

Scope of the report and assurance

Naspers has reported annually to stakeholders on its non-financial performance since 2008.

This is, however, our first integrated annual report – combining financial and non-financial performance for a fuller understanding of our group. It covers the financial year from 1 April 2010 to 31 March 2011.

The report has been prepared using the guidelines of the Global Reporting Initiative (GRI G3) and the recommendations of the latest King Report on Corporate Governance in South Africa (known as King III).

Integrated reporting is a new discipline and global standards are still being developed. Until such time, we are guided by peer practices globally. Our aim is incrementally improved reporting and disclosure, while protecting the long-term sustainability of our group in a highly competitive sector. Feedback can be communicated directly to gri@naspers.com.

This report includes the financial performance of the Naspers group and its subsidiaries, joint ventures and associates. The scope of reporting on non-financial performance covers the holding company, managed media operations in South Africa (Media24), managed pay-

television businesses in South Africa and Nigeria (MultiChoice), managed internet operations in Latin America (BuscaPé) and Central and Eastern Europe (Allegro). Together these account for 80% of group revenue.

Our South African operations publish separate integrated annual reports on www.media24.co.za and www.multichoice.co.za.

We are concentrating on developing group reporting standards that will make our disclosure increasingly meaningful and measurable for stakeholders. Generally, detailed forward-looking information is not provided.

In terms of GRI reporting requirements Naspers has met the requirements and self-declared this report at level C.

The financial information extracted from the audited Naspers Limited consolidated annual financial statements for the year ended 31 March 2011 has been correctly quoted in this integrated annual report. Refer to page 132 for PricewaterhouseCoopers Inc.'s report.

The South African broad-based black economic empowerment information was verified by Empowerlogic (MultiChoice) and CODEX (Media24).

The report may contain forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These include factors that could adversely affect our businesses and financial performance. We are not under any obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

Statement of the board of directors on the integrated annual report



NASPERS

As required by King III, the audit committee has reviewed the integrated annual report and the board has reviewed and approved the report. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the South African Companies Act No 61 of 1973 (as amended), while the integrated annual report was prepared in accordance with the guidelines of the Global Reporting Initiative (GRI) level C.

The integrated annual report and financial statements fairly reflect, in our opinion, the true financial position of the group at 31 March 2011 as well as that of its operations during this period as described in the report.

On behalf of the board

A handwritten signature in dark ink, appearing to read 'Ton Vosloo', with a horizontal line extending to the right.

Ton Vosloo

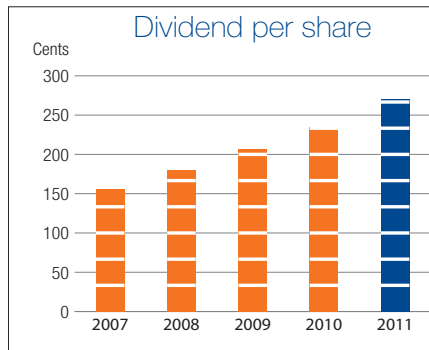
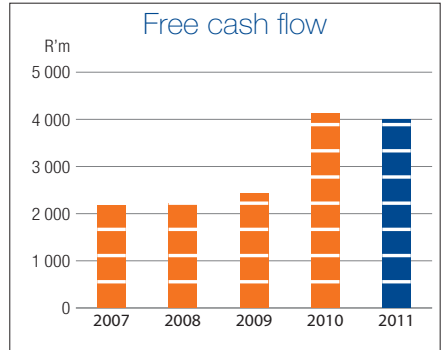
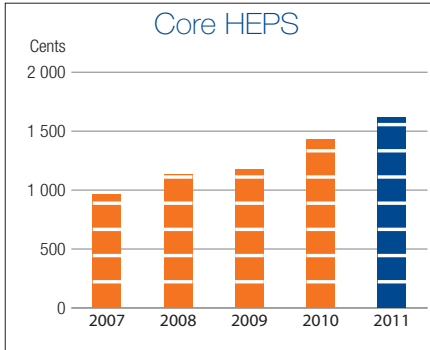
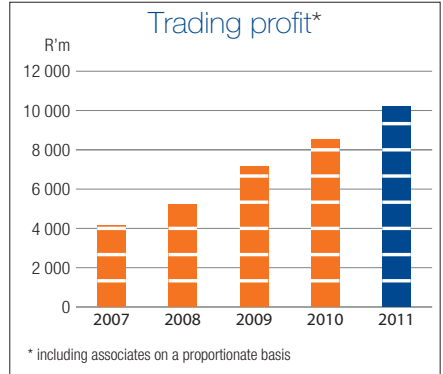
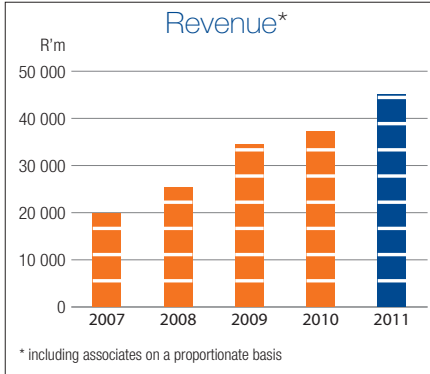
Chairman

Cape Town

24 June 2011

Highlights of the year in review

Financial performance



Five-year review

	2007	2008	2009	2010	2011
	R'm	R'm	R'm	R'm	R'm
Income statement items					
including associates					
Revenue	19 790	25 305	34 505	37 251	45 103
Trading profit	4 156	5 243	7 173	8 537	10 220
Excluding associates					
Trading profit	3 532	4 084	4 940	5 447	5 838
Free cash flow	2 182	2 223	2 432	4 129	3 991
Statement of financial position					
Total assets	32 184	57 523	54 560	57 468	69 855
Total equity	21 570	33 147	35 217	35 634	42 942
Total liabilities	10 614	24 376	19 343	21 834	26 913
Other information					
Core headline earnings per share (cents)	965	1 130	1 179	1 426	1 612
Dividend per N ordinary share (cents) (proposed)	156	180	207	235	270
Weighted average number of N ordinary shares ('000)	295 756	353 622	371 004	372 951	374 501

Non-financial performance



USERS AND SERVICE



USAGE ON OUR INTERNET PLATFORMS



OUR PEOPLE



ENVIRONMENT



SOCIO-ECONOMIC DEVELOPMENT

- ▶ 4,92 million pay-television homes across Africa.
- ▶ 18 million smartcards sold by Irdeto globally.

- ▶ 8 022 827 222 average daily page views.
- ▶ 8 021 609 average daily unique visitors.
- ▶ 7 666 851 004 average daily messages.
- ▶ 817 134 740 total game unique identification number (UiNs).

- ▶ Ten talented technologists participated in the international Junior Staff Exchange programme (opportunity to spend three months at a different group company).
- ▶ 11 up-and-coming technologists recognised with the MIH Distinguished Technologist Award.
- ▶ 229 bursaries to Media24 employees.

- ▶ In Poland, Allegro's All For Planet Foundation combines ecology with design and music to revitalise public spaces.
- ▶ In South Africa our usage of electricity decreased by 9%.

- ▶ In Switzerland Ricardo runs charity auctions for Jeder Rappen zählt.
- ▶ 172 new MultiChoice Resource Centres rolled out across Africa.
- ▶ 120 000 Phuthuma Nathi shareholders, 108 000 Welkom Yizani shareholders.

Our business

Naspers is a leading multinational media group based in South Africa and incorporated in 1915 as a public limited liability company.

It was listed on the Johannesburg Stock Exchange (JSE) in September 1994 where it has been a constituent of the Top 40 index for some years. Naspers has an American Depository Receipt (ADR) listing on the London Stock Exchange (LSE) and international investors are also able to participate via a plan maintained by The Bank of New York Mellon (details on page 146).

Over the past two decades the group has evolved from a traditional print media business in one country to a broad-based media company in multiple markets. The group's operating business segments span internet, pay television, print media and related technology in emerging markets.

Most of our businesses are market leaders in their sectors, and our most significant operations are in emerging markets. These include Africa, China, Latin America, Central and Eastern Europe, Russia and India.

Africa – The group earns revenues from television platform services, print media, internet services,

technology products and services, and book publishing.

Europe – The group's activities comprise its interests in internet activities in Central and Eastern Europe and Russia. Naspers also generates revenue from interactive television and technology products and services provided by subsidiaries in the Netherlands. The largest e-commerce platforms are Allegro in Poland (Eastern Europe) and Ricardo, primarily in Switzerland (Western Europe). In Russia the group has a 29% investment in Mail.ru Group, listed on the London Stock Exchange (www.mail.ru).

Asia – Group activities span interests in internet and print activities based in China, India and south-east Asia. In China the group has a 34% investment in Tencent, listed on the Hong Kong stock exchange (www.tencent.com). In India ibibo is growing its internet business, focusing on social media, search, online gaming and advertising.

Latin America – The group provides various products in the region through subsidiaries and associates, with BuscaPé, OLX (e-commerce) and Abril (print) as the main operations.

INTERNET



PAY TELEVISION



PRINT



TECHNOLOGY



Group at a glance



NASPERS

100%



Internet

Eastern Europe

97%



100%



Western Europe

100%



52%



South-east Asia

76%



50%



51%



34%



36%



China

34%



Russia

29%



Africa

30%



51%



100%



30%



India

80%



30%



Middle East

25%



Latin America

95%



65%



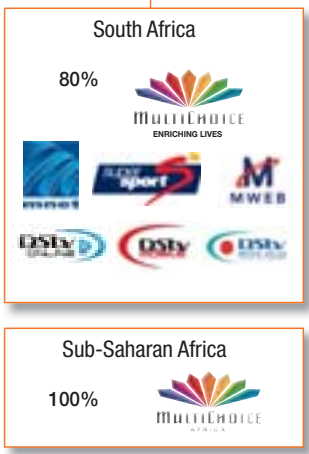
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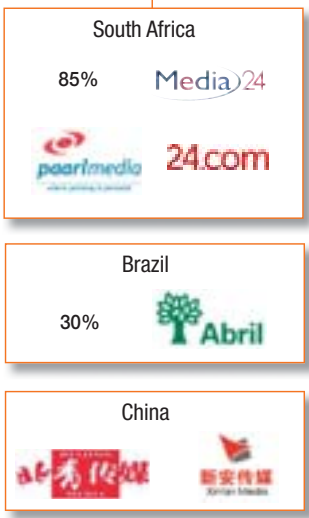
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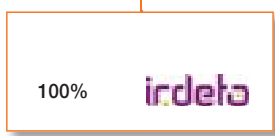
Pay television



Print



Technology



Global footprint

We have offices/provide services in 131 countries





- Group Coverage
- Offices



Chairman's report



Ton Vosloo – chairman



Wireless technology

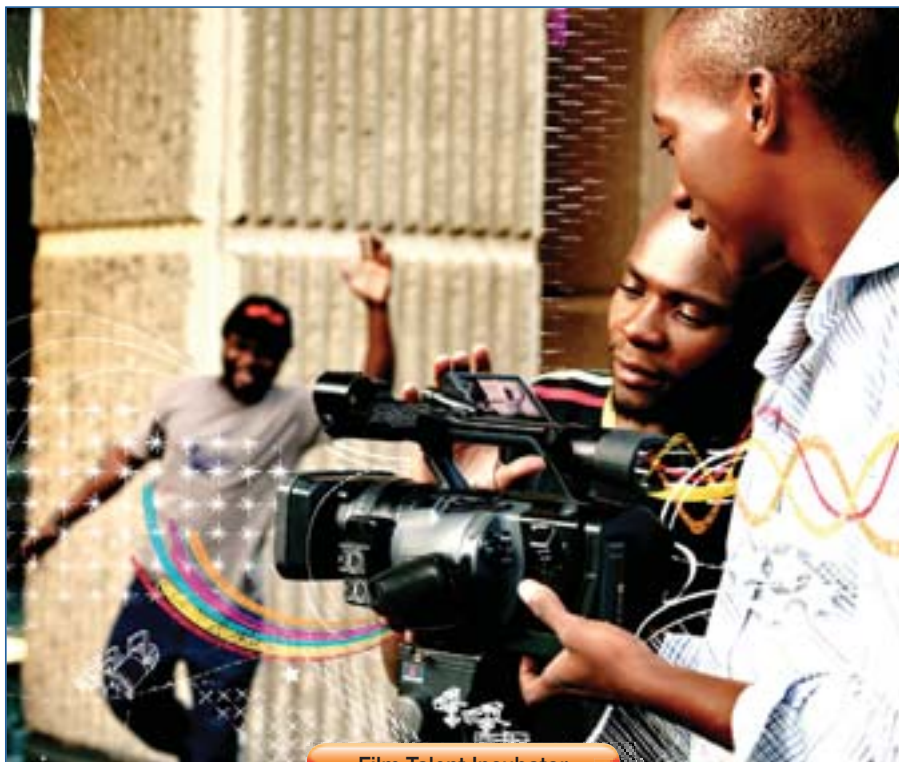


OVERVIEW

In line with the recommendations of the King Report on Governance for South Africa 2009 (King III) – revised guidelines on corporate governance in South Africa and aligned with global best practice – this is the first Naspers integrated annual report to stakeholders. We aim to present a balanced view of our economic, social, environmental and governance activities for the year to 31 March 2011.

As a board we oversee the strategic direction of the company. We are pleased to report that our results reflect an increase in consolidated revenues by 18% and core headline earnings by 13%. Major areas of growth were the internet and pay-television businesses. Our print media business has shown some recovery, while the technology business improved margins.

The internet industry continued its robust growth during the year, particularly in emerging markets, Naspers's strategic area of expertise. The resilience of our pay-television operations underscores the importance of quality content, although the rising cost of acquiring subscribers and sports rights is placing pressure on margins. In line with global peers, revenues in our print media businesses continued to be subdued.



Film Talent Incubator

Operationally we have made good progress in increasing local content and skills in key pay-television markets such as South Africa and Nigeria (page 56). Importantly, in countries facing educational challenges, Naspers has steadily expanded the scope of its educational and literacy initiatives. We are also supporting the development of industries with potential to create employment and develop skills, such as film-making and journalism. The MIH Media Lab sponsors top students in the field of new media at postgraduate level. This programme fosters

the development of entrepreneurs and increases the size of the talent pool. Electrical power is key to these initiatives and in countries where supply is compromised, we have secured alternative power sources.

GOVERNANCE

Governance and sustainability are essential for our stakeholders. The board conducts the group's business with integrity, applying appropriate corporate governance policies and practices in each company in the group.

Chairman's report *(continued)*

Several Naspers subsidiaries are governed by independent boards of directors, all with their own governance practices and subcommittees that comply with the necessary governance and regulatory requirements. A disciplined reporting structure ensures the holding company board is apprised of subsidiary activities, risks and opportunities.

Detailed strategies and business plans are kept under constant review, spanning the financial and non-financial elements of each company's business, and performance against targets underpins management remuneration.



Naspers continually evaluates areas where governance at corporate and subsidiary level can be strengthened. The impact of the new Companies Act in South Africa, as well as the King III Code on Corporate Governance, was a focus over the past year.

The board approved an implementation plan to roll out King III across our global operations in 2009. Good progress was made and the extent of applying King III in the governance frameworks of Naspers, MIH, MultiChoice and Media24 is outlined on page 95 of this report.

REGULATORY ENVIRONMENT

The regulatory environment in Africa remains uncertain and the past year presented many challenging issues requiring attention.



Ending a protracted period of uncertainty, the Southern African Development Community (SADC) adopted the latest version of the digital video broadcast terrestrial standard (DVB-T2) to migrate analogue terrestrial television broadcasting services to digital terrestrial television (DTT). Other countries in sub-Saharan Africa are following suit. However, regulatory pressure continues to increase owing to the planned digital migration and introduction of new competitors on all platforms. There is also uncertainty on the analogue-to-digital migration process as government policies and strategies are undefined or unfinished in most countries of operation. In addition new broadcasting bills, regulations, licences and licence renewal

requirements are under way in Angola, Kenya, Namibia, Rwanda, Tanzania, Uganda and Swaziland.

In South Africa cabinet approved the adoption of DVB-T2 and set 31 December 2013 as the switch-off date for all analogue terrestrial television transmissions. A number of matters must be finalised by the Independent Communications Authority of South Africa (Icasa) and the Ministry of Communications for migration, such as gazetting a performance period and finalising the DTT set-top box subsidy scheme.

Cost and access to broadband internet remain issues in South Africa. Naspers subsidiary MWEB was the first internet service provider in the country to offer an uncapped ADSL service, an important step in expanding affordable internet



Chairman's report *(continued)*

access. The ministry has prioritised broadband access, setting November 2011 as the deadline for local loop unbundling. This is generally expected to increase competition and lower broadband prices.

The regulatory environment in South Africa in respect of the press has been under considerable scrutiny in the last year. The proposed Information Bill currently before parliament limits access to information held by the state by declaring it secret. It protects information that goes beyond that which is necessary to protect national security.

The bill will limit the ability of civil society to hold government accountable and will facilitate corruption.

The final Consumer Protection Act regulations were published on 31 March 2011. It is uncertain at this stage what impact these regulations will have on our businesses.

DIVIDEND

The board recommends that the annual dividend be increased by 15% to 270 cents (previously 235 cents) per listed N ordinary share, and 54 cents (previously 47 cents) per unlisted A ordinary share. If approved by shareholders at the annual general meeting on 26 August 2011, dividends will be payable to shareholders recorded in the books on Friday 23 September 2011 and paid on Monday 26 September 2011. Further details appear on page 44.



 **Eight new DStv channels**

STOCK EXCHANGE LISTINGS

Naspers has its primary listing on the JSE Limited in South Africa and a Level I American Depository Receipt (ADR) programme. These shares are listed on the London Stock Exchange (LSE) and traded in the USA on an over-the-counter (OTC) basis. International investors are therefore able to buy and sell Naspers securities either through the appropriate OTC market, or on the London or Johannesburg stock exchanges.

DIRECTORS

In terms of the company's articles of association, one-third of non-executive directors retire annually and reappointment is not automatic.



Adv Francine-Ann du Plessis, Prof Jakes Gerwel and Messrs Fred Phaswana, Ben van der Ross and Boetie van Zyl, who retire by rotation at the annual general meeting, but are eligible, offer themselves for re-election.

Shareholders will be asked to consider the re-election of these directors at the annual general meeting, notice of which is contained in this report.

Members of the audit committee are Messrs Boetie van Zyl and Ben van der Ross, Prof Rachel Jafta and Adv Francine-Ann du Plessis. The board recommends shareholders reappoint them as audit committee members. In compliance with the new Companies Act, shareholders will be asked to consider their re-election at the annual general

meeting. The abridged curricula vitae of all directors appear in the directorate on pages 110 to 113.

My thanks to my fellow board members for their guidance and support in another challenging, but successful year. We also appreciate the commitment of our management teams around the world.

Ton Vosloo

Chairman

24 June 2011

Chief executive's report



Koos Bekker – chief executive

OVERVIEW

Naspers's results for the year underscore the benefits of its diversified portfolio and global presence.

SUSTAINABLE DEVELOPMENT

We link users to media, e-commerce, their friends, advertising, content and means of communication. Our products and services can improve people's lives in very practical ways.

We have already harnessed our core services to offer educational programming, increase accessibility of banking services and grow local industries through our local programming and local language strategy.



Smartphone development



We regularly review our progress in building a balanced, sustainable organisation and identifying areas for improvement.

The board is ultimately responsible for ensuring that sustainable development is integrated into business strategy. The board delegates implementation of this policy to management, with oversight vesting in the group audit and risk committees. Operationally, sustainable development is incorporated under our risk management processes.

The board is also responsible for the integrity of integrated reporting. The audit committee has been tasked to oversee sustainability issues in the integrated annual report and will assist the board in its review by ensuring the information is reliable and that no conflicts or differences arise when compared to the financial results.



To ensure an integrated and group-wide view of the sustainability aspects of our operations, we are consolidating these into a single platform, *naspers.org*. In time *naspers.org* will harness the group's strengths in media and technology to build products and advocate for policies that address global challenges.



While this initiative is still young, our vision is that *naspers.org* projects will concentrate on addressing social issues and serving the public good. Where practical we will draw on synergies between group businesses to develop solutions to global challenges such as education. We will focus on activities that capitalise on Naspers's expertise, global infrastructure and ability to innovate.



Chief executive's report *(continued)*

MANAGING SUSTAINABILITY

The Naspers board determines the business strategy and is ultimately responsible for oversight of our group's performance. Management teams across our businesses provide leadership and implement strategies, guided by the group's code of ethics and business conduct.

Our sustainable development framework flows from our values and a clear understanding of the key concerns of material stakeholders. These link to our risk management processes, which integrate financial and non-financial risk identification, management and monitoring.

PERFORMANCE IN CONTEXT

Over the past year the Naspers group continued to expand. In comparison to developed countries, most emerging markets in which we operate survived the global economic downturn reasonably well.

For the year under review Naspers recorded an 18% increase in consolidated revenues to R33bn. Consolidated trading profit advanced 7% to R5,8bn, while core headline earnings grew 13% to R6bn. Our financial performance is analysed in the review on pages 42 to 44.

The internet businesses in emerging markets continued their strong growth by introducing accessible, reliable and convenient services to users. As a result consumer trust in transacting on these platforms is increasing. Our pay-television operations grew well, while the technology business

returned to operational profitability. However, print businesses globally, including our own, lagged due to slower growth in advertising revenues.

Internet

The internet segment, comprising mainly our interests in Allegro in Central Europe, Tencent in China, Mail.ru in Russia and BuscaPé in Latin America, increased revenue by 47% to R12bn and trading profit grew to R3,5bn. This includes our proportionate share of associates' results.

The e-commerce operations of Allegro (Eastern Europe) and Ricardo (Western Europe) broadened their product offerings through organic growth and smaller bolt-on acquisitions.

In Russia the recently listed Mail.ru Group holds assets that include 100% of the online community, email and games platform, Mail.ru, instant messaging service ICQ and social network services, My World and Odnoklassniki. It also owns





Sharing information



32,5% of Vkontakte – Russia's most popular social network. In addition Mail.ru has small interests in Facebook, Zynga and Groupon. Buoyed by a rebound in online advertising, our share of Mail.ru Group's reported revenues was R657m and trading profit of R157m.

In Latin America OLX was added to the group in August 2010. Our Latin American unit is growing its core comparison shopping business and broadening its base with new services including electronic payments, classified advertising and affiliate advertising networks.

In China, Tencent recorded another strong set of results in an increasingly competitive market. Our share of Tencent's revenues was R7,2bn and trading profit R3,5bn. The QQ platforms now manage 674 million active instant messaging (IM) user accounts and 137 million concurrent users at peak. The social networking service Qzone also grew well.

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

Chief executive's report *(continued)*

In South Africa, 24.com remains a leading local internet publisher. The kalahari.net e-commerce platform continues to grow and is rolling out a number of new services and products.

In aggregate the other internet businesses reported revenue growth of 45% and a trading profit of R151m, before corporate costs of R201m.

Pay television

This unit recorded growth of 977 000 households (including *Easyview*) during the period. This was largely driven by the 2010 Fifa World Cup, decoder subsidies and extensive marketing. As a result revenue increased by 19% to R21bn. Trading margins were lower due to cost pressures from growing the subscriber base, higher sports content cost and increased competition.

In South Africa the gross base expanded 637 000 to 3,5 million households. The lower-priced *Compact* bouquet delivered most growth (376 000 homes) to pass the one million subscriber mark.

Pay television's advertising revenue recovered, bouncing back by 32%.

The roll-out of mobile television services started in South Africa. Mobile television is a long-term opportunity that will require significant investment. The concept,

technology and business models are still evolving globally and it will take some years to see returns on this investment.

In the rest of sub-Saharan Africa, our base grew by 340 000 to 1,44 million households. The lower-priced *Compact* and *Family* bouquets now reach 602 000 families. Trading margins were reduced by investment in local content, increased competition, higher sport content cost and additional international content rights. Increased regulation and new distribution technologies are adding to the challenge.

SuperSport has become by far the prime funder of sport across Africa. Specifically it is the main supporter of several local soccer leagues on the continent.

Technology

Consolidated revenues in local currency grew 10% and operating performance improved as Irdeto implemented tight controls and reorganised its products for efficiencies. New clients were added and additional services introduced, which positioned Irdeto in a growing market for securing internet-distributed digital assets.



Top technology



Super branding

Print media

Operations in South Africa showed marginal revenue growth of 9%, with advertising improving modestly. Trading profits declined in part due to the flawed implementation of a new enterprise resource planning (ERP) system.

In Brazil, Abril's revenue and operating profit, excluding the educational business sold in the prior year, grew 14% on the back of an improving economy.

SIGNIFICANT ACQUISITIONS

In August 2010 the group consolidated its internet interests in Russia, acquiring a 29% shareholding in Digital Sky Technologies (DST), a prominent internet company in Russian-speaking

markets. In consideration, the group contributed its 39,3% investment in Mail.ru and US\$388m in cash. DST was renamed Mail.ru Group Limited and its depository receipts were listed on the London Stock Exchange.

In August 2010 the group acquired 67,8% of OLX for US\$144m cash. In December 2011 the group increased its investment to 71,5%. This is a classifieds business operating mainly in emerging markets, especially Latin America.

INVESTOR ENGAGEMENT

Naspers is committed to providing timely, transparent and useful information on corporate strategies and financial data to the investing public. We disseminate information through a

Chief executive's report *(continued)*

broad range of communication channels and do not provide information selectively. Shareholders, investors and analysts have access to the investor relations function.

Over the past year we conducted roadshows locally and internationally and attended a number of investor conferences. We receive feedback from the investment community through regular independent surveys and strive to continually improve our investor engagement.

Contact details for the investor relations officer are on page 146.

PEOPLE

In a global economic landscape characterised by rapid change, markets demand that we adapt quickly. This requires rare skills to meet the challenges in each of the countries in which we operate. Across the group, skills development is critical to

maintain our competitive advantage, especially in our technology-intensive businesses. We aim to attract the best talent, specifically young engineers. Training is key to our growth.

We ensure that succession plans for key management are in place.

With effect from 1 April 2011 Cobus Stofberg, chief executive of the MIH group, Naspers's internet and pay-television operations, stepped down and Antonie Roux, head of MIH's internet division, took over the reigns as chief executive and director of MIH Holdings Limited.

Cobus Stofberg will, however, remain in a full-time position as a senior executive and corporate adviser to MIH.

In April 2011 Francois Groepe resigned as chief executive and director of Media24 to pursue an acquisition and Esmaré Weideman was appointed in his stead.

We value the contribution made by our people in so many countries. In a challenging year, they have been innovative in achieving most of the set goals. Their commitment, and the guidance and support of the Naspers board of directors, underpins our sustainability.





Skilled people

PREPARING FOR GROWTH

Over the past year the group continued to expand as evidenced by growth in revenue. Although nuances shift from time to time, the growth strategy continues to have three legs namely organic growth of existing businesses, pursuing acquisitions that add value and developing new technologies.

Recent experience is that internet valuations have become heady and value is difficult to find. As a consequence we are focusing somewhat more on growing our businesses organically and on developing new technologies. This will dampen earnings in the year ahead as the cost of developing these businesses are expensed

through the income statement. However, we believe this strategy is sound in view of positive long-term growth prospects.

We aim to deliver value to our shareholders over the medium to longer term. We will work closely with regulators and lawmakers to improve the regulatory environment. We continue to contribute to the communities we operate in.

A handwritten signature in black ink that reads "Koos Bekker".

Koos Bekker

Chief executive

24 June 2011

Risk management

Risk management is integral to the day-to-day operations of our businesses. As an international multimedia group with activities in 131 countries, the group is exposed to a wide range of risks that may have serious consequences. The diversified nature of the group, despite adding complexity, assists in spreading exposure.

RISK PHILOSOPHY

The group is committed to identifying and managing risk in line with international best corporate governance practice and applying the relevant rules and regulations.

The board is responsible for the governance of risk and is satisfied with the effectiveness of the risk management process. The risk committee (page 105), at which risk management plans and processes are presented, discussed and approved, was established during the year. Risk registers of significant risks facing the group are discussed, as are management's actions to control these risks within board-approved ranges of tolerance.

The diversified nature of the group helps to spread risk, particularly in relation to global political and economic instability, market development and currency fluctuations. Identifying risk and developing plans to manage

risks are part of each business unit's business plan. These are assessed by the board annually.

RISK POLICY

The group's risk profile is based on a structured, formal and planned approach to risk management. The identification, management and reporting of risks are embedded in business activities and processes.

The group's revised risk policy applies to all operations where Naspers has more than 50% ownership and management control.

The board adopted a top-down road map for the first-year implementation of the risk plan, with areas of focus for the 2011 reporting year spanning:

- ▶ Naspers corporate
- ▶ MIH corporate
- ▶ Media24
- ▶ MultiChoice South Africa
- ▶ MultiChoice Africa (Nigeria)
- ▶ BuscaPé, and
- ▶ Allegro

We plan to roll out the policy to other entities in the next financial year.

The policy applies to risks the group faces in executing its strategy, operations, reporting and compliance activities, and will be reviewed annually. Some group companies have specific risk management functions and



the Naspers risk committee is responsible for reviewing these.

Risk management support advises on, formulates, oversees and manages the risk management system and monitors the group's risk profile, ensuring major risks are identified and reported at the appropriate level in the group.

RISK FRAMEWORK

The Naspers enterprise-wide risk management (ERM) framework is designed to ensure significant risks and related incidents are identified, documented, managed, monitored and reported in a consistent and structured manner across the group. It is modelled on the COSO

ERM¹ framework as well as the COBIT² framework for information technology.

Material issues and how we manage these

Some material risks are outside our control and other factors, besides those listed, may affect the overall performance of the business. In spite of our structured approach to risk identification, some risks may be unknown at present and other risks, currently regarded as immaterial, may become material. An internal control oversight forum monitors the system of internal control.

Naspers has operations in 131 countries, each facing a unique set of risks, particularly regarding regulation.

¹ COSO ERM: The Committee of the Sponsoring Organisations of the Treadway Commission Framework for Enterprise-wide Risk Management.

² COBIT: Internationally accepted framework for IT governance.

Risk management *(continued)*

At present the following major group risks are evident among a wide range of potential exposures:

Material issue

Regulatory and compliance issues

Most of our businesses are subject to extensive regulations.

Naspers operates in 131 countries, each with a set of regulatory and compliance obligations that affect the group's operations.

South Africa's exchange control regulations require approval for transactions outside the common monetary area. If approvals are not received this could hinder our ability to make foreign investments.

Strategic and operational issues

The Naspers group has a decentralised operational control environment, while operating in entrepreneurial, international businesses.

The geographical spread of operations exposes us to a variety of economic, social and political risks. Certain countries in which we operate have faced difficulties due to political instability, currency fluctuations, interest rates, bankruptcies, stock market declines, terrorist attacks, corruption, threats and ransom, epidemics and other factors that may materially harm our businesses.

We do not exercise control over our minority investments and the value of our stake in such investments could decrease if these businesses adopt strategies or take actions contrary to our preferred strategies and actions.

How we manage the issue

Regulatory and compliance issues

A regulatory and legal compliance programme has been implemented in the group.

Regular reviews of applicable legislation by in-country legal resources.

Communication of regulatory issues to decisionmakers.

Working with government agencies and regulators.

Participating in public processes on new regulations.

Naspers complies with the South African Reserve Bank's regulations.

It complies with conditions under which approval for transactions outside the common monetary area are granted.

Strategic and operational issues

A top-down approach to governance ensures policies are aligned between businesses and subsidiaries where we have management control.

Governance documents and processes reviewed by respective boards, company secretaries and Naspers's internal control oversight forum (ICOF).

Group risk and internal audit functions monitor compliance and alignment.

In exercising the business strategy we perform regular country and business reviews. We diversify markets we invest in, monitor economic, social and political issues and take appropriate actions.

The group seeks to be represented on the boards and audit committees of these entities and, where possible, to have a voice in material decisions.

It also regularly monitors the performance and operations of these businesses.

Risk management (continued)

Material issue

Strategic and operational issues (continued)

Significant investments might not be monetised effectively according to shareholder expectations, which could lead to a decline in their valuation of Naspers.

Technology is an integral part of our operations. We may be caught off-guard by the pace of new technologies or start-ups, or deploy new technologies too slowly or ineffectively.

We may not detect social, technical or economic shifts before our competitors do.

Competitors in our markets may threaten the position of our companies and associates. Competition includes new or traditional players as well as new products and services. Loss of market share and scale may place pressure on margins.

The group's pay-television services are mostly delivered to subscribers via satellite. Satellites are subject to damage or destruction, which may disrupt the transmission of services.

Protracted power failures will affect revenues negatively.

Unauthorised access to our pay-television programming signals.

How we manage the issue

Strategic and operational issues (continued)

Naspers communicates with its investors, aiming to provide insight into our operations while protecting our competitive advantage and complying with stock exchange listing requirements. Segmental results enable the investment community to form an opinion of the valuation of individual businesses in the group. Regular impairment tests are performed and reported on in terms of investments.

Continued focus on emerging technologies in own products and services. Acquiring companies that have developed new technologies and demonstrated relevance in our segments and markets. Focus on engineering resources and implementing recruitment programmes for the best engineers.

Regular strategy reviews on how to respond to changing competitive landscape.

First to market with products and services we believe hold promise. Establish complementary businesses, reducing dependency on single elements of the value chain. Regular market reviews including reviews of operational statistics. Acquiring new players or new technologies that may enhance or increase longevity of our platforms.

Procedures to augment the availability of services range from back-up capacity to built-in redundancy. The cost of these measures is considered against the impact and likelihood of the risk occurring and consequently, in some cases, satellites or other key components remain unprotected or only partially protected.

Installation of back-up power supplies where feasible.

Regularly upgrading conditional access technology.

Risk management (continued)

Material issue

Financial and related reporting risks

Our level of debt could affect our business. Our ability to make payments on our debt depends on our operating performance, which is in turn subject to risks that may be outside our control.

If financial institutions where the group invests its surplus cash experience significant financial difficulty, the group could suffer losses.

Dislocations in credit and capital markets may make it more difficult for us to borrow money or raise capital to finance expansion of our existing businesses or make acquisitions.

The group reports in South African rand and this exchange rate may vary against other currencies. In addition, in several markets, the group has substantial input costs in foreign currencies. The movements of these currencies could have a negative or positive impact on our income or expenses. Unrealised and realised currency translation gains or losses may distort the group's financial accounts.

Human capital

We rely on the skills of a few key individuals with detailed knowledge of our business and the markets in which we operate. Unanticipated loss of these individuals may disrupt the business.

Health and safety

Implementing a healthy, safe workplace at both administrative and production facilities in line with local legislation and regulations.

Incidents at any of our facilities resulting in death or serious injury while on duty may also result in criminal liability, fines and penalties for the company, its directors and/or officers.

How we manage the issue

Financial and related reporting risks

The group has a conservative approach to its debt profile, based on considering the adequacy of internal free cash flow resources in servicing debt and the level of investments it makes.

Debt-bearing capacity is reviewed and approved by the board.

Naspers has a treasury policy approved by the risk committee that governs distribution of cash resources (and thus the impact of a loss) and the grade of financial institutions. Cash resources are frequently monitored by management. A treasury report is presented to the risk committees of major subsidiaries.

Constantly monitor credit markets to determine optimal time to arrange funding. Ensure the group has spare debt capacity to tide it over in times of difficulty. Spread maturity of debt facilities.

Maintain a balanced portfolio of cash-generating and early stage businesses.

Comply with IFRS. Management explains the impact of changes in exchange rates on results in its analysis to stakeholders.

The group has a policy to hedge some of its operational foreign currency exposures, where possible.

Human capital

Succession plans and talent pipelines are developed by our key businesses and reviewed annually by the relevant human resources and remuneration committees.

Health and safety

Perform health and safety audits.

Consequences of non-compliance with relevant local regulations are communicated to management and remedial action taken where appropriate. Relevant risk committee monitors exceptions and progress.

Comprehensive risk audits are performed annually at these facilities to ensure compliance with policies, procedures and legislation.

Naspers has a comprehensive group-wide directors and officers (D&O) liability insurance policy as well as relevant short-term insurance.

Balancing people, profit and our planet

Naspers recognises that sustainable development



and economic, social and environmental protection are global imperatives that result in both opportunities and risks for business. Naspers as a leading media company aims to position itself to meet such challenges.

As Naspers expands its business, it aims to contribute to the communities in which it operates; develop its own people; contribute to general economic prosperity; and minimise its impact on the environment.

In formulating this policy, areas in which the group can make a meaningful contribution to sustainable development in the markets in which it operates, were analysed, facilitating the integration of these aspects into day-to-day operations and the formulation of strategy.

Extract from Group Sustainable Development Policy 2010

Sustainable development

Naspers connects people by playing a significant developmental role in the markets where it operates.

Education has been one of our group's most important contributions to the African continent. In this field we contribute to improving literacy levels through various forms of print media (from newspapers to school books), electronically through television, which opens up the world to many people, and through social networking.

Through SuperSport, Naspers has become by far the prime funder of sport across the continent, while promoting associated social and economic goals (page 78). This applies especially to soccer.

M-Net's initiatives have stimulated the South African industry by partnering with local film-makers and content producers to assist emerging talent to make programming with universal appeal for its *Africa Magic* and *Mzansi Magic* channels.

Naspers's internet platforms focus on e-commerce, communities, content, communication and games. These have brought products and services previously inaccessible in some markets to our users.

Environmentally our most direct impact is from print media. Our internet businesses inherently have a lower impact on the environment. Through some of their trading activities they stimulate buying and selling used or recycled goods in a paperless environment, and strive to make a difference, for example Allegro's *allforplanet* initiative (page 90).

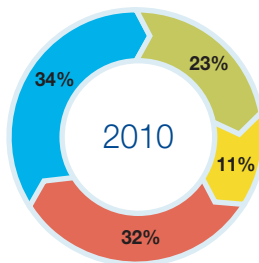
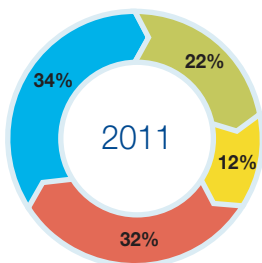
As we expand our international presence in emerging markets, the focus will remain on sustainable development. We want to contribute to the communities in which we operate, develop our own people, contribute to economic prosperity at national and individual level, and minimise our impact on the environment.

Value added statement

for the year ended 31 March 2011

	31 March 2011 R'm	31 March 2010 R'm
Revenue	33 085	27 998
Cost of generating revenue	18 501	15 399
Value added	14 584	12 599
Income from investments	4 085	3 096
Wealth created	18 669	15 695
Wealth distribution:		
Employees		
Salaries, wages and benefits	5 972	4 953
Providers of capital		
Finance cost	1 389	883
Dividends paid	882	773
Governments		
Total tax paid	4 033	3 675
Reinvested in the group		
Depreciation, amortisation and capital items	2 037	2 949
Retained earnings	4 356	2 462
	18 669	15 695

Distribution of wealth



● Paid to governments
● Paid to providers of capital

● Paid to employees
● Reinvested in the group

Strategy

STRATEGIC FOCUS

We are building a leading group of international media and e-commerce platforms to give users entertainment, trading opportunities, information and access to friends wherever they are. In the process we create value for shareholders, attract innovative and motivated employees and contribute to the communities we operate in, to ensure a sustainable business for the future.

HOW WE DO THIS

- ▶ Sustain organic growth of the business combined with some investments.
- ▶ Focus on markets with higher growth potential, where we can achieve sustainable positions.
- ▶ Increase the number of users accessing our internet products and services, and deepen their engagement with us.
- ▶ Expand the pay-television subscriber base – maintain a local approach and innovative technology.
- ▶ Continue working with regulators.
- ▶ Attract the best talent – train and develop employees.
- ▶ Use our expertise and resources to benefit local communities where we operate.



EXAMPLES OF OUR STRATEGY IN ACTION

- ▶ E-commerce platforms were initially simple. We have since expanded into a number of verticals and service a number of e-commerce opportunities.
- ▶ Pioneering e-commerce in Africa with kalahari.net.
- ▶ Attained leadership in India in local social network services and games, with Tencent as a partner.
- ▶ Mail.ru's listing on the London Stock Exchange and increase in value.
- ▶ In Latin America and Eastern Europe we are growing our core internet business and broadening our base by rolling out new services.
- ▶ MultiChoice's South African DStv subscriber base now delivers entertainment to 3,5 million households. The *Compact* bouquet, which targets the emerging market, has grown steadily.
- ▶ Innovation at Irdeto with the development of its internet media business.