>	<b>62 933</b>	<b>-</b>	<b>3 318 040</b>
<b>Attributable to:</b>										
Equity holders of the group	2 839 162	(6 600)	4 235	(157 443)	422 413	121 350	(125 352)	63 039	-	3 160 804
Minority interest	86 867	13 631	-	-	43 177	13 400	267	(106)	-	157 236
	<b>2 926 029</b>	<b>7 031</b>	<b>4 235</b>	<b>(157 443)</b>	<b>465 590</b>	<b>134 750</b>	<b>(125 085)</b>	<b>62 933</b>	<b>-</b>	<b>3 318 040</b>
Segment assets <sup>(b)</sup>	7 907 837	1 579 911	509 396	89 894	3 289 315	544 277	514 438	9 961 390	(7 980 634)	16 415 824
Investments in associates	32 378	684 420	-	-	295 698	3 956	-	205 880	-	1 222 332
Segment liabilities <sup>(b)</sup>	10 161 933	2 257 055	617 814	870 961	2 373 326	186 045	781 630	(504 143)	(7 544 167)	9 200 454
Capital expenditure	285 643	72 468	17 286	27 905	535 555	41 874	38 649	5 360	-	1 024 740
Amortisation of programme and film rights*	1 125 783	-	-	-	-	-	-	-	-	1 125 783
Depreciation of property, plant and equipment	344 748	64 466	13 026	12 291	130 118	8 470	20 368	2 059	-	595 546
Amortisation of intangible assets	9 075	55 183	6 267	-	17 225	2 245	2 543	3 174	-	95 712
Impairment of tangible assets	-	-	-	-	-	326	-	-	-	326
Impairment of intangible assets	9 144	95	-	-	557	4 166	55 885	-	-	69 847
Reversal of impairment of tangible assets	-	238	-	-	1 706	131	-	-	-	2 075
Reversal of impairment of intangible assets	-	413	-	-	-	-	-	-	-	413

\*Included in operating profit

(a) Represents adjustments relating to intersegmental transactions and balances that eliminate on consolidation.

(b) Excludes deferred tax assets, deferred tax liabilities and other taxes.

**36. 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. The activities in the Republic of South Africa are the most significant in this segment and therefore South Africa has been presented separately.

**United States of America** – The group's activities comprise a portion of services and goods rendered by the technology operations, based in the United States of America.

**Greece and Cyprus** – The group generates revenue from television platform services with operations in Greece and Cyprus.

**Asia** – The group's activities comprise its interest in internet activities based in Thailand and China. Furthermore, the group generates revenue from interactive television and technology products and services provided by subsidiaries based in the Netherlands.

**Other** – Includes the group's provision of various products through subsidiaries and associates located mainly in the Netherlands, Brazil and Russia.

	Africa		USA R'000	Greece and Cyprus R'000	Asia R'000	Other R'000	Elimi- <sup>(a)</sup> nations R'000	Consoli- dated total R'000
	South Africa	Rest of Africa						
<b>March 2007</b>								
External revenue	14 214 421	2 588 764	84 836	1 784 753	168 210	667 097	–	19 508 081
Segment assets <sup>(b)</sup>	32 674 492	2 635 141	191 439	2 179 762	970 915	13 096 172	(20 069 844)	31 678 077
Capital expenditure	782 072	66 920	38 087	26 241	46 721	53 006	–	1 013 047
<b>March 2006</b>								
External revenue	11 993 868	1 837 828	48 825	1 469 148	77 977	278 778	–	15 706 424
Segment assets <sup>(b)</sup>	19 095 383	2 310 481	108 479	1 155 227	1 262 005	15 551 875	(23 067 626)	16 415 824
Capital expenditure	806 074	16 007	29 049	109 563	50 463	13 584	–	1 024 740

(a) Represents adjustments relating to intersegmental balances that eliminate on consolidation.

(b) Excludes deferred tax assets.

**37. FINANCIAL RISK MANAGEMENT****Financial risk factors**

The group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the financial performance of the group. The group uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge certain risk exposures. The group does not speculate with, or engage in, the trading of financial instruments.

Risk management is carried out by the management of the group under policies approved by the board of directors. Management identifies, evaluates and hedges financial risks. The various boards of directors within the group provide written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative instruments and the investment of excess liquidity.

**Foreign exchange risk**

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Although a substantial portion of the group's revenue is denominated in the currencies of the countries in which it operates, a significant portion of cash obligations, including payment obligations under satellite transponder leases and contracts for pay-television programming and channels, are denominated in US dollars. Where the group's revenue is denominated in local currency such as rand or euro, depreciation of the local currency against the US dollar adversely affects the group's earnings and its ability to meet cash obligations. Entities in the group use forward exchange contracts to hedge their exposure to foreign currency risk in connection with their functional currencies. Management is responsible for hedging the net position in the major foreign currencies by using forward currency contracts. The group generally covers forward 80% to 100% of firm commitments in foreign currency for up to two years.

The group has classified some of its forward exchange contracts relating to forecasted transactions and firm commitments as cash flow hedges, and states them at fair value. The transactions relate mainly to programming costs, transponder lease instalments and the acquisition of inventory items. A cumulative after-tax gain of R3,2 million (2006: R20,2 million loss) has been deferred in a hedging reserve at 31 March 2007. This amount is expected to realise as a gain over the next two years. Changes in the fair value of forward exchange contracts that economically hedge monetary liabilities in foreign currencies and for which no hedge accounting is applied, are recognised in the income statement. Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised as part of "finance costs – net" (see note 25). The fair value of all forward exchange contracts at 31 March 2007 was a net asset of R49,5 million (2006: R101,9 million net liability), comprising assets of R52,5 million (2006: R0,3 million) and liabilities of R3,0 million (2006: R102,2 million), that were recognised as derivative financial instruments.

### 37. FINANCIAL RISK MANAGEMENT (continued)

#### Foreign exchange risk (continued)

The group regularly enters into long-term US dollar-based contracts that relate to the purchase of film and television programme content. During the year ended 31 March 2007, IFRS interpretation in South Africa concluded that the US dollar is currently "commonly used" by South African entities in the import and export environment. Accordingly, the group reassessed its contracts under these changed circumstances and has ceased to separate these embedded derivatives as from 1 April 2006. This has resulted in the derecognition of US dollar embedded derivative assets in the 2007 financial year. The fair value of embedded derivative instruments, mainly relating to programming contracts with content providers, at 31 March 2007 was R11,0 million (2006: R166,5 million), comprising assets of R11,0 million (2006: R167,1 million) and no liabilities (2006: R0,6 million) that were recognised as derivative financial instruments.

The group's forward exchange contracts are used primarily to hedge the rand against the US dollar. During the financial year ended 31 March 2007, the average value of the US dollar increased against the rand by approximately 10,9%. The value of the group's hedged future foreign currency commitments was approximately R387,8 million more at 31 March 2007 than it was at the end of March 2006 as a result of new forward currency contracts entered into by Naspers during 2007 at a higher US dollar rate than in 2006. The total value of future hedged foreign currency commitments at 31 March 2007 amounted to R1 806,3 million (2006: R1 418,5 million). At 31 March 2007, the group's uncovered foreign liabilities position of US dollars and euros, which is subject to risk of foreign currency exchange rate fluctuations, amounted to US\$119,5 million (2006: US\$58,1 million) and €51,3 million (2006: €58,4 million) respectively. The exposure amount primarily reflects US dollar- and euro-denominated debt relating to finance lease commitments and programme and film rights. The group's exposure to exchange rate fluctuations in currencies other than the US dollar and euro is not material.

Where the group has surplus funds offshore, the treasury policy is to spread the funds between US dollar and euro to limit the effect of foreign exchange rate fluctuations and to achieve the highest level of interest income.

#### Credit risk

Receivables consist primarily of invoiced amounts from normal trading activities. The group has a large diversified customer base across many geographical areas. Strict credit control is exercised through monitoring customers' payment history and when necessary, provision is made for both specific and general doubtful accounts. As at 31 March 2007, the directors were unaware of any significant unprovided or uninsured concentration of credit risk. The group is exposed to certain concentrations of credit risk relating to its cash and current investments. It places its cash and current investments mainly with major banking groups and high-quality institutions that have high credit ratings. The group's treasury policy is designed to limit exposure to any one institution and invests its excess cash in low-risk investment accounts. The counterparties that are used by the group are evaluated on a continuous basis. At 31 March 2007, cash and current investments were held with numerous financial institutions.

#### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In terms of the articles of association of the company, no limitation is placed on its borrowing capacity. The facilities expiring within one year are subject to renewal at various dates during the next year. The group had the following unutilised banking facilities as at 31 March 2007 and 31 March 2006:

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
On call	<b>1 482 090</b>	252 200
Expiring within one year	<b>18 439</b>	1 554 539
Expiring beyond one year	<b>909 664</b>	–
	<b>2 410 193</b>	1 806 739

The facilities expiring within one year are annual facilities subject to review at various dates during the year.

**37. FINANCIAL RISK MANAGEMENT** (continued)

**Interest rate risk**

As part of the process of managing the group's fixed and floating borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the group uses derivative instruments, such as interest rate swap agreements, purely for hedging purposes. At 31 March 2007 Naspers's liabilities included certain short-term fixed or floating interest rate instruments. The fair value of these instruments will not change significantly as a result of changes in interest rates due to their short-term nature and the floating interest rates. The interest rate profile of the loans as at 31 March 2007 was as follows:

	Interest-free R'000	Floating R'000	Fixed 0 – 12 months R'000	Fixed more than 12 months R'000	Total R'000
Loans	837 049	291 019	385 870	2 125 269	3 639 207
% of loans	23%	8%	11%	58%	100%

As at 31 March 2007, 92,0% of the Naspers group's long-term liabilities were interest free or at fixed interest rates. Accordingly, any movement in interest rates will not impact the cash flows related to these liabilities. Total unhedged liabilities (including overdrafts) at floating interest rates as at 31 March 2007 amounted to R291,0 million. The floating interest rates are, however, linked to various international interest rates, such as LIBOR in the United Kingdom and the prime banking rate in South Africa. Fluctuations in interest rates in these jurisdictions vary from time to time.

**Foreign exchange rates**

The exchange rates used by the group to translate foreign entities' income statements and balance sheets are as follows:

Currency (1FC = ZAR)	31 March 2007		31 March 2006	
	Average rate	Closing rate	Average rate	Closing rate
US dollar	7,0889	7,2749	6,3915	6,1490
Cyprus pound	15,9024	16,6858	13,0127	12,9453
Euro	9,1703	9,7154	7,7570	7,4636
Nigerian naira	0,0554	0,0568	0,0478	0,0482
Thai baht	0,1949	0,2242	0,1581	0,1583
Chinese yuan renminbi	0,8991	0,9406	0,7871	0,7671

The average rates listed above are only approximate average rates for the year. 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, translated at the prevailing exchange rate on the transaction date.

	31 March 2007		31 March 2006	
	Assets R'000	Liabilities R'000	Assets R'000	Liabilities R'000
<b>Derivative financial instruments</b>				
<b>Current portion</b>				
Foreign exchange contracts	50 492	379	279	92 337
Embedded derivatives	11 010	–	134 404	525
	61 502	379	134 683	92 862
<b>Non-current portion</b>				
Foreign exchange contracts	2 017	2 616	–	9 908
Embedded derivatives	–	–	32 647	122
Paarl Media shareholders' liability <sup>(1)</sup>	–	261 431	–	202 634
	2 017	264 047	32 647	212 664
<b>Total</b>	<b>63 519</b>	<b>264 426</b>	<b>167 330</b>	<b>305 526</b>

**Note:**

(1) Refer to note 18 for additional information.

### 37. FINANCIAL RISK MANAGEMENT (continued)

	31 March 2007		31 March 2006	
	Foreign currency amount '000	R'000	Foreign currency amount '000	R'000
<b>Foreign currency exchange commitments</b>				
The group had the following forward foreign currency exchange contract commitments:				
US dollar	185 502	1 374 898	150 430	979 205
Sterling	3 166	45 485	4 871	53 796
Euro	39 558	381 820	47 544	376 435
Swiss franc	–	–	1 259	6 357
Hong Kong dollar	1 504	1 442	191	157
Singapore dollar	314	1 512	322	1 282
Australian dollar	193	1 126	284	1 277
<b>Uncovered foreign liabilities</b>				
The group had the following uncovered foreign liabilities:				
US dollar	119 456	876 832	58 142	422 564
Sterling	949	13 497	3 353	35 627
Euro	51 305	501 233	58 377	436 547
Swiss franc	96	578	10	47
Australian dollar	471	2 796	880	4 197
Cyprian pound	365	6 095	228	2 960
South Korean won	187 639	1 446	482 739	5 009
Other	3 860	3 630	–	–

Foreign exchange contracts are entered into to manage the exposure to movements in exchange rates on specific transactions.

### 38. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values together with the carrying amounts of financial instruments are as follows:

	31 March 2007		31 March 2006	
	Carrying value R'000	Fair value R'000	Carrying value R'000	Fair value R'000
<b>Assets</b>				
Investments and loans	9 665 231	23 245 347	1 297 195	6 639 451
Receivables and loans	2 783 221	2 783 221	2 027 589	2 027 589
Derivative financial instruments	63 518	63 518	167 330	167 330
Cash and cash deposits	11 845 147	11 845 147	6 775 542	6 775 542
<b>Liabilities</b>				
Long-term liabilities	2 506 132	2 498 873	2 617 395	2 621 547
Payables and loans	6 320 817	6 324 760	5 598 967	5 599 343
Derivative financial instruments	264 426	264 426	305 526	305 526
Bank overdrafts	364 039	364 039	364 777	364 777

The fair values of financial instruments were calculated using market information and other relevant valuation techniques, and do not necessarily represent the values that the group will realise in the normal course of business. The carrying amounts of cash and cash deposits, bank overdrafts, receivables and payables are deemed to reflect fair value due to the short maturities of these instruments. The fair values of forward exchange contracts and embedded derivative instruments are based on quoted market prices. The fair values of interest-bearing loans are calculated based on discounted expected future principal and interest cash flows.

### 39. EQUITY COMPENSATION BENEFITS

The following share incentive plans were in operation during the financial year:

#### Naspers Limited

On 14 August 1987 the group established the Naspers Share Incentive Trust ("the Naspers plan") under which it may award options for no more than 11% of the total number of N ordinary shares in issue. Share options may be granted with an exercise price of not less than 100% of the market value of the shares at the time of the grant. One third of the share options generally vests at the anniversary of each of the third, fourth and fifth years after the grant date of the share options and expires after 10 years. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as equity-settled.

Movements in terms of the Naspers plan are as follows:

	31 March 2007		31 March 2006	
	Shares	Weighted average exercise price (rand)	Shares	Weighted average exercise price (rand)
Outstanding at 1 April	9 822 737	27,06	10 522 517	26,92
Granted	205 155	115,17	–	–
Exercised	(378 847)	24,19	(655 496)	24,07
Forfeited	(24 784)	24,61	(44 284)	27,56
Outstanding at 31 March	9 624 261	29,06	9 822 737	27,06
Available to be implemented at 31 March	7 206 219	26,54	5 604 438	26,46

No share options expired or were cancelled during the years ended 31 March 2007 and 31 March 2006.

Taken up during the year:

	31 March 2007		31 March 2006	
	Shares	Weighted average share price (rand)	Shares	Weighted average share price (rand)
Weighted average share price of options taken up during the year	378 847	131,81	655 496	102,30

Share option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:

Range of exercise prices (rand)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (rand)	Exercisable at 31 March 2007	Weighted average exercise price (rand)
10,00 – 20,00	75 844	5,51	18,36	28 164	18,24
20,01 – 25,00	3 141 141	5,32	23,30	2 157 002	22,83
25,01 – 30,00	4 441 127	2,70	27,71	4 210 806	27,71
30,01 – 35,00	1 545 266	5,60	30,97	799 838	30,43
35,01 – 40,00	–	–	–	–	–
40,01 – 45,00	45 195	6,37	42,94	6 859	43,42
45,01 – 50,00	100 000	7,45	50,00	–	–
50,01 – 60,15	70 533	7,21	50,82	3 550	57,84
110,00 – 120,00	191 000	9,36	114,52	–	–
120,01 – 130,00	14 155	9,45	124,00	–	–
	9 624 261		29,06	7 206 219	26,54

**39. EQUITY COMPENSATION BENEFITS** (continued)

**Naspers Limited** (continued)

**Grants made during the year:**

	<b>31 March 2007</b>	31 March 2006
Weighted average fair value at measurement date (rand)	<b>58,59</b>	–
This weighted average fair value has been calculated using the Bermudan binomial option pricing model, using the following inputs and assumptions:		
Weighted average share price (R)	<b>115,17</b>	–
Weighted average exercise price (R)	<b>115,17</b>	–
Weighted average expected volatility (%)*	<b>37,9</b>	–
Weighted average option life (years)	<b>10,0</b>	–
Weighted average dividend yield (%)	<b>1,0</b>	–
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	<b>8,4</b>	–
Weighted average in-the-money rate (%)	<b>56,0</b>	–
Weighted average vesting period (years)	<b>4,0</b>	–

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using historical daily share prices.

**Media24 Limited**

On 31 August 2000 the group established the Media24 Share Trust ("the Media24 plan") in terms of which it may award options for no more than 15% of the total number of ordinary shares in issue. Share options may be granted with an exercise price of not less than 100% of the fair value of the share options at the time of the grant. One third of the options generally vests at the anniversary of each of the third, fourth and fifth years after the grant date of the share options and expires after 10 years. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as cash-settled.

**Movements in terms of the Media24 plan are as follows:**

	<b>31 March 2007</b>		31 March 2006	
	<b>Shares</b>	<b>Weighted average exercise price (rand)</b>	Shares	Weighted average exercise price (rand)
Outstanding at 1 April	<b>4 564 656</b>	<b>7,50</b>	6 100 496	7,18
Granted	–	–	71 235	19,35
Exercised	<b>(891 830)</b>	<b>10,74</b>	(1 416 300)	6,83
Forfeited	<b>(165 852)</b>	<b>7,96</b>	(190 775)	7,34
Outstanding at 31 March	<b>3 506 974</b>	<b>7,66</b>	4 564 656	7,50
Available to be implemented at 31 March	<b>2 733 601</b>	<b>6,73</b>	3 183 823	6,77

No share options expired or were cancelled during the years ended 31 March 2007 and 31 March 2006.

**Taken up during the year:**

	<b>31 March 2007</b>		31 March 2006	
	<b>Shares</b>	<b>Weighted average share price (rand)</b>	Shares	Weighted average share price (rand)
Weighted average share price of options taken up during the year	<b>891 830</b>	<b>26,76</b>	1 416 300	20,13

**39. EQUITY COMPENSATION BENEFITS** (continued)

Media24 Limited (continued)

Share option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:

Exercise prices (rand)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (rand)	Exercisable at 31 March 2007	Weighted average exercise price (rand)
6,04	<b>708 260</b>	4,71	6,04	<b>673 953</b>	6,04
6,90	<b>144 382</b>	5,69	6,90	<b>80 768</b>	6,90
6,92	<b>1 924 812</b>	3,75	6,92	<b>1 924 812</b>	6,92
8,12	<b>224 502</b>	6,73	8,12	<b>54 068</b>	8,12
11,63	<b>439 403</b>	7,50	11,63	–	–
20,42	<b>65 615</b>	8,46	20,42	–	–
	<b>3 506 974</b>		7,66	<b>2 733 601</b>	6,73

**Grants made during the year:**

	31 March 2007	31 March 2006
Weighted average fair value at measurement date (rand)	–	12,24
This weighted average fair value has been calculated using the Bermudan binomial option pricing model, using the following inputs and assumptions:		
Weighted average share price (R)	–	28,74
Weighted average exercise price (R)	–	20,42
Weighted average expected volatility (%)*	–	15,3
Weighted average option life (years)	–	9,8
Weighted average dividend yield (%)	–	–
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	–	7,4
Weighted average in-the-money rate (%)	–	89,5
Weighted average vesting period (years)	–	4,0

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using both historical and future annual (bi-annual) company valuations.

**39. EQUITY COMPENSATION BENEFITS** (continued)

**Paarl Media Holdings (Proprietary) Limited**

On 29 May 2001 the group established the Paarl Media Holdings Share Trust ("the Paarl Media plan") in terms of which it may award options for no more than 5% of the total number of ordinary shares in issue. 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 vests at the anniversary of each of the third, fourth and fifth years after the grant date of the share options and expires after 10 years. Unvested shares are subject to cancellation upon expiration or termination of employment. This plan is classified as cash-settled.

**Movements in terms of the Paarl Media plan are as follows:**

	31 March 2007		31 March 2006	
	Shares	Weighted average exercise price (rand)	Shares	Weighted average exercise price (rand)
Outstanding at 1 April	2 764 069	7,23	4 146 535	7,23
Exercised	(1 106 068)	4,86	(1 053 466)	4,81
Forfeited	-	-	(329 000)	8,32
Outstanding at 31 March	1 658 001	9,02	2 764 069	7,23
Available to be implemented at 31 March	230 901	4,80	182 937	4,80

No share options expired or were cancelled during the years ended 31 March 2007 and 31 March 2006.

**Taken up during the year:**

	31 March 2007		31 March 2006	
	Shares	Weighted average share price (rand)	Shares	Weighted average share price (rand)
Weighted average share price of options taken up during the year	1 106 068	20,51	1 053 466	16,59

**Share option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:**

Exercise prices (rand)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (rand)	Exercisable at 31 March 2007	Weighted average exercise price (rand)
4,80	614 001	5,16	4,80	230 901	4,80
11,50	1 044 000	8,00	11,50	-	11,50
	1 658 001		9,02	230 901	4,80

**Grants made during the year:**

There were no new grants made for the years ended 31 March 2007 and 31 March 2006.

**39. EQUITY COMPENSATION BENEFITS** (continued)

**Via Afrika Limited**

On 21 November 2003 the group established the Via Afrika Share Trust ("the Via Afrika plan") in terms of which it may award options for no more than 10% of the total number of ordinary shares in issue. 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 vests at the anniversary of each of the third, fourth and fifth years after the grant date of the share options and expires after 10 years. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as cash-settled.

**Movements in terms of the Via Afrika plan are as follows:**

	31 March 2007		31 March 2006	
	Shares	Weighted average exercise price (rand)	Shares	Weighted average exercise price (rand)
Outstanding at 1 April	3 396 791	5,00	3 972 226	5,00
Exercised	(249 910)	5,00	–	–
Forfeited	(448 442)	5,00	(575 435)	5,00
Outstanding at 31 March	2 698 439	5,00	3 396 791	5,00
Available to be implemented at 31 March	–	–	–	–

No share options expired or were cancelled during the years ended 31 March 2007 and 31 March 2006.

**Taken up during the year:**

	31 March 2007		31 March 2006	
	Shares	Weighted average share price (rand)	Shares	Weighted average share price (rand)
Weighted average share price of options taken up during the year	249 910	7,92	–	–

**Share option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:**

Exercise price (rand)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (rand)	Exercisable at 31 March 2007	Weighted average exercise price (rand)
5,00	2 698 439	7,43	5,00	–	–

**Grants made during the year:**

There were no new grants made for the years ended 31 March 2007 and 31 March 2006.

**39. EQUITY COMPENSATION BENEFITS** (continued)

**MIH Holdings Limited**

In terms of the plan, MIH Holdings may grant options to its employees for up to 26,4 million shares of MIH Holdings ordinary share capital. 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 vests at the anniversary of each of the first, fourth and fifth years after the grant date of the share options and expires after 10 years. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as equity-settled.

In terms of a section 311 scheme of arrangement, Naspers Limited offered one Naspers N ordinary share to all the minority shareholders of MIH Holdings Limited, including the MIH Holdings plan, for every 2,25 MIH Holdings shares that it held. All the MIH Holdings shares were exchanged for Naspers N ordinary shares on 20 December 2002. Subsequent offers are of Naspers N ordinary shares. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as equity-settled.

**Movements in terms of the MIH Holdings plan are as follows:**

**NASPERS N (rand)**

	31 March 2007		31 March 2006	
	Shares	Weighted average exercise price (rand)	Shares	Weighted average exercise price (rand)
Outstanding at 1 April	2 049 983	36,77	3 417 626	25,77
Granted	187 814	123,73	259 908	104,97
Exercised	(664 718)	24,71	(1 530 111)	24,18
Forfeited	(107 241)	53,20	(97 440)	30,33
Outstanding at 31 March	1 465 838	52,18	2 049 983	36,77
Available to be implemented at 31 March	461 751	23,60	454 373	23,20

No share options expired or were cancelled during the years ended 31 March 2007 and 31 March 2006.

**Taken up during the year:**

	31 March 2007		31 March 2006	
	Shares	Weighted average share price (rand)	Shares	Weighted average share price (rand)
Weighted average share price of options taken up during the year	664 718	163,63	1 530 111	114,92

**Share option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:**

Range of exercise prices (rand)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (rand)	Exercisable at 31 March 2007	Weighted average exercise price (rand)
6,91 – 20,00	179 250	4,90	14,00	171 842	14,06
20,01 – 40,00	585 091	5,09	25,25	228 860	25,37
40,01 – 60,00	285 288	6,92	41,57	59 012	41,52
60,01 – 80,00	–	–	–	–	–
80,01 – 100,00	1 014	3,18	91,64	1 014	91,64
100,01 – 120,00	227 507	8,46	105,35	–	–
120,01 – 140,00	187 688	9,41	124,03	1 023	130,50
	1 465 838		52,18	461 751	23,60

**39. EQUITY COMPENSATION BENEFITS** (continued)

**MIH Holdings Limited** (continued)

**Grants made during the year:**

	<b>31 March 2007</b>	31 March 2006
Weighted average fair value at measurement date (rand)	<b>35,96</b>	41,13
This weighted average fair value has been calculated using the Bermudan binomial option pricing model, using the following inputs and assumptions:		
Weighted average share price (R)	<b>123,73</b>	105,35
Weighted average exercise price (R)	<b>123,73</b>	105,35
Weighted average expected volatility (%)*	<b>24,4</b>	25,8
Weighted average option life (years)	<b>9,4</b>	9,0
Weighted average dividend yield (%)	<b>1,2</b>	0,9
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	<b>7,8</b>	8,0
Weighted average in-the-money rate (%)	<b>194,5</b>	26,6
Weighted average vesting period (years)	<b>4,0</b>	4,0

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using both historical and future annual (bi-annual) company valuations.

**MIH (BVI) Limited**

On 25 March 1999 the group established the MIH Limited Share Scheme ("the MIH Limited plan") in terms of which it may award options for no more than 10% of the total number of ordinary shares. 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 vests at the anniversary of each of the third, fourth and fifth years after the grant date of the share options and expires after 10 years. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as equity-settled.

As part of the merger between MIH Limited and MIH (BVI) Limited, Naspers offered 3,5 Naspers N ordinary shares for each MIH Limited share held by minority shareholders, including the MIH Limited plan. The MIH Limited plan was converted into the MIH (BVI) Limited plan at which time all its MIH Limited shares were exchanged for Naspers N ordinary shares and Naspers American Depository Securities ("ADS"). Subsequent offers are of Naspers N ordinary shares.

**Movements in terms of the MIH (BVI) Limited plan are as follows:**

**NASPERS N (US\$)**

	<b>31 March 2007</b>		31 March 2006	
	<b>Shares</b>	<b>Weighted average exercise price (US\$)</b>	Shares	Weighted average exercise price (US\$)
Outstanding at 1 April	<b>900 912</b>	<b>2,61</b>	1 578 462	2,65
Exercised	<b>(345 285)</b>	<b>2,52</b>	(573 591)	2,94
Forfeited	<b>(20 886)</b>	<b>2,00</b>	(103 959)	2,43
Outstanding at 31 March	<b>534 741</b>	<b>2,76</b>	900 912	2,61
Available to be implemented at 31 March	<b>309 281</b>	<b>2,58</b>	256 692	2,65

**39. EQUITY COMPENSATION BENEFITS** (continued)

**MIH (BVI) Limited** (continued)

**NASPERS N (rand)**

	31 March 2007		31 March 2006	
	Shares	Weighted average exercise price (rand)	Shares	Weighted average exercise price (rand)
Outstanding at 1 April	6 431 776	39,55	10 008 128	23,33
Granted	291 759	128,50	975 958	104,97
Exercised	(1 338 881)	19,74	(4 495 479)	24,18
Forfeited	(55 052)	41,72	(56 831)	30,33
Outstanding at 31 March	5 329 602	49,38	6 431 776	39,55
Available to be implemented at 31 March	1 671 119	20,48	711 343	20,36

No share options expired or were cancelled during the years ended 31 March 2007 and 31 March 2006.

**Taken up during the year:**

**NASPERS N (US\$)**

	31 March 2007		31 March 2006	
	Shares	Weighted average share price (US\$)	Shares	Weighted average share price (US\$)
Weighted average share price of options taken up during the year	345 285	22,63	573 591	14,40

**NASPERS N (rand)**

	31 March 2007		31 March 2006	
	Shares	Weighted average share price (rand)	Shares	Weighted average share price (rand)
Weighted average share price of options taken up during the year	1 338 881	154,89	4 495 479	114,13

**Share option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:**

**NASPERS N (US\$)**

Range of exercise prices (US\$)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (US\$)	Exercisable at 31 March 2007	Weighted average exercise price (US\$)
1,10 – 2,50	130 951	4,25	1,91	130 951	1,91
2,51 – 5,00	402 610	5,87	3,01	177 150	3,02
5,01 – 7,50	–	–	–	–	–
7,51 – 9,97	1 180	7,00	9,96	1 180	9,96
	534 741		2,76	309 281	2,58

**39. EQUITY COMPENSATION BENEFITS** (continued)

MIH (BVI) Limited (continued)

**NASPERS N (rand)**

Range of exercise prices (rand)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (rand)	Exercisable at 31 March 2007	Weighted average exercise price (rand)
8,19 – 15,00	246 923	5,00	8,19	246 923	8,19
15,01 – 40,00	2 683 309	5,72	22,60	1 339 069	21,19
40,01 – 65,00	1 147 691	7,00	44,39	76 067	41,50
65,01 – 75,00	9 060	3,00	74,22	9 060	74,22
75,01 – 100,00	–	–	–	–	–
100,01 – 125,00	1 181 889	8,72	118,53	–	–
125,01 – 145,00	11 985	9,00	144,00	–	–
145,01 – 160,00	48 745	9,00	145,60	–	–
	<b>5 329 602</b>		<b>49,38</b>	<b>1 671 119</b>	<b>20,48</b>

**Grants made during the year:**
**NASPERS N (US\$)**

There were no new grants of shares in terms of this scheme for the years ended 31 March 2007 and 31 March 2006.

**NASPERS N (rand)**

	31 March 2007	31 March 2006
Weighted average fair value at measurement date (rand)	54,21	42,44
This weighted average fair value has been calculated using the Bermudan binomial option pricing model, using the following inputs and assumptions:		
Weighted average share price (R)	128,50	105,37
Weighted average exercise price (R)	128,50	105,37
Weighted average expected volatility (%)*	33,6	25,8
Weighted average option life (years)	9,1	9,3
Weighted average dividend yield (%)	1,0	0,9
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	8,3	8,0
Weighted average in-the-money rate (%)	141,0	78,5
Weighted average vesting period (years)	4,0	4,0

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using historical daily share prices.

**39. EQUITY COMPENSATION BENEFITS** (continued)

**Irdeto Access B.V.**

On 14 October 1999 Mindport Holdings Limited established the Irdeto Access Share Scheme ("Irdeto Access B.V. plan"). In terms of the schemes, options of no more than 10% of the total number of issued ordinary shares of Irdeto Access B.V. 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 vests at the anniversary of each of the third, fourth and fifth years after the grant date of the share options and expires after 10 years. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as cash-settled.

**Movements in terms of the Irdeto Access B.V. plan are as follows:**

	31 March 2007		31 March 2006	
	Shares	Weighted average exercise price (US\$)	Shares	Weighted average exercise price (US\$)
Outstanding at 1 April	859 205	7,47	739 974	7,38
Granted	150 186	9,90	166 509	7,90
Forfeited	(67 608)	8,67	(47 278)	7,65
Outstanding at 31 March	941 783	7,77	859 205	7,47
Available to be implemented at 31 March	122 282	9,04	89 363	10,24

No share options expired or were cancelled or exercised during the years ended 31 March 2007 and 31 March 2006.

**Share option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:**

Exercise price (US\$)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (US\$)	Exercisable at 31 March 2007	Weighted average exercise price (US\$)
6,70	466 244	7,00	6,70	–	–
7,90	299 567	6,57	7,90	95 746	7,90
8,30	2 670	2,00	8,30	2 670	8,30
9,90	149 436	9,00	9,90	–	–
12,70	6 609	5,00	12,70	6 609	12,70
14,00	16 257	4,00	14,00	16 257	14,00
14,80	1 000	4,00	14,80	1 000	14,80
	941 783		7,77	122 282	9,04

**39. EQUITY COMPENSATION BENEFITS** (continued)

Irdeto Access B.V. (continued)

**Grants made during the year:**

	<b>31 March 2007</b>	31 March 2006
Weighted average fair value at measurement date (US\$)	<b>2,3</b>	1,62
This weighted average fair value has been calculated using the Bermudan binomial option pricing model, using the following inputs and assumptions:		
Weighted average share price (US\$)	<b>9,90</b>	7,90
Weighted average exercise price (US\$)	<b>9,90</b>	7,90
Weighted average expected volatility (%)*	<b>24,0</b>	20,0
Weighted average option life (years)	<b>5,3</b>	5,3
Weighted average dividend yield (%)	-	-
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	<b>4,5</b>	4,6
Weighted average in-the-money rate (%)	<b>141,0</b>	141,0
Weighted average vesting period (years)	<b>3,8</b>	3,8

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using both historical and future annual (bi-annual) company valuations.

**MIH QQ (BVI) Limited**

On 23 February 2003 MIH QQ (BVI) Limited established the MIH QQ (BVI) Limited Share Trust ("the MIH QQ plan"), in terms of which it can award options, but for no more than 10% of the total number of ordinary shares. 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 vests at the anniversary of each of the first, second, third and fourth years after the grant date. The share options expire after 10 years. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as equity-settled.

On 30 September 2005, MIH QQ (BVI) Limited established the 2005 MIH QQ (BVI) Limited Share Trust ("the 2005 MIH QQ plan"), in terms of which it can award options, provided that when added to the reserved shares and unreserved shares already held by the trustees of the 2005 MIH QQ plan, or by the trustees of any other share trust, including the MIH QQ (BVI) Limited Share Trust, they represent no more than 10% of the greater of the MIH QQ (BVI) Limited's (MIH QQ) total issued share capital at the time of such acquisition, or, if applicable, MIH QQ's subsequently increased issued share capital. 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 vests at the anniversary of each of the first, second, third and fourth years after the grant date. The share options expire after five years. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as equity-settled.

**39. EQUITY COMPENSATION BENEFITS** (continued)

**MIH QQ (BVI) Limited** (continued)

Movements in terms of the MIH QQ (BVI) and 2005 MIH QQ (BVI) plans are as follows:

**MIH QQ (BVI) Limited Share Trust**

	31 March 2007		31 March 2006	
	Shares	Weighted average exercise price (US\$)	Shares	Weighted average exercise price (US\$)
Outstanding at 1 April	25 024	127,53	34 124	120,96
Exercised	(14 397)	71,68	(7 850)	34,00
Forfeited	-	-	(1 250)	368,41
Outstanding at 31 March	10 627	203,20	25 024	127,53
Available to be implemented at 31 March	8 718	167,03	12 585	118,63

**2005 MIH QQ (BVI) Limited Share Trust**

	31 March 2007		31 March 2006	
	Shares	Weighted average exercise price (US\$)	Shares	Weighted average exercise price (US\$)
Outstanding at 1 April	28 497	613,69	-	-
Granted	1 534	1 434,92	28 497	613,69
Exercised	(3 547)	613,31	-	-
Outstanding at 31 March	26 484	661,30	28 497	613,69
Available to be implemented at 31 March	3 573	614,04	-	-

No share options expired or were cancelled during the years ended 31 March 2007 and 31 March 2006.

**Taken up during the year:**

**MIH QQ (BVI) Limited Share Trust**

	31 March 2007		31 March 2006	
	Shares	Weighted average share price (US\$)	Shares	Weighted average share price (US\$)
Weighted average share price of options taken up during the year	14 397	1 774,12	7 850	940,67

**2005 MIH QQ (BVI) Limited Share Trust**

	31 March 2007		31 March 2006	
	Shares	Weighted average share price (US\$)	Shares	Weighted average share price (US\$)
Weighted average share price of options taken up during the year	3 547	1 597,14	-	-

**39. EQUITY COMPENSATION BENEFITS** (continued)

**MIH QQ (BVI) Limited** (continued)

Share option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:

**MIH QQ (BVI) Limited Share Trust**

Exercise price (US\$)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (US\$)	Exercisable at 31 March 2007	Weighted average exercise price (US\$)
34,00	5 250	6,00	34,00	5 250	34,00
368,41	5 377	7,00	368,41	3 468	368,41
	<b>10 627</b>		<b>203,20</b>	<b>8 718</b>	<b>167,03</b>

**2005 MIH QQ (BVI) Limited Share Trust**

Exercise price (US\$)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (US\$)	Exercisable at 31 March 2007	Weighted average exercise price (US\$)
612,75	24 351	3,00	612,75	3 461	612,75
654,02	599	3,00	654,02	112	654,02
1 434,92	1 534	4,00	1 434,92	-	-
	<b>26 484</b>		<b>661,30</b>	<b>3 573</b>	<b>614,04</b>

**Grants made during the year:**
**MIH QQ (BVI) Limited Share Trust**

There were no new grants of shares in terms of this scheme for the years ended 31 March 2007 and 31 March 2006.

**2005 MIH QQ (BVI) Limited Share Trust**

	31 March 2007	31 March 2006
Weighted average fair value at measurement date (US\$)	<b>763,39</b>	359,81
This weighted average fair value has been calculated using the Bermudan binomial option pricing model, using the following inputs and assumptions:		
Weighted average share price (US\$)	<b>1 434,92</b>	743,64
Weighted average exercise price (US\$)	<b>1 434,92</b>	612,75
Weighted average expected volatility (%)*	<b>51,3</b>	47,5
Weighted average option life (years)	<b>5,0</b>	5,0
Weighted average dividend yield (%)	-	-
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	<b>4,2</b>	4,0
Weighted average in-the-money rate (%)	<b>69,0</b>	73,0
Weighted average vesting period (years)	<b>4,0</b>	4,0

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using both historical and future annual (bi-annual) company valuations.

**39. EQUITY COMPENSATION BENEFITS** (continued)

**Entriq (Mauritius) Limited**

On 6 May 2003 Entriq (Mauritius) Limited established the Entriq Share Trust ("the Entriq plan") in terms of which it can award options, but for no more than 15% of the total number of ordinary shares. 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 vests at the anniversary of each of the first, second, third and fourth years after the grant date. The share options expire after 10 years. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as cash-settled.

**Movements in terms of the Entriq plan are as follows:**

	31 March 2007		31 March 2006	
	Shares	Weighted average exercise price (US\$)	Shares	Weighted average exercise price (US\$)
Outstanding at 1 April	5 401 000	0,65	4 395 200	0,65
Granted	973 200	0,65	1 115 900	0,65
Forfeited	(183 700)	0,65	(110 100)	0,65
Outstanding at 31 March	6 190 500	0,65	5 401 000	0,65
Available to be implemented at 31 March	4 019 425	0,65	2 717 950	0,65

No share options expired or were cancelled or exercised during the years ended 31 March 2007 and 31 March 2006.

**Share option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:**

Exercise price (US\$)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (US\$)	Exercisable at 31 March 2007	Weighted average exercise price (US\$)
0,65	6 190 500	8,09	0,65	4 019 425	0,65

**Grants made during the year:**

	31 March 2007	31 March 2006
Weighted average fair value at measurement date (US\$)	0,3	0,27
This weighted average fair value has been calculated using the Bermudan binomial option pricing model, using the following inputs and assumptions:		
Weighted average share price (US\$)	0,65	0,65
Weighted average exercise price (US\$)	0,65	0,65
Weighted average expected volatility (%)*	50,0	50,0
Weighted average option life (years)	10,0	9,5
Weighted average dividend yield (%)	-	-
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	4,6	4,6
Weighted average in-the-money rate (%)	84,0	141,0
Weighted average vesting period (years)	3,8	3,8

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using both historical and future annual (bi-annual) company valuations.

**39. EQUITY COMPENSATION BENEFITS** (continued)

**MediaZone Holdings B.V.**

On 8 August 2006 MediaZone Holdings B.V. established the MediaZone Holdings B.V. Share Trust ("the MediaZone plan"), in terms of which it can award options, but for no more than 15% of the total number of ordinary shares. 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 vests at the anniversary of each of the first, second, third and fourth years after the grant date. The share options expire after 10 years. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as equity-settled.

Movements in terms of the MediaZone plan are as follows:

	31 March 2007		31 March 2006	
	Shares	Weighted average exercise price (US\$)	Shares	Weighted average exercise price (US\$)
Outstanding at 1 April	–	–	–	–
Granted	1 043 500	0,82	–	–
Outstanding at 31 March	1 043 500	0,82	–	–
Available to be implemented at 31 March	–	–	–	–

No share options expired or were cancelled or exercised during the year ended 31 March 2007.

Share option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:

Exercise price (US\$)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (US\$)	Exercisable at 31 March 2007	Weighted average exercise price (US\$)
0,82	1 043 500	9,00	0,82	–	–

Grants made during the year:

	31 March 2007	31 March 2006
Weighted average fair value at measurement date (US\$)	0,37	–
This weighted average fair value has been calculated using the Bermudan binomial option pricing model, using the following inputs and assumptions:		
Weighted average share price (US\$)	0,82	–
Weighted average exercise price (US\$)	0,82	–
Weighted average expected volatility (%)*	50,0	–
Weighted average option life (years)	9,9	–
Weighted average dividend yield (%)	–	–
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	4,9	–
Weighted average in-the-money rate (%)	141,0	–
Weighted average vesting period (years)	4,0	–

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using both historical and future annual (bi-annual) company valuations.

**39. EQUITY COMPENSATION BENEFITS** (continued)

**Electronic Media Network Limited**

On 12 June 1991 M-Net established the M-Net Share Trust ("the M-Net plan") under which it may award shares or options for no more than 10% of the total number of ordinary shares. Shares or options may be granted with an exercise price of not less than 100% of the market value of the shares or options at the time of the grant. One third of the shares or options generally vests at the anniversary of each of the third, fourth and fifth years after the grant date of the shares or options and expire after 10 years. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as equity-settled.

In terms of a section 311 scheme of arrangement, Naspers Limited offered one Naspers N ordinary share to all the minority shareholders of M-Net, including the M-Net plan, for every 4,5 M-Net/SuperSport linked unit that it held, or R8,50 per M-Net/SuperSport linked unit. The transaction became unconditional on 24 March 2004. The linked units were exchanged for 574 726 Naspers N ordinary shares during April 2004.

**Movements in terms of the M-Net plan are as follows:**

	31 March 2007		31 March 2006	
	Shares	Weighted average exercise price (rand)	Shares	Weighted average exercise price (rand)
Outstanding at 1 April	281 983	8,72	488 805	13,30
Exercised	(104 246)	9,13	(161 143)	2,90
Forfeited	(6 326)	8,94	(45 679)	57,35
Outstanding at 31 March	171 411	8,46	281 983	8,72
Available to be implemented at 31 March	72 939	8,16	73 564	8,93

No share options expired or were cancelled during the years ended 31 March 2007 and 31 March 2006.

**Taken up during the year:**

	31 March 2007		31 March 2006	
	Shares	Weighted average share price (rand)	Shares	Weighted average share price (rand)
Weighted average share price of options taken up during the year	104 246	165,38	161 143	111,60

**Share option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:**

Range of exercise prices (rand)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (rand)	Exercisable at 31 March 2007	Weighted average exercise price (rand)
4,00 – 8,50	20 609	1,88	5,89	18 674	5,82
8,51 – 13,50	149 391	5,82	8,74	52 854	8,77
13,51 – 30,50	1 411	0,81	16,44	1 411	16,44
	171 411		8,46	72 939	8,16

**Grants made during the year:**

No grants were made during the financial years ended 31 March 2007 and 31 March 2006.

**39. EQUITY COMPENSATION BENEFITS (continued)**
**SuperSport International Holdings Limited**

On 12 June 1991 SuperSport established the SuperSport Share Trust ("the SuperSport plan"), under which it may award shares or options for no more than 10% of the total number of ordinary shares. Shares or options may be granted with an exercise price of not less than 100% of the market value of the shares or options at the time of the grant. One third of the shares or options generally vests at the anniversary of each of the third, fourth and fifth years after the grant date of the shares or options and expire after 10 years. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee. This plan is classified as equity-settled.

In terms of a section 311 scheme of arrangement, Naspers Limited offered one Naspers N ordinary share to all the minority shareholders of SuperSport, including the SuperSport plan, for every 4,5 M-Net/SuperSport linked unit that it held, or R8,50 per M-Net/SuperSport linked unit. The transaction became unconditional on 24 March 2004. The linked units were exchanged for 525 228 Naspers N ordinary shares during April 2004.

**Movements in terms of the SuperSport plan are as follows:**

	31 March 2007		31 March 2006	
	Shares	Weighted average exercise price (rand)	Shares	Weighted average exercise price (rand)
Outstanding at 1 April	360 268	33,83	579 329	32,20
Exercised	(133 038)	33,35	(211 367)	8,88
Forfeited	(8 266)	34,26	(7 694)	32,85
Outstanding at 31 March	218 964	34,12	360 268	33,83
Available to be implemented at 31 March	95 183	31,72	96 287	29,17

No share options expired or were cancelled during the years ended 31 March 2007 and 31 March 2006.

**Taken up during the year:**

	31 March 2007		31 March 2006	
	Shares	Weighted average share price (rand)	Shares	Weighted average share price (rand)
Weighted average share price of options taken up during the year	133 038	166,13	211 367	111,60

**Share option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:**

Range of exercise prices (rand)	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (rand)	Exercisable at 31 March 2007	Weighted average exercise price (rand)
--	62 255	5,21	--	28 462	--
10,00 – 25,00	884	1,93	24,51	884	24,51
25,01 – 40,00	19 232	1,81	33,58	17 464	33,18
40,01 – 55,00	134 597	5,86	49,67	46 377	49,62
55,01 – 60,00	1 996	2,95	58,66	1 996	58,66
	218 964		34,12	95 183	31,72

**Grants made during the year:**

No grants were made during the financial years ended 31 March 2007 and 31 March 2006.

**39. EQUITY COMPENSATION BENEFITS** (continued)

**Media24 Limited Share Appreciation Rights Scheme**

On 20 September 2005 the Media24 Limited share appreciation rights plan ("Media24 SAR plan") was established. The aggregate number of scheme shares in respect of which they may award share appreciation rights (SARs) is no more than 10% of the total number of ordinary shares in issue in the company. SARs may be granted with an exercise price of not less than 100% of the fair value of the SARs at the time of the grant. One third of the SARs generally vests at the anniversary of each of the third, fourth and fifth years after the grant date of the SARs and expires after five years and 14 days. Unvested SARs are subject to forfeiture upon termination of employment. Cancelled SARs are SARs cancelled by mutual agreement between employer and employee. The plan is classified as equity-settled.

**Movements in terms of the Media24 SAR plan are as follows:**

	31 March 2007		31 March 2006	
	SARs	Weighted average exercise price (rand)	SARs	Weighted average exercise price (rand)
Outstanding at 1 April	10 584 790	21,55	–	–
Granted	1 808 473	24,16	10 637 655	21,55
Exercised	(64 379)	21,55	–	–
Cancelled	(40 404)	21,55	–	–
Forfeited	(533 165)	21,65	(52 865)	21,55
Outstanding at 31 March	11 755 315	21,95	10 584 790	21,55
Available to be implemented at 31 March	–	–	–	–

**Taken up during the year:**

	31 March 2007		31 March 2006	
	SARs	Weighted average SAR price (rand)	SARs	Weighted average SAR price (rand)
Weighted average share price of SARs taken up during the year	64 379	24,75	–	–

**SAR option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:**

Exercise price (rand)	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (rand)	Exercisable at 31 March 2007	Weighted average exercise price (rand)
21,55	10 303 689	3,03	21,55	–	–
24,75	1 451 626	4,03	24,75	–	–
	11 755 315		21,95	–	–

**39. EQUITY COMPENSATION BENEFITS** (continued)

**Media24 Limited Share Appreciation Rights Scheme** (continued)

**Grants made during the year:**

	<b>31 March 2007</b>	31 March 2006
Weighted average fair value at measurement date (rand)	<b>7,08</b>	7,37
This weighted average fair value has been calculated using the Bermudan binomial option pricing model, using the following inputs and assumptions:		
Weighted average SAR price (R)	<b>24,16</b>	21,55
Weighted average exercise price (R)	<b>24,16</b>	21,55
Weighted average expected volatility (%)*	<b>15,3</b>	20,0
Weighted average SAR life (years)	<b>5,0</b>	5,0
Weighted average dividend yield (%)	-	-
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	<b>8,3</b>	7,8
Weighted average in-the-money rate (%)	<b>89,5</b>	38,0
Weighted average vesting period (years)	<b>4,0</b>	4,0

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using both historical and future annual (bi-annual) company valuations.

**MultiChoice Africa (Proprietary) Limited Share Appreciation Rights Scheme**

On 20 September 2005 the MultiChoice Africa (Proprietary) Limited share appreciation rights plan ("MCA SAR plan") was established. The aggregate number of scheme shares in respect of which they may award share appreciation rights (SARs) is no more than 10% of the total number of ordinary shares in issue in the company. SARs may be granted with an exercise price of not less than 100% of the fair value of the SARs at the time of the grant. One third of the SARs generally vests at the anniversary of each of the third, fourth and fifth years after the grant date of the SARs and expires after five years and 14 days. Unvested SARs are subject to forfeiture upon termination of employment. Cancelled SARs are SARs cancelled by mutual agreement between employer and employee. The plan is classified as equity-settled.

**Movements in terms of the MCA SAR plan are as follows:**

	<b>31 March 2007</b>		31 March 2006	
	<b>SARs</b>	<b>Weighted average exercise price (rand)</b>	SARs	Weighted average exercise price (rand)
Outstanding at 1 April	<b>5 294 588</b>	<b>23,70</b>	-	-
Granted	<b>2 890 299</b>	<b>37,61</b>	5 375 529	23,70
Exercised	<b>(19 667)</b>	<b>23,70</b>	-	-
Forfeited	<b>(581 788)</b>	<b>26,87</b>	(80 941)	23,70
Outstanding at 31 March	<b>7 583 432</b>	<b>28,76</b>	5 294 588	23,70
Available to be implemented at 31 March	-	-	-	-

**Taken up during the year:**

	<b>31 March 2007</b>		31 March 2006	
	<b>SARs</b>	<b>Weighted average SAR price (rand)</b>	SARs	Weighted average SAR price (rand)
Weighted average share price of SARs taken up during the year	<b>19 667</b>	<b>39,87</b>	-	-

**39. EQUITY COMPENSATION BENEFITS** (continued)

**MultiChoice Africa (Proprietary) Limited Share Appreciation Rights Scheme** (continued)

**SAR option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:**

Exercise price (rand)	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (rand)	Exercisable at 31 March 2007	Weighted average exercise price (rand)
23,70	5 211 248	3,08	23,70	–	–
39,87	2 372 184	4,00	39,87	–	–
	7 583 432		28,76	–	–
<b>Grants made during the year:</b>					
				<b>31 March 2007</b>	31 March 2006
Weighted average fair value at measurement date (rand)				<b>14,48</b>	6,88
This weighted average fair value has been calculated using the Bermudan binomial option pricing model, using the following inputs and assumptions:					
Weighted average SAR price (R)				<b>37,58</b>	23,70
Weighted average exercise price (R)				<b>37,58</b>	23,70
Weighted average expected volatility (%)*				<b>46,4</b>	14,0
Weighted average SAR life (years)				<b>5,0</b>	5,0
Weighted average dividend yield (%)				–	–
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)				<b>8,2</b>	7,7
Weighted average in-the-money rate (%)				<b>168,0</b>	46,3
Weighted average vesting period (years)				<b>4,0</b>	4,0

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using both historical and future annual (bi-annual) company valuations.

**Electronic Media Network Limited ("M-Net")/SuperSport International Holdings Limited ("SuperSport") Share Appreciation Rights Scheme**

On 20 September 2005 the Electronic Media Network Limited ("M-Net")/SuperSport International Holdings Limited ("SuperSport") share appreciation rights plan ("M-Net/SuperSport SAR plan") was established. The aggregate number of scheme shares in respect of which they may award share appreciation rights (SARs) is no more than 10% of the total number of ordinary shares in issue in the company. SARs may be granted with an exercise price of not less than 100% of the fair value of the SARs at the time of the grant. One third of the SARs generally vests at the anniversary of each of the third, fourth and fifth years after the grant date of the SARs and expires after five years and 14 days. Unvested SARs are subject to forfeiture upon termination of employment. Cancelled SARs are SARs cancelled by mutual agreement between employer and employee. The plan is classified as equity-settled.

**Movements in terms of the M-Net/SuperSport SAR plan are as follows:**

	31 March 2007		31 March 2006	
	SARs	Weighted average exercise price (rand)	SARs	Weighted average exercise price (rand)
Outstanding at 1 April	5 919 353	9,00	–	–
Granted	3 162 383	9,56	5 922 318	9,00
Forfeited	(147 516)	9,02	(2 965)	9,00
Outstanding at 31 March	8 934 220	9,20	5 919 353	9,00
Available to be implemented at 31 March	–	–	–	–

**Taken up during the year:**

No M-Net/SS SARs were taken up during the years ended 31 March 2007 and 31 March 2006.

**39. EQUITY COMPENSATION BENEFITS** (continued)

**Electronic Media Network Limited ("M-Net")/SuperSport International Holdings Limited ("SuperSport") Share Appreciation Rights Scheme** (continued)

SAR option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:

Exercise price (rand)	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (rand)	Exercisable at 31 March 2007	Weighted average exercise price (rand)
9,00	5 813 442	3,00	9,00	-	-
9,56	3 120 778	4,00	9,56	-	-
	8 934 220		9,20	-	-

**Grants made during the year:**

	31 March 2007	31 March 2006
Weighted average fair value at measurement date (rand)	3,00	2,95
This weighted average fair value has been calculated using the Bermudan binomial option pricing model, using the following inputs and assumptions:		
Weighted average SAR price (R)	9,56	9,00
Weighted average exercise price (R)	9,56	9,00
Weighted average expected volatility (%)*	14,6	14,2
Weighted average SAR life (years)	5,0	5,0
Weighted average dividend yield (%)	-	-
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	8,1	7,8
Weighted average in-the-money rate (%)	88,0	40,0
Weighted average vesting period (years)	4,0	4,0

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using both historical and future annual (bi-annual) company valuations.

**NetMed NV Share Appreciation Rights Scheme**

On 11 November 2005 the NetMed NV share appreciation rights plan ("NetMed SAR plan") was established. The aggregate number of scheme shares in respect of which they may award share appreciation rights (SARs) is no more than 10% of the total number of ordinary shares in issue in the company. SARs may be granted with an exercise price of not less than 100% of the fair value of the SARs at the time of the grant. One third of the SARs generally vests at the anniversary of each of the third, fourth and fifth years after the grant date of the SARs and expires after five years and 14 days. Unvested SARs are subject to forfeiture upon termination of employment. Cancelled SARs are SARs cancelled by mutual agreement between employer and employee. The plan is classified as equity-settled.

**Movements in terms of the NetMed SAR plan are as follows:**

	31 March 2007		31 March 2006	
	SARs	Weighted average exercise price (euro)	SARs	Weighted average exercise price (euro)
Outstanding at 1 April	-	-	-	-
Granted	4 264 035	0,94	-	-
Exercised	(28 047)	0,92	-	-
Cancelled	(1 773)	1,43	-	-
Outstanding at 31 March	4 234 215	0,94	-	-
Available to be implemented at 31 March	-	-	-	-

**39. EQUITY COMPENSATION BENEFITS** (continued)

**NetMed NV Share Appreciation Rights Scheme** (continued)

**Taken up during the year:**

	31 March 2007		31 March 2006	
	SARs	Weighted average SAR price (euro)	SARs	Weighted average SAR price (euro)
Weighted average share price of SARs taken up during the year	28 047	1,43	–	–

**SAR option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:**

Exercise price (euro)	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (euro)	Exercisable at 31 March 2007	Weighted average exercise price (euro)
0,92	4 065 755	4,00	0,92	–	–
1,43	168 460	4,00	1,43	–	–
	4 234 215		0,94	–	–

**Grants made during the year:**

	31 March 2007	31 March 2006
Weighted average fair value at measurement date (euro)	0,39	–
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:		
Weighted average SAR price (euro)	0,94	–
Weighted average exercise price (euro)	0,94	–
Weighted average expected volatility (%)*	42,7	–
Weighted average SAR life (years)	5,0	–
Weighted average dividend yield (%)	–	–
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	3,2	–
Weighted average in-the-money rate (%)	40,0	–
Weighted average vesting period (years)	4,0	–

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using both historical and future annual (bi-annual) company valuations.

**MIH Brazil Holdings B.V. Share Appreciation Rights Scheme**

On 9 June 2006 the MIH Brazil Holdings B.V. share appreciation rights plan ("MIH Brazil SAR plan") was established. The aggregate number of scheme shares in respect of which they may award share appreciation rights (SARs) is no more than 10% of the total number of ordinary shares in issue in the company. SARs may be granted with an exercise price of not less than 100% of the fair value of the SARs at the time of the grant. One third of the SARs generally vests at the anniversary of each of the third, fourth and fifth years after the grant date of the SARs and expires after five years and 14 days. Unvested SARs are subject to forfeiture upon termination of employment. Cancelled SARs are SARs cancelled by mutual agreement between employer and employee. The plan is classified as equity-settled.

**39. EQUITY COMPENSATION BENEFITS** (continued)

**MIH Brazil Holdings B.V. Share Appreciation Rights Scheme** (continued)

Movements in terms of the MIH Brazil SAR plan are as follows:

	31 March 2007		31 March 2006	
	SARs	Weighted average exercise price (US\$)	SARs	Weighted average exercise price (US\$)
Outstanding at 1 April	-	-	-	-
Granted	130 450	42,17	-	-
Cancelled	(3 500)	42,17	-	-
Outstanding at 31 March	126 950	42,17	-	-
Available to be implemented at 31 March	-	-	-	-

**Taken up during the year:**

No MIH Brazil SARs were taken up during the year ended 31 March 2007.

**SAR option allocations outstanding and currently available to be implemented at 31 March 2007 by exercise price:**

Exercise price (US\$)	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2007	Weighted average remaining contractual life (years)	Weighted average exercise price (US\$)	Exercisable at 31 March 2007	Weighted average exercise price (US\$)
42,17	126 950	4,00	42,17	-	-

**Grants made during the year:**

	31 March 2007	31 March 2006
Weighted average fair value at measurement date (US\$)	15,20	-
This weighted average fair value has been calculated using the Bermudan binomial option pricing model, using the following inputs and assumptions:		
Weighted average SAR price (US\$)	42,17	-
Weighted average exercise price (US\$)	42,17	-
Weighted average expected volatility (%)*	32,5	-
Weighted average SAR life (years)	5,0	-
Weighted average dividend yield (%)	-	-
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	4,6	-
Weighted average in-the-money rate (%)	56,0	-
Weighted average vesting period (years)	3,8	-

Expectations of early exercise are not considered due to the unpredictability of early exercise scenarios.

\*The weighted average expected volatility is determined using both historical and future annual (bi-annual) company valuations.

	31 March 2007	31 March 2006
	R'000	R'000
<b>Share-based payment liability</b>		
Total carrying amount of cash-settled share-based payment liability	120 239	108 371
Total intrinsic value of liability for vested benefits	60 993	43 459

## Company balance sheets

at 31 March 2007 and 31 March 2006

	Notes	31 March 2007 R'000	31 March 2006 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>14 159 071</b>	6 426 678
Land and buildings	2	–	347
Investments in subsidiaries	3	<b>3 578 012</b>	866 548
Loans to subsidiaries	4	<b>9 802 029</b>	5 399 619
Investments in joint ventures	5	<b>32 175</b>	32 175
Loan to joint venture	6	<b>87 086</b>	87 086
Investments and loans	7	<b>584 000</b>	–
Deferred taxation	9	<b>75 769</b>	40 903
<b>Current assets</b>		<b>7 168 702</b>	2 370 762
Current portion of long-term loans	4	<b>444 001</b>	302 310
Other receivables	10	<b>33 761</b>	6 159
Cash and cash deposits		<b>6 690 940</b>	2 062 293
<b>TOTAL ASSETS</b>		<b>21 327 773</b>	8 797 440
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>		<b>21 267 794</b>	8 739 469
Share capital and premium	11	<b>13 464 398</b>	6 038 870
Other non-distributable reserves		<b>18 224</b>	12 547
Retained earnings		<b>7 785 172</b>	2 688 052
<b>Non-current liabilities</b>		<b>2 413</b>	2 270
Post-retirement medical liability	12	<b>2 413</b>	2 270
<b>Current liabilities</b>		<b>57 566</b>	55 701
Amounts owing in respect of investments acquired	13	<b>38 929</b>	40 635
Accrued expenses and other current liabilities	14	<b>18 637</b>	15 066
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21 327 773</b>	8 797 440

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

		<b>31 March 2007 R'000</b>	31 March 2006 R'000
	Notes		
<b>Revenue</b>		–	–
Selling, general and administration expenses	16	<b>(66 231)</b>	(57 506)
Other gains – net	15	<b>4 793 931</b>	172 141
<b>Operating profit</b>		<b>4 727 700</b>	114 635
Finance income – net	17	<b>11 772</b>	109 160
Profit on sale of investments	18	<b>689 429</b>	–
<b>Profit before taxation</b>		<b>5 428 901</b>	223 795
Taxation	19	<b>34 865</b>	(6 018)
<b>Profit for the year</b>		<b>5 463 766</b>	217 777
<b>Attributable to:</b>			
Equity holders of the company		<b>5 463 766</b>	217 777
Minority interest		–	–
		<b>5 463 766</b>	217 777

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

## Company statements of changes in shareholders' equity

for the years ended 31 March 2007 and 31 March 2006

	Share capital and premium		Retained earnings R'000	Share-based compensation reserve R'000	Total R'000
	A shares R'000	N shares R'000			
	<b>Balance at 1 April 2005</b>	14 243			
Share capital issued	–	69 723	–	–	69 723
Treasury shares movement	–	14 482	–	–	14 482
Share-based compensation movements	–	–	–	5 576	5 576
Net profit attributable to shareholders	–	–	217 777	–	217 777
Dividends	–	–	(213 164)	–	(213 164)
<b>Balance at 31 March 2006</b>	<b>14 243</b>	<b>6 024 627</b>	<b>2 688 052</b>	<b>12 547</b>	<b>8 739 469</b>
<b>Balance at 1 April 2006</b>	14 243	6 024 627	2 688 052	12 547	8 739 469
Share capital issued	–	7 432 602	–	–	7 432 602
Treasury shares movement	–	(7 074)	–	–	(7 074)
Share-based compensation movements	–	–	–	5 677	5 677
Net profit attributable to shareholders	–	–	5 463 766	–	5 463 766
Dividends	–	–	(366 646)	–	(366 646)
<b>Balance at 31 March 2007</b>	<b>14 243</b>	<b>13 450 155</b>	<b>7 785 172</b>	<b>18 224</b>	<b>21 267 794</b>

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

		<b>31 March</b>	31 March
	Notes	<b>2007</b>	2006
		<b>R'000</b>	R'000
<b>Cash flows from operating activities</b>			
Cash used in operating activities	20	<b>(21 958)</b>	(47 027)
Finance income – net		<b>89 645</b>	109 160
Investment income received		<b>680 305</b>	77 429
<i>Net cash from operating activities</i>		<b>747 992</b>	139 562
<b>Cash flows from investment activities</b>			
Partial disposal of interest in subsidiary	21	<b>130 453</b>	–
Loans repaid by joint ventures		–	44 215
Proceeds from the sale of property		<b>5 547</b>	–
<i>Net cash from investing activities</i>		<b>136 000</b>	44 215
<b>Cash flows from financing activities</b>			
Loans repaid			
– payments of long-term borrowings		–	(13 750)
– payments of short-term borrowings		–	(55 017)
Loans (granted to)/repaid by subsidiaries		<b>(3 189 814)</b>	1 001 727
Proceeds from share issue		<b>7 396 568</b>	12 826
Dividend paid by holding company		<b>(366 646)</b>	(213 164)
<i>Net cash from financing activities</i>		<b>3 840 108</b>	732 622
Net increase in cash and cash equivalents		<b>4 724 100</b>	916 399
Forex translation adjustments on cash and cash equivalents		<b>(95 453)</b>	–
Cash and cash equivalents at beginning of the year		<b>2 062 293</b>	1 145 894
<b>Cash and cash equivalents at end of the year</b>		<b>6 690 940</b>	2 062 293

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

## 1. PRINCIPAL ACCOUNTING POLICIES

The annual financial statements of the company are presented in accordance with, and comply with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements. The accounting policies for the holding company are the same as those of the group, where applicable (refer note 2 of the consolidated financial statements).

## 2. LAND AND BUILDINGS

Naspers Limited sold property to Media24 Limited during the past financial year. The transaction is eliminated in the consolidated financial statements.

## 3. INVESTMENTS IN SUBSIDIARIES

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

Name of subsidiary	Measure- ment currency	Effective percentage interest*		Direct investment in shares		Nature of business	Country of incorporation
		2007 %	2006 %	2007 R'000	2006 R'000		
Media24 Limited	ZAR	–	100,0	–	1 300	Print media	South Africa
Media24 Holdings Limited	ZAR	<b>85,0</b>	–	<b>1 105</b>	–	Holding company	South Africa
Heemstede Beleggings (Proprietary) Limited	ZAR	<b>100,0</b>	100,0	–	–	Investment holding	South Africa
MIH Holdings Limited	ZAR	<b>100,0</b>	–	<b>3 576 767</b>	–	Holding company	South Africa
MIH Investments (Proprietary) Limited	ZAR	<b>100,0</b>	100,0	<b>140</b>	865 248	Investment holding	South Africa
Multimedia (Proprietary) Limited	ZAR	<b>100,0</b>	100,0	–	–	Investment holding	South Africa
				<b>3 578 012</b>	<b>866 548</b>		

\*The effective percentage interest shown is the effective financial interest, after adjusting for the interests of any equity compensation plans treated as treasury shares.

During the past year Naspers Limited acquired a 100% interest in MIH Holdings Limited from MIH Investments (Proprietary) Limited. MIH Investments (Proprietary) Limited, in anticipation of a voluntary liquidation, performed a partial capital reduction. A dividend in specie in respect of the remaining reserves was subsequently declared to Naspers Limited. Naspers Limited also recorded an impairment of R441,1 million against the interest in MIH Investments (Proprietary) Limited. These transactions are eliminated in the consolidated annual financial statements.

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>4. LOANS TO SUBSIDIARIES</b>		
Media24 Limited	<b>444 001</b>	820 403
MIH Holdings Limited	<b>9 724 813</b>	1 742 662
MIH Investments (Proprietary) Limited	–	3 057 528
Multimedia (Proprietary) Limited	<b>77 216</b>	81 336
	<b>10 246 030</b>	5 701 929
Less: current portion	<b>(444 001)</b>	(302 310)
	<b>9 802 029</b>	5 399 619

The loans to subsidiary companies do not have any fixed repayment terms except for the Media24 Limited loan, which is payable on demand. All the loans to subsidiary companies at 31 March 2007 are interest free, except for R9,6 million at 8,5% and R300 million at 7,5% (both included in the Media24 Limited loan account).

**5. INVESTMENTS IN JOINT VENTURES**

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

Name of joint venture	Functional currency	Effective percentage interest*		Direct investment in shares		Nature of business	Country of incorporation
		2007 %	2006 %	2007 R'000	2006 R'000		
Electronic Media Network Limited/SuperSport International Holdings Limited	ZAR	3,8	3,8	16 345	16 345	Pay-TV content provider investment holding	South Africa
MNH Holdings (1998) (Proprietary) Limited	ZAR	50,0	50,0	15 830	15 830		South Africa
				<b>32 175</b>	32 175		

\*The effective percentage interest shown is the financial effective interest, after adjusting for the interests of any equity compensation plans treated as treasury shares.

	<b>31 March 2007</b>	31 March 2006
	<b>R'000</b>	R'000

**6. LOAN TO JOINT VENTURE**

MNH Holdings (1998) (Proprietary) Limited

**87 086** 87 086

The loan to MNH Holdings (1998) (Proprietary) Limited does not have any fixed repayment terms, is interest free and is carried at cost.

**7. INVESTMENTS AND LOANS****Loans and receivables**

Welkom Yizani preference shares	<b>599 600</b>	–
Short-term accrued dividends on preference shares	<b>(15 600)</b>	–
Long-term portion of loans and receivables	<b>584 000</b>	–

During the year Welkom Yizani Investments Limited issued R58,4 million cumulative preference shares (at R10 per share) to Naspers Limited as part of the BEE transaction with Media24. See note 7 in the consolidated financial statements for further details concerning this investment.

**8. RELATED-PARTY TRANSACTIONS AND BALANCES****Loans and interest**

For detail on related party loans and interest received please refer to notes 4, 6 and 17.

**Directors' emoluments**

Executive directors		
Remuneration for other services paid by subsidiary companies	–	314
Non-executive directors		
Fees for services as directors	<b>3 944</b>	3 082
Fees for services as directors of subsidiary companies	<b>2 908</b>	2 030
	<b>6 852</b>	5 426

## 9. DEFERRED TAXATION

The company created a deferred tax asset of R75,7 million on unutilised secondary tax on companies ("STC" credits). The unutilised STC credits amounted to R4 288 million on 31 March 2007 (2006: R327,2 million). Management recorded a valuation allowance of R3 682 million against the unutilised STC credits on 31 March 2007 as it is not expected that all the unutilised credits will realise. Please see note 16 of the consolidated financial statements for management's assumptions, which are based on changes relating to STC legislation.

	1 April 2006 R'000	Charged to income R'000	<b>31 March 2007 R'000</b>
<b>Deferred tax asset</b>			
STC credits	40 903	34 866	<b>75 769</b>
		<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>10. OTHER RECEIVABLES</b>			
Accrued Welkom Yizani preference dividends		<b>15 600</b>	–
Other receivables		<b>18 161</b>	6 159
		<b>33 761</b>	6 159
<b>11. SHARE CAPITAL AND PREMIUM</b>			
<b>Authorised</b>			
1 250 000 A ordinary shares of R20 each		<b>25 000</b>	25 000
500 000 000 N ordinary shares of 2 cents each		<b>10 000</b>	10 000
		<b>35 000</b>	35 000
<b>Issued</b>			
712 131 A ordinary shares of R20 each		<b>14 243</b>	14 243
366 688 936 N ordinary shares of 2 cents each (2006: 315 113 700)		<b>7 334</b>	6 302
		<b>21 577</b>	20 545
<b>Share premium</b>		<b>13 674 540</b>	6 242 971
		<b>13 696 117</b>	6 263 516
<i>Less: 9 662 477 N ordinary shares held as treasury shares (2006: 9 891 324 N ordinary shares)</i>		<b>(231 719)</b>	(224 646)
		<b>13 464 398</b>	6 038 870
		<b>2007 Number of N shares</b>	2006 Number of N shares
<b>Movement in N ordinary shares in issue during the year</b>			
Shares in issue at 1 April		<b>315 113 700</b>	314 548 700
Shares issued for cash		<b>45 600 000</b>	–
Shares issued to the Welkom Trust share scheme		<b>5 605 236</b>	–
Shares issued to share incentive trusts		<b>370 000</b>	565 000
<b>Shares in issue at 31 March</b>		<b>366 688 936</b>	315 113 700
<b>Movement in N ordinary shares held as treasury shares during the year</b>			
Shares held as treasury shares at 1 April		<b>9 891 324</b>	10 546 820
Shares issued to the Naspers equity compensation plan		<b>150 000</b>	–
Shares acquired by participants from the Naspers equity compensation plan		<b>(378 847)</b>	(655 496)
<b>Shares held as treasury shares at 31 March</b>		<b>9 662 477</b>	9 891 324

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>11. SHARE CAPITAL AND PREMIUM</b> (continued)		
<b>Voting and dividend rights</b>		
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. The Class A ordinary shareholders do not have a right to receive a dividend when dividends are declared to class N ordinary shareholders, although a dividend to Class A ordinary shareholders could be proposed by the board. In respect of all other rights, the A ordinary shares rank pari passu with the N ordinary shares of the company.		
<b>Share premium</b>		
Opening balance at 1 April	<b>6 242 971</b>	6 173 258
Share premium on share issues	<b>7 657 226</b>	69 766
Share issue expenses	<b>(225 657)</b>	(53)
<b>Closing balance at 31 March</b>	<b>13 674 540</b>	6 242 971
<b>12. POST-RETIREMENT MEDICAL LIABILITY</b>		
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.		
Opening balance at 1 April	<b>2 270</b>	1 974
Additional provisions charged to income statement	<b>143</b>	296
<b>Closing balance at 31 March</b>	<b>2 413</b>	2 270
Refer to note 17 of the consolidated financial statements for additional information including the actuarial assumptions.		
<b>13. AMOUNTS OWING IN RESPECT OF INVESTMENTS ACQUIRED</b>		
On 24 March 2004 the last conditions precedent relating to schemes of arrangement under section 311 of the South African Companies Act, 1973, were satisfied, in terms of which Naspers Limited acquired an additional 19,62% financial interest in Electronic Media Network Limited and SuperSport International Holdings Limited respectively (which was sold to MultiChoice Africa (Proprietary) Limited during 2005). An amount of R815,6 million was due to minority shareholders on 31 March 2004. Some of these minority shareholders have not surrendered their share certificates and claimed payment for their shares, therefore an amount of R38,9 million was still outstanding as at 31 March 2007 (2006: R40,6 million).		
<b>14. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES</b>		
Accrued expenses	<b>10 053</b>	9 074
Taxes and social security	<b>180</b>	170
Bonus provision	<b>3 382</b>	3 072
Provision for leave	<b>993</b>	813
Other personnel provisions	<b>42</b>	39
Other current liabilities	<b>3 987</b>	1 898
	<b>18 637</b>	15 066

	<b>31 March 2007 R'000</b>	31 March 2006 R'000
<b>15. OTHER GAINS – NET</b>		
<b>Subsidiaries</b>		
Dividends – unlisted shares	5 169 522	92 310
Impairment of investment	(441 097)	–
Profit on the sale of property	5 200	–
<b>Joint venture companies</b>		
Dividends – unlisted shares	60 277	79 806
<b>Other investments</b>		
Dividends – unlisted shares	29	25
<b>Total other gains – net</b>	<b>4 793 931</b>	<b>172 141</b>
<b>16. EXPENSES BY NATURE</b>		
Operating profit includes the following items:		
<b>Staff cost</b>		
As at 31 March 2007 the company had 11 (2006: 12) permanent employees. The total cost of employment of all employees was as follows:		
Salaries, wages and bonuses	8 250	7 491
Retirement benefit costs (defined contribution plan)	606	492
Medical aid fund contributions	186	163
Post-retirement benefits	143	296
Training costs	153	124
Share-based compensation charges	5 677	5 575
<b>Total staff costs</b>	<b>15 015</b>	<b>14 141</b>
<b>Fees paid to non-employees for administration, management and technical services</b>	<b>39 385</b>	<b>33 915</b>
<b>Advertising expenses</b>	<b>1 220</b>	<b>2 951</b>
<b>Auditor's remuneration</b>		
Audit fees	5 984	4 875
Audit-related fees	4 141	852
Tax fees	51	33
All other fees	435	739
	<b>10 611</b>	<b>6 499</b>
<b>17. FINANCE INCOME – NET</b>		
<b>Interest paid</b>		
Loans and overdrafts	–	(623)
	–	(623)
<b>Interest received</b>		
Loans and bank accounts	78 832	65 797
Subsidiaries	28 393	43 986
	<b>107 225</b>	<b>109 783</b>



	31 March 2007 R'000	31 March 2006 R'000
Net loss from foreign exchange translation of assets	(95 453)	–
<b>Finance income – net</b>	<b>11 772</b>	109 160
<b>18. PROFIT ON SALE OF INVESTMENTS</b>		
Profit on sale of investments	<b>689 429</b>	–
Naspers Limited recorded a profit of R689,4 million (net of costs of R40,4 million) on the sale of a 15% interest in Media24 Holdings Limited to Welkom Yizani Investments Limited as part of the BEE transaction. See note 7 in the consolidated financial statements for further details regarding this transaction.		
<b>19. TAXATION</b>		
Deferred taxation		
Current year	<b>(34 865)</b>	6 018
<b>Total tax per income statement</b>	<b>(34 865)</b>	6 018
<b>Reconciliation of taxation</b>		
Taxation at statutory rates	<b>1 574 381</b>	64 901
Adjusted for:		
Assessed losses increased/(utilised)	<b>12 999</b>	(20 546)
Non-deductible expenses	<b>146 655</b>	5 617
Non-taxable income	<b>(1 734 374)</b>	(49 972)
Secondary taxation on companies	<b>(34 865)</b>	6 018
Other taxes	<b>339</b>	–
<b>Taxation provided in income statement</b>	<b>(34 865)</b>	6 018
<b>20. CASH USED IN OPERATING ACTIVITIES</b>		
Operating profit per income statement	<b>4 727 700</b>	114 635
Adjustments:		
– Non-cash and other	<b>(4 753 685)</b>	(166 269)
Profit on the sale of property	<b>(5 200)</b>	–
Impairment of investment	<b>441 097</b>	–
Expenses paid by subsidiary	<b>30 440</b>	–
Investment income	<b>(5 229 827)</b>	(172 141)
Share-based compensation charges	<b>5 677</b>	5 576
Other	<b>4 128</b>	296
– Working capital	<b>4 027</b>	4 607
Cash movement in trade and other receivables	<b>3 005</b>	(429)
Cash movement in payables, provisions and accruals	<b>1 022</b>	5 036
<b>Cash used in operating activities</b>	<b>(21 958)</b>	(47 027)
<b>21. PARTIAL DISPOSAL OF INTEREST IN SUBSIDIARY</b>		
Profit on sale of investment	<b>729 805</b>	–
Book value	<b>195</b>	–
Selling price	<b>730 000</b>	–
Preference shares received as settlement	<b>(584 000)</b>	–
	<b>146 000</b>	–
Amounts receivable	<b>(15 547)</b>	–
<b>Net cash inflow on partial disposal of interest in subsidiary</b>	<b>130 453</b>	–

## 22. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of cash and cash equivalents approximates fair value as a consequence of the short maturities of these instruments. The estimated fair values do not necessarily represent the values that the company will realise in the normal course of business. A comparison of the carrying value and fair value of these instruments is as follows:

	31 March 2007		31 March 2006	
	Carrying value R'000	Fair value R'000	Carrying value R'000	Fair value R'000
<b>Assets</b>				
Investments and loans	10 473 116	10 473 116	5 486 705	5 486 705
Receivables and loans	477 762	477 762	305 944	305 944
Cash and cash deposits	6 690 940	6 690 940	2 062 293	2 062 293
<b>Liabilities</b>				
Payables and loans	57 385	57 385	55 531	55 531

## 23. EQUITY COMPENSATION BENEFITS

Please refer to note 39 of the consolidated financial statements for details regarding the Naspers Limited share incentive plan.

Notice is hereby given that the ninety-third annual general meeting of Naspers Limited (“the company” or “Naspers”) will be held on the 18th floor of Naspers Centre, 40 Heerengracht in Cape Town, South Africa, on Friday, 24 August 2007 at 11:15. The following ordinary resolutions will be considered and, if approved, will be adopted with or without amendment:

## ORDINARY RESOLUTIONS

1. The financial statements of the company and the group for the 12 (twelve) months ended 31 March 2007 and the reports of the directors and the auditor to be considered and accepted.
2. The confirmation of dividends in relation to the N ordinary and A ordinary shares of the company.
3. The approval of the remuneration of the non-executive directors for the year ended 31 March 2007.
4. The re-appointment of the firm PricewaterhouseCoopers Inc. as auditor for the period until the conclusion of the next annual general meeting of the company.
5. To ratify the appointment of Professor H S S Willemse who was appointed to fill a vacancy in the board, and who is eligible and offers himself for election. His abridged curriculum vita appears on page 61 of this report.
6. To elect messrs T Vosloo, N P van Heerden and L N Jonker who retire by rotation and, being eligible, offer themselves for re-election. Their abridged curricula vitae appear on pages 60 and 61 of this report. The re-election of each director will be carried out in separate ordinary resolutions.
7. To place the authorised but unissued share capital of the company under the control of the directors and to grant, until the conclusion of the next

annual general meeting of the company, an unconditional general authority to the directors to allot and issue in their discretion (but subject to the provisions of section 221 of the Companies Act, No 61 of 1973, as amended (“the Act”), and the requirements of JSE Limited (“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 discretion deem fit.

8. Subject to a minimum of 75% of the votes of shareholders of the company present personally or by proxy at the annual general meeting and entitled to vote, voting in favour thereof, the directors be authorised and are hereby authorised to issue unissued shares of a class of shares already in issue in the capital of the company for cash as and when the opportunity arises, subject to the requirements of the JSE, including the following:
  - > this authority shall not endure beyond the earlier of the next annual general meeting of the company or beyond 15 (fifteen) months from the date of the meeting;
  - > that a paid press announcement giving full details, including the impact on the net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of shares of that class in issue prior to the issue;
  - > the aggregate issue of any particular class of shares in any financial year will not exceed 5% of the issued number of that class of shares (including securities which are compulsory convertible into shares of that class);

- > that in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount at which the shares may be issued is 10% of the weighted average traded price of the shares in question, as determined over the 30 (thirty) business days prior to the date that the price of the issue is determined; and
- > that the shares will only be issued to “public shareholders” as defined in the Listings Requirements of the JSE, and not to related parties.

The following special resolutions will be considered and, if approved, will be adopted with or without amendment:

#### **SPECIAL RESOLUTION NUMBER ONE**

That the company or any of its subsidiaries be and are hereby authorised, by way of a general authority, to acquire N ordinary shares issued by the company, in terms of and subject to sections 85(2), 85(3) and 89 of the Companies Act, No 61 of 1973, as amended, and in terms of the rules and requirements of the JSE being that:

- > any such acquisition of N ordinary shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement;
- > this general authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- > an announcement will be published as soon as the company or any of its subsidiaries has acquired N ordinary shares constituting, on a cumulative basis, 3% of the number of N ordinary shares in issue prior to the acquisition pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions;

- > acquisitions of N ordinary shares in aggregate in any one financial year may not exceed 20% of the company's N ordinary issued share capital as at the date of passing of this special resolution;
- > in determining the price at which N ordinary shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such N ordinary shares may be acquired will be 10% of the weighted average of the market value at which such N ordinary shares are traded on the JSE as determined over the five business days immediately preceding the date of repurchase of such N ordinary shares by the company or any of its subsidiaries;
- > the company has been given authority by its articles of association;
- > at any point, the company may only appoint one agent to effect any repurchase on the company's behalf;
- > the company's sponsor must confirm the adequacy of the company's working capital for purposes of undertaking the repurchase of N ordinary shares in writing to the JSE before entering the market to proceed with the repurchase;
- > the company remaining in compliance with the minimum shareholder spread requirements of the JSE Listings Requirements; and
- > the company and/or its subsidiaries not repurchasing any N ordinary shares during a prohibited period as defined by the JSE Listings Requirements.

Before entering the market to effect the general repurchase, the directors, having considered the effects of the repurchase of the maximum number of N ordinary shares in terms of the foregoing general

authority, will ensure that for a period of 12 (twelve) months after the date of the notice of annual general meeting:

- > the company and the group will be able, in the ordinary course of business, to pay their debts;
- > the assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the company and the group; and
- > the company and the group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, some of which appears elsewhere in the annual report of which this notice forms part, is provided in terms of the JSE Listings Requirements for purposes of the general authority:

- > directors – pages 60 and 61;
- > major shareholders – page 64;
- > directors' interests in ordinary shares – page 109;
- > share capital of the company – pages 110 and 111; and
- > litigation – pages 121 and 122.

### **Directors' responsibility statement**

The directors, whose names appear on pages 60 and 62 of this annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number one and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number one contains all information.

### **Material changes**

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

The directors have no specific intention, at present, for the company to repurchase any of its N ordinary shares, but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the company and its shareholders.

The reason for and effect of special resolution number one is to grant the company a general authority in terms of the Companies Act and the JSE Listings Requirements for the acquisition by the company, or a subsidiary of the company, of the company's N ordinary shares.

### **SPECIAL RESOLUTION NUMBER TWO**

That the company or any of its subsidiaries be and are hereby authorised, by way of a general authority, to acquire A ordinary shares issued by the company, in terms of and subject to sections 85(2), 85(3) and 89 of the Companies Act, No 61 of 1973, as amended.

The reason for and effect of special resolution number two is to grant the company a general authority in terms of the Companies Act for the acquisition by the company, or a subsidiary of the company, of the company's A ordinary shares.

### **9. ORDINARY RESOLUTION**

Each of the directors of the company is hereby authorised to do all things, perform all acts and sign all documentation necessary to effect the implementation of the ordinary and special resolutions adopted at this annual general meeting.

10. **OTHER BUSINESS**

To transact such other business as may be transacted at an annual general meeting.

Shareholders entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder of the company.

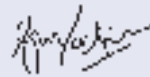
A form of proxy, which includes the relevant instructions for its completion, is attached for the use of holders of certificated shares and "own name" dematerialised shareholders who wish to be represented at the annual general meeting. Completion of a form of proxy will not preclude such a shareholder from attending and voting (in preference to that shareholder's proxy) at the annual general meeting.

Holders of dematerialised shares, other than "own name" dematerialised shareholders, who wish to vote at the annual general meeting must instruct their Central Securities Depository Participant ("CSDP") or broker accordingly in the manner and cut-off time stipulated by their CSDP or broker.

Holders of dematerialised shares, other than "own name" dematerialised shareholders, who wish to attend the annual general meeting in person need to arrange the necessary authorisation as soon as possible, through their CSDP or broker.

The form appointing a proxy and the authority (if any) under which it is signed must reach the registered office of the company by no later than 11:15 on Thursday, 23 August 2007. A form of proxy is enclosed with this notice. The form of proxy may also be obtained from the registered office of the company.

By order of the board



**G M Coetsee**

*Company secretary*

31 July 2007

Cape Town

**FORM OF PROXY**

**Ninety-third annual general meeting of shareholders**

For use by holders of certificated shares or “own name” dematerialised shareholders at the ninety-third annual general meeting of shareholders of the company to be held on the 18th floor of the Naspers Centre, 40 Heerengracht in Cape Town, South Africa on Friday, 24 August 2007 at 11:15.

I/We \_\_\_\_\_ (please print)

of \_\_\_\_\_

being a holder of certificated shares or “own name” dematerialised shares of Naspers and entitled to \_\_\_\_\_ votes hereby appoint (see note 1)

1. \_\_\_\_\_ or, failing him/her,

2. \_\_\_\_\_ or, failing him/her,

3. the chairman of the annual general meeting as my/our proxy to act for me/us at the annual general meeting, which will be held in the boardroom on the 18th floor, Naspers Centre, 40 Heerengracht in Cape Town on Friday, 24 August 2007 at 11:15 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the company registered in my/our name (see note 2) as follows:

	In favour of	Against	Abstain
<b>Ordinary resolutions:</b>			
1. Approval of annual financial statements			
2. Confirmation of dividends			
3. Approval of directors' remuneration			
4. Re-appointment of auditor			
5. Appointment of Professor H S S Willemse			
6. Re-election of the following directors:			
Mr T Vosloo			
Mr N P van Heerden			
Mr L N Jonker			
7. Approval of general authority placing unissued shares under the control of the directors			
8. Approval of issue of shares for cash			
<b>Special resolution number one:</b> General authority for the company or any of its subsidiaries to acquire N ordinary shares in the company			
<b>Special resolution number two:</b> General authority for the company or any of its subsidiaries to acquire A ordinary shares in the company			
<b>Ordinary resolution:</b>			
9. Authorisation to implement all resolutions adopted at the annual general meeting			

and generally to act as my/our proxy at the said annual general meeting.

(Tick whichever is applicable. If no indication is given, the proxy holder will be entitled to vote or to abstain from voting as the proxy holder deems fit.)

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2007.

Signature \_\_\_\_\_ Assisted (where applicable) \_\_\_\_\_

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder/s of the company) to attend, speak and vote in place of that shareholder at the annual general meeting.



## NOTES:

1. A certificated or "own name" dematerialised shareholder may insert the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the annual general meeting". The person whose name appears first on the form of proxy and whose name has not been deleted and who attends the meeting will be entitled and authorised to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorise the proxy to vote at the annual general meeting as he/she deems fit in respect of the shareholder's votes exercisable thereat, but where the proxy is the chairman, failure to so comply will be deemed to authorise the chairman to vote in favour of the resolutions. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy.
3. Forms of proxy must be lodged at or posted to the registered office of the company, 40 Heerengracht, Cape Town, 8001 or PO Box 2271, Cape Town, 8000 (marked for the attention of Denise Vos) to be received by not later than 11:15 on Thursday, 23 August 2007, or such later date if the annual general meeting is postponed.
4. The completion and lodging of this form of proxy will not preclude the certificated shareholder or "own name" dematerialised shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. An instrument of proxy shall be valid for any adjournment or postponement of the annual general meeting as well as for the meeting to which it relates, unless the contrary is stated therein but shall not be used at the resumption of an adjourned annual general meeting if it could not have been used at the annual general meeting from which it was adjourned for any reason other than that it was not lodged timeously for the meeting from which the adjournment took place.
6. A vote cast or act done in accordance with the terms of a form of proxy shall be deemed to be valid notwithstanding:
  - > the death, insanity, or any other legal disability of the person appointing the proxy; or
  - > the revocation of the proxy; or
  - > the transfer of a share in respect of which the proxy was given,unless notice as to any of the abovementioned matters shall have been received by the company at its registered office or by the chairman of the annual general meeting at the place of the annual general meeting if not held at the registered office, before the commencement or resumption (if adjourned) of the annual general meeting at which the vote was cast or the act was done or before the poll on which the vote was cast.
7. The authority of a person signing the form of proxy:
  - 7.1 under a power of attorney; or
  - 7.2 on behalf of a company or close corporation or trust, must be attached to the form of proxy unless the full power of attorney has already been received by the company or the transfer secretaries.
8. Where shares are held jointly, all joint holders must sign.
9. Dematerialised shareholders, other than by "own name" registration, must NOT complete this form of proxy and must provide their Central Securities Depository Participant ("CSDP") or broker of their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP and/or broker.