

Consolidated statement of financial position

at 31 March 2011

	Notes	31 March 2011 R'm	31 March 2010 R'm
ASSETS			
Non-current assets		53 610	44 342
Property, plant and equipment	4	7 561	6 490
Goodwill	5	17 278	16 620
Other intangible assets	6	3 886	4 976
Investments in associates	7	20 767	11 942
Investments and loans	7	3 295	3 500
Derivative financial instruments	38	6	—
Deferred taxation	9	817	814
Current assets		16 245	13 126
Inventory	10	731	693
Programme and film rights	8	1 487	1 298
Trade receivables	11	2 929	2 438
Other receivables	12	2 139	1 871
Related party receivables	13	38	26
Investments and loans	7	141	3
Derivative financial instruments	38	12	—
Cash and cash equivalents	36	8 731	6 785
Non-current assets held-for-sale	28	37	12
TOTAL ASSETS		69 855	57 468
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders			
		40 662	33 660
Share capital and premium	14	14 384	14 467
Other reserves	15	5 099	2 370
Retained earnings	16	21 179	16 823
Non-controlling interest		2 280	1 974
TOTAL EQUITY		42 942	35 634
Non-current liabilities		14 950	10 892
Post-retirement medical liability	17	179	178
Long-term liabilities	18	12 838	8 750
Cash-settled share-based payment liability	40	6	5
Provisions	19	48	15
Derivative financial instruments	38	714	684
Deferred taxation	9	1 165	1 260
Current liabilities		11 963	10 942
Current portion of long-term debt	18	1 510	1 675
Provisions	19	189	187
Trade payables		1 916	1 722
Accrued expenses and other current liabilities	20	6 183	5 226
Related party payables	13	93	9
Taxation		143	316
Dividends payable		—	2
Derivative financial instruments	38	599	847
Bank overdrafts and call loans	36	1 330	958
TOTAL EQUITY AND LIABILITIES		69 855	57 468

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

Consolidated income statement

for the year ended 31 March 2011

	Notes	31 March 2011 R'm	31 March 2010 R'm
Revenue	22	33 085	27 998
Cost of providing services and sale of goods	23	(17 794)	(14 438)
Selling, general and administration expenses	23	(10 354)	(9 155)
Other gains/(losses) – net	24	(881)	(364)
Operating profit		4 056	4 041
Interest received	25	401	348
Interest paid	25	(1 389)	(883)
Other finance income/(costs) – net	25	(30)	114
Share of equity-accounted results	7	3 290	2 058
Impairment of equity-accounted investments	7	(23)	(62)
Dilution gains on equity-accounted investments	7	1 461	–
Gains on acquisitions and disposals	26	42	144
Profit before taxation		7 808	5 760
Taxation	27	(1 861)	(1 808)
Net profit for the year		5 947	3 952
Attributable to:			
Equity holders of the group		5 260	3 257
Non-controlling interest		687	695
		5 947	3 952
Earnings per N ordinary share (cents)			
Basic	29	1 405	873
Fully diluted	29	1 351	848

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

Consolidated statement of comprehensive income

for the year ended 31 March 2011

	31 March 2011 R'm	31 March 2010 R'm
Profit for the year	5 947	3 952
Other comprehensive income		
Foreign currency translation reserve	(461)	(1 918)
– Exchange loss arising on translating the net assets of foreign operations	(461)	(1 918)
Hedging reserve	116	(379)
– Net fair value gains/(losses), gross	(318)	(980)
– Net fair value gains/(losses), tax portion	54	238
– Derecognised and added to asset, gross	11	191
– Derecognised and added to asset, tax portion	25	(25)
– Derecognised and reported in income, gross	357	158
– Derecognised and reported in income, tax portion	(68)	(12)
– Derecognised and reported in income when recognition criteria failed, gross	76	71
– Derecognised and reported in income when recognition criteria failed, tax portion	(21)	(20)
Share of associates' direct reserve movements	2 622	250
– Share-based compensation reserve	219	148
– Existing control business combination reserve	(10)	101
– Valuation reserve	2 413	1
Total other comprehensive income, net of tax for the year	2 277	(2 047)
Total comprehensive income for the year	8 224	1 905
Attributable to:		
Equity holders of the group	7 543	1 308
Non-controlling interest	681	597
	8 224	1 905

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

Consolidated statement of changes in equity

for the year ended 31 March 2011

	Share capital and premium		Foreign currency translation reserve	Hedging reserve
	A shares	N shares		
	R'm	R'm	R'm	R'm
Balance at 1 April 2009	14	15 060	1 170	(115)
Total comprehensive income for the year	—	—	(1 907)	(292)
– Profit for the year	—	—	—	—
– Total other comprehensive income for the year	—	—	(1 907)	(292)
Share capital movements	—	433	—	—
Treasury share movements	—	(209)	—	—
Share-based compensation reserve movement	—	(831)	—	—
Transactions with non-controlling shareholders	—	—	—	—
Dividends	—	—	—	—
Balance at 31 March 2010	14	14 453	(737)	(407)
Balance at 1 April 2010	14	14 453	(737)	(407)
Total comprehensive income for the year	—	—	(448)	110
– Profit for the year	—	—	—	—
– Total other comprehensive income for the year	—	—	(448)	110
Share capital movements	—	253	—	—
Treasury share movements	—	(336)	—	—
Share-based compensation reserve movement	—	—	—	—
Transactions with non-controlling shareholders	—	—	—	—
Dividends	—	—	—	—
Balance at 31 March 2011	14	14 370	(1 185)	(297)

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

Valuation reserve	Existing control business combination reserve	Share-based compensation reserve	Retained earnings	Shareholders' funds	Non-controlling interest	Total
R'm	R'm	R'm	R'm	R'm	R'm	R'm
1 843	330	928	14 361	33 591	1 626	35 217
1	101	148	3 257	1 308	597	1 905
—	—	—	3 257	3 257	695	3 952
1	101	148	—	(1 949)	(98)	(2 047)
—	—	—	—	433	—	433
—	—	—	—	(209)	—	(209)
—	—	497	—	(334)	15	(319)
—	(334)	—	(22)	(356)	47	(309)
—	—	—	(773)	(773)	(311)	(1 084)
1 844	97	1 573	16 823	33 660	1 974	35 634
1 844	97	1 573	16 823	33 660	1 974	35 634
2 412	(10)	219	5 260	7 543	681	8 224
—	—	—	5 260	5 260	687	5 947
2 412	(10)	219	—	2 283	(6)	2 277
—	—	—	—	253	—	253
—	—	—	—	(336)	—	(336)
—	—	508	—	508	16	524
—	(62)	—	(22)	(84)	274	190
—	—	—	(882)	(882)	(665)	(1 547)
4 256	25	2 300	21 179	40 662	2 280	42 942

Consolidated statement of cash flows

for the year ended 31 March 2011

	Notes	31 March 2011 R'm	31 March 2010 R'm
Cash flows from operating activities			
Cash from operations	30	7 276	7 266
Dividends received from investments and equity-accounted companies		616	487
Cash generated from operating activities		7 892	7 753
Interest income received		405	408
Interest costs paid		(1 044)	(753)
Taxation paid		(1 983)	(1 786)
<i>Net cash generated from operating activities</i>		5 270	5 622
Cash flows from investing activities			
Property, plant and equipment acquired		(1 668)	(1 590)
Proceeds from sale of property, plant and equipment		78	55
Insurance proceeds received		186	327
Intangible assets acquired		(162)	(280)
Proceeds from sale of intangible assets		11	85
Acquisition of subsidiaries	31	(1 944)	(3 045)
Disposal of subsidiaries	32	—	403
Dilution of subsidiaries	33	65	—
Acquisition of joint ventures	34	(16)	(31)
Partial disposal of interest in joint ventures		63	—
Acquisition of associates	35	(3 065)	(45)
Disposal of associates		215	1
Additional investment in existing associates		—	(842)
Partial disposal of associates underlying investment		58	—
Preference dividends received		503	164
Cash movement in other investments and loans		(102)	46
<i>Net cash utilised in investing activities</i>		(5 778)	(4 752)
Cash flows from financing activities			
Proceeds from long-term loans raised		6 826	2 690
Repayments of long- and short-term loans		(2 326)	(547)
Additional investment in existing subsidiaries		(20)	(240)
Repayments of capitalised finance lease liabilities		(329)	(346)
Payments to finance share-based compensation expenses		(89)	(613)
Dividends paid by subsidiaries to non-controlling shareholders		(667)	(320)
Dividend paid by holding company		(882)	(773)
Other		—	(20)
<i>Net cash generated from/(utilised in) financing activities</i>		2 513	(169)
Net increase in cash and cash equivalents		2 005	701
Foreign exchange translation adjustments on cash and cash equivalents		(431)	(678)
Cash and cash equivalents at beginning of the year		5 827	5 725
Cash and cash equivalents classified as held-for-sale at beginning of the year		—	79
Cash and cash equivalents at end of the year	36	7 401	5 827

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

Notes to the consolidated annual financial statements

1. NATURE OF OPERATIONS

Naspers Limited was incorporated in 1915 under the laws of the Republic of South Africa. The principal activities of Naspers and its operating subsidiaries, joint ventures and associated companies (collectively "the group") are the operation of pay television, internet and instant-messaging subscriber platforms, e-commerce platforms and the provision of related technologies and the publishing, distribution and printing of magazines, newspapers and books. These activities are conducted primarily in South Africa, sub-Saharan Africa, China, Central and Eastern Europe, Russia, India and Latin 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), International Financial Reporting Interpretations Committee (IFRIC), interpretations issued and effective at the time of preparing these financial statements and the South African Companies Act No 61 of 1973, as amended. 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 the movements recognised in the income statement and statement of comprehensive income.

The preparation of the consolidated financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates and assumptions affect the reported amounts of assets, liabilities and contingent assets and liabilities at the statement of financial position 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 statement of financial position date, the actual outcome may differ from these estimates. Estimates are made regarding the fair value of intangible assets recognised in business combinations; impairment of goodwill, intangible assets, property, plant and equipment, financial assets, financial assets carried at amortised cost, available-for-sale financial assets and other assets; the remeasurements required in business combinations and disposals of associates, joint ventures and subsidiaries; fair value measurements of level 2 and level 3 financial instruments; provisions; taxation; post-retirement medical aid benefits and equity compensation benefits. 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

Subsidiaries are entities controlled by the group. 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. 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, balances and unrealised gains and losses are eliminated as part of the consolidation process. The interests of non-controlling shareholders in the consolidated equity and results of the group are shown separately in the consolidated statement of financial

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(a) Basis of consolidation *(continued)*

Subsidiaries *(continued)*

position, consolidated income statement and consolidated statement of comprehensive income, respectively. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. For each business combination, the group measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit and loss. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Goodwill

Goodwill is initially measured at cost being the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest over the group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired (a bargain purchase), the difference is recognised in profit or loss.

Goodwill on acquisition of subsidiaries and joint ventures is included in "goodwill" on the statement of financial position. 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 (which are expected to benefit from the business combination) for the purpose of impairment testing. An 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.

Transactions with non-controlling shareholders

The group applies the economic entity model in accounting for transactions with non-controlling shareholders. In terms of this model, non-controlling shareholders are viewed as equity participants of the group and all transactions with non-controlling shareholders are therefore accounted for as equity transactions and included in the statement of changes in equity. On acquisition of an interest from a non-controlling 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.

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(a) Basis of consolidation *(continued)*

Common control transactions

Business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination (and where that control is not transitory) are referred to as common control transactions. The accounting policy for the acquiring entity would be to account for the transaction at book values in its consolidated financial statements. The book values of the acquired entity are the consolidated book values as reflected in the consolidated financial statements of the selling entity. The excess of the cost of the transaction over the acquirer's proportionate share of the net asset value acquired in common control transactions, will be allocated to the existing control business combination reserve in equity. Where comparative periods are presented, the financial statements and financial information presented are not restated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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 non-controlling interests in the associate. The group's share of post-acquisition movements in reserves is accounted for in the other comprehensive income of the group. The group's interest in the associate is carried on the statement of financial position 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. All major foreign associates have December year-ends, and the group's accounting policy 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. Accounting policies of associated companies have been changed where necessary to ensure consistency with the policies adopted by the group.

Partial disposals of associates that do not result in a loss of significant influence are accounted for as dilutions. Dilution profits and losses relating to associated companies are accounted for in the income statement. The proportionate share of any gains or losses previously recognised in other comprehensive income are also reclassified to the income statement.

The group applies the "cost of each purchase" method for step acquisitions of associates. With this method the cost of an associate acquired in stages is measured as the sum of the consideration paid for each purchase plus a share of the investee's profits and other equity movements. Any other comprehensive income recognised in prior periods in relation to the previously held stake in the acquired associate is reversed through equity and a share of profits and other equity movements is also recorded in equity. Any acquisition-related costs are treated as part of the investment in the associate.

When the group increases its shareholding in an associate and continues to have significant influence, the group adds the cost of the additional investment to the carrying value of the associate. The goodwill arising is calculated based on the fair value information at the date the additional interest is acquired.

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(a) Basis of consolidation *(continued)*

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

Disposals

When the group ceases to have control (subsidiaries) or significant influence (associates), any retained interest in the entity is remeasured to its fair value, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Investments

The group classifies its investments in debt and equity securities into the following categories: at fair value through profit or 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 or loss assets has two subcategories: financial assets held-for-trading and those designated as 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 or loss are designated as such on initial recognition. Derivatives are also classified as held-for-trading unless they are designated as hedges. The group has no at fair value through profit or loss or available-for-sale investments for the years ended 31 March 2011 and 31 March 2010.

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 statement of financial position 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 profit or loss or available-for-sale. Loans and receivables are included in non-current assets, except for maturities within 12 months from the statement of financial position date, which are classified as current assets. 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

Notes to the consolidated annual financial statements (*continued*)**2. PRINCIPAL ACCOUNTING POLICIES** (*continued*)**(b) Investments** (*continued*)

the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

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 or 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 or 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 other comprehensive income.

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 "gains on acquisitions and disposals".

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 life to their residual values. 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	20 – 50 years
▶ Manufacturing equipment	1 – 25 years
▶ Office equipment	2 – 17 years
▶ Improvements to buildings	4 – 50 years
▶ Computer equipment	1 – 10 years
▶ Vehicles	2 – 10 years
▶ Transmission equipment	5 – 20 years

The group applied the component approach whereby parts of some items of property, plant and equipment may require replacement at regular intervals. The carrying amount of an item of property, plant and equipment will include the cost of replacing the part of such an item when that cost is incurred if it is probable that future economic benefits will flow to the group and the cost can be reliably measured. The carrying amount of those parts that are replaced is derecognised on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

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

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of those assets. All other borrowing costs are expensed in the period in which they are incurred. A qualifying asset is an asset that takes more than a year to get ready for its intended use or sale. Borrowing costs are interest and other costs that the group incur in connection with the borrowing of funds. This includes interest expenses calculated using the effective interest method, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings' interest cost. Where a range of debt instruments are used to borrow funds, or where the financing activities are coordinated centrally, a weighted average capitalisation rate is applied.

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 statement of financial position date. Gains and losses on disposals are determined by comparing the proceeds with the asset's carrying amount and are recognised within "other gains/losses – net" in the income statement.

Work in progress is defined as assets still in the construction phase and not yet available for use. These assets are carried at initial cost and are not depreciated. Depreciation on these assets commence when they become available for use and depreciation periods are based on management's assessment of their useful lives.

(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.

Notes to the consolidated annual financial statements (*continued*)**2. PRINCIPAL ACCOUNTING POLICIES** (*continued*)**(e) Intangible assets**

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 for impairment annually as well as when an indication of possible impairment exists, and carried at cost less accumulated impairment losses. Where the carrying amount exceeds the recoverable amount, it is adjusted for impairment. Intangible assets with finite useful lives are being amortised using the straight-line method over their estimated useful lives. 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	20 years
▶ Brand names and trademarks	30 years
▶ Software	10 years
▶ Intellectual property rights	30 years
▶ Subscriber base	11 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.

The fair values of intangible assets with finite or infinite useful lives may be revalued due to valuation differences that arise on business combinations.

This does not signify that the group has elected to apply an accounting policy of revaluing these items after initial recognition. The valuation and impairment testing of intangible assets requires significant judgement by management.

Work in progress is defined as assets still in the construction phase and not yet available for use. These assets are carried at initial cost and are not amortised. Amortisation on these assets commence when they become available for use and amortisation periods are based on management's assessment of their useful lives.

(f) Programme and film rights***Programme material rights***

Purchased programme and film rights are stated at acquisition costs less accumulated amortisation. Programme material rights, which consist of the rights to broadcast programmes, series and films, are recorded at the date the rights come into license at the spot rates on the purchase date. The rights are amortised based on contracted screenings or expensed where management have confirmed that it is their intention that no further screenings will occur.

Programme material rights contracted by the reporting date in respect of programmes, series and films not yet in license are disclosed as commitments.

Programme production costs

Programme production costs, which consist of all costs necessary to produce and complete a programme to be broadcast, are recorded at the lower of direct cost or net realisable value. Net realisable value is set at the average cost of programme material rights.

Programme production costs are amortised based on contracted screenings or expensed where management have confirmed that it is their intention that no further screenings will occur.

All programme production costs in excess of the expected net realisable value of the production on completion, are expensed when contracted.

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(f) Programme and film rights *(continued)*

Sports events rights

Sports events rights are recorded at the date that the period to which the events relate, commences at the rate of exchange ruling at that date. These rights are expensed over the period to which the events relate or where management has confirmed that it is its intention that the event will not be screened.

Payments made to negotiate and secure the broadcasting of sports events are expensed as incurred. Rights to future sports events contracted by the reporting date, but which have not yet commenced, are disclosed as commitments, except where payments have already been made, which are shown as prepaid expenses.

(g) Impairment

Financial assets

The group assesses, at each statement of financial position date or when an indication of possible impairment exists, 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. An impairment loss recognised on an asset in a previous period is written back through profit and loss if the estimates used to calculate the recoverable amount have changed since the previous impairment loss was recognised. 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 other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in other comprehensive income shall be removed from other comprehensive income 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.

Other 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

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(g) Impairment *(continued)*

Other assets *(continued)*

economic trends and a significant and sustained decline in an investment's share price or market capitalisation relative to its net asset value. Intangible assets that have indefinite useful lives are not subject to amortisation and are tested annually for impairment or when an indication of possible impairment exists.

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 asset's fair value less cost to sell, 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.

(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 and website development costs

Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and which 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 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

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(h) Development activities *(continued)*

Software and website development costs *(continued)*

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 differ 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 other comprehensive income 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 statement of financial position at cost. Cash and cash equivalents comprise cash on hand and deposits held at call with banks. 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 (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

(m) Accounts payable

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

(n) 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. Costs related to the ongoing activities of the group are not provided in advance.

The group recognises the estimated liability on all products still under warranty at the statement of financial position date. The group recognises a provision for onerous contracts when the

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(n) Provisions *(continued)*

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.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is determined by discounting the anticipated future cash flows expected to be required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(o) Taxation

Taxation rates

The normal South African company tax rate used for the year ending 31 March 2011 is 28% (2010: 28%). Deferred tax assets and liabilities for South African entities at 31 March 2011 have been calculated using the 28% (2010: 28%) 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 (STC) is calculated at 10% (2010: 10%), and capital gains tax is calculated at 50% of the company tax rate. International tax rates vary from jurisdiction to jurisdiction.

Tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the statement of financial position date in the countries where the company's subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation

Deferred taxation is provided in full, using the statement of financial position liability method, for all taxable or deductible temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(o) Taxation *(continued)*

Deferred taxation *(continued)*

The principal taxable or deductible temporary differences arise from depreciation on property, plant and equipment, other intangibles, provisions and other current liabilities, income received in advance, STC credits, finance leases 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 deductible temporary differences, unused tax losses and STC credits 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.

(p) Foreign currencies

The consolidated financial statements are presented in rand, 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 or the dates of the valuations where items are remeasured. 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 other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities, 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 valuation reserve in other comprehensive income.

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 statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- (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 spot rate on the dates of the transactions).

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(p) Foreign currencies *(continued)*

For translation of group companies' results *(continued)*

(iii) Components of equity for each statement of changes in equity presented are translated at the historic rate.

(iv) 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 "gains on acquisitions and disposals".

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.

(q) 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 comprehensive income.

Derivative financial instruments are recognised in the statement of financial position at fair value. Derivatives are classified as non-current assets and liabilities except for derivatives with maturity dates within 12 months of the statement of financial position date, which are then classified as current assets or liabilities. 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 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 other comprehensive income 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 other comprehensive income are transferred from other comprehensive income and included in the initial measurement of the cost of the asset or liability. Otherwise, amounts deferred in other comprehensive income 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.

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(q) Derivative financial instruments *(continued)*

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 other comprehensive income at that time remains in other comprehensive income 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 other comprehensive income is immediately transferred to the income statement.

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 other comprehensive income; 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 (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 statement of financial position, any fair value adjustments are recorded as part of "other finance income/(costs) – 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 sale of goods" sold to match the cost of the item that was recognised in operating profit during that period.

(r) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value added tax (VAT), returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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 income and recognised in the month the service is provided.

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(r) Revenue recognition *(continued)*

Circulation revenue

Circulation revenue is recognised net of estimated returns in the month in which the magazine or newspaper is sold.

Book publishing and 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.

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 customer, 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.

Technology contracts and licensing

For contracts with multiple obligations (eg maintenance and other services), revenue from product licences are recognised when delivery has occurred, collection of the receivables is probable, and the revenue associated with delivered and undelivered elements are reliably measured.

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.

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(r) Revenue recognition *(continued)*

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.

e-Commerce revenue

e-Commerce revenue represents amounts receivable for services net of VAT and refunds. The group recognises listing and related fees on listing of an item for sale and success fees and any other relevant commission when a transaction is completed on the group's websites.

(s) 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 other comprehensive income. Interest is accrued on the effective yield method and dividends are recognised when the right to receive payment is established.

(t) 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.

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. 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.

Termination benefits

Termination benefits are employee benefits payable as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits. The group recognises these termination benefits when the group is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date, or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(t) Employee benefits *(continued)*

Termination benefits *(continued)*

The group is demonstrably committed to a termination when the group has a detailed formal plan (with specified minimum contents) for the termination and it is without realistic possibility of withdrawal. Where termination benefits fall due more than 12 months after the reporting period, they are discounted. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits are based on the number of employees expected to accept the offer. Termination benefits are immediately recognised as an expense.

(u) 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.

Where shares are held or acquired by subsidiary companies for equity compensation plans, they are treated as treasury shares (see accounting policy below). When these shares are subsequently issued to participants of the equity compensation plans on the vesting date, any gains or losses realised by the plan are recorded in treasury shares.

(v) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction against share premium.

Where subsidiaries hold shares in the holding company's 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, the cost of those shares are released, and any realised gains or losses are included in treasury shares. 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.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decisionmaker. The chief operating decisionmaker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions. The group proportionally consolidates its share of the results of its associated companies in the various reporting segments. This is considered to be more reflective of the economic value of these investments.

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(x) 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.

(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 2011. These amendments and standards will therefore be implemented by the group during the financial years as set out below:

- (i) Standards, amendments to standards and interpretations to existing standards effective in the year ended 31 March 2011:
 - ▶ IFRS 3 "Business Combinations" (IFRS 3) and IAS 27 "Consolidated and Separate Financial Statements" (IAS 27):

The amendments to IFRS 3 and IAS 27 were issued on 10 January 2008 and have a greater emphasis on the use of fair value, focusing on changes in control as a significant economic event and focusing on what is given to the vendor as consideration rather than to look at what was given to achieve the acquisition. The group adopted these amendments with effect 1 April 2010 and has changed its accounting policy accordingly. The new accounting policies as described under "Subsidiaries", "Business combinations", "Goodwill", "Associates", "Joint Ventures" and "Disposals" resulted in remeasurements of R72m and acquisition related costs of R109m recorded in the line item "Gains on acquisitions and disposals" in the income statement.
 - ▶ IFRIC 17 "Distributions of Non-cash Assets to Owners" was issued on 27 November 2008 and clarifies the accounting treatment of non-cash dividend distributions. The group adopted this interpretation with no material effect on the group's financial statements.
 - ▶ IAS 7 "Statement of Cash Flows" has been amended and requires changes in interests in a subsidiary that do not result in a loss of control to be recorded in financing activities as opposed to investing activities. This amendment is effective retrospectively, resulting in the restatement of the statement of cash flows. Preference dividends received are now recorded in investing activities as opposed to financing activities. The total amount reallocated to investing activities was R404m for the year ended 31 March 2010.
 - ▶ On 18 June 2009 the IASB issued amendments to IFRS 2 "Share-based Payment" that clarify the accounting for group cash-settled share-based payment transactions in an individual subsidiary's separate financial statements. The group adopted these amendments with no material effect on the group's financial statements.
 - ▶ On 30 July 2008 amendments to IAS 39 "Financial Instruments: Recognition and Measurement" were issued. They clarify two hedge accounting issues, namely "inflation in a financial hedged item", and also how a one-sided risk in a hedged item should be accounted for. The group adopted these amendments with no material effect on the group's financial statements.
 - ▶ The amendments to IAS 32 "Financial Instruments: Presentation" clarifies the accounting treatment when rights issues are denominated in a currency other than the functional currency of the issuer. The amendment states that if such rights are issued pro rata to an entity's existing shareholders for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The group adopted these amendments with no material effect on the group's financial statements.

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

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

- ▶ The amendments to IFRS 1 "First-time Adoption of IFRS" became effective during the year ended 31 March 2011, but had no effect on the group's financial statements.
- ▶ The annual improvements issued by the IASB during 2008 and 2009 which are effective have been adopted by the group with no material effect.
- (ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been earlier adopted by the group:
 - ▶ IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" was issued on 26 November 2009 and clarifies the accounting treatment when an entity renegotiates the terms of its debt with the result that its debt is partly or fully extinguished. The group will adopt this interpretation in its financial year ending 31 March 2012 and is currently evaluating the effects.
 - ▶ On 7 October 2010 the IASB issued amendments to IFRS 7 "Financial Instruments: Disclosures on Derecognition" that will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position. The group will adopt these amendments in its financial year ending 31 March 2013 and is currently evaluating the effects.
 - ▶ The amendment to IAS 12 "Income Taxes" was issued on 20 December 2010 and introduces an exception to the normal rule that measurement of deferred tax in respect of an asset depends on the asset's expected manner of recovery. The exception applies to investment property measured using the fair value model and introduces a rebuttable presumption that such investment property is recovered entirely through sale. The group will adopt these amendments in its financial year ending 31 March 2013 and is currently evaluating the effects.
 - ▶ During 2008, 2009 and 2010 the IASB issued "Improvements to International Financial Reporting Standards". These are non-urgent but necessary improvements, and consist of various amendments that the group has adopted during its financial year ended 31 March 2011 and will also adopt in its financial year ending 31 March 2012.
 - ▶ The revised IAS 24 "Related Party Disclosures" was issued on 4 November 2009 and provides partial relief from the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of a related party. The group will adopt this revised standard in its financial year ending 31 March 2012 and is currently evaluating the effects.
 - ▶ IFRS 9 "Financial Instruments" was issued on 12 November 2009 and updated on 29 October 2010. It addresses classification and measurement of financial assets as the first part of its project to replace IAS 39. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories namely amortised cost and fair value. The main change in the additions is that in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than to the income statement, unless this creates an accounting mismatch. The group will adopt this revised standard in its financial year ending 31 March 2014 and is currently evaluating the effects.
 - ▶ IFRS 10 "Consolidated Financial Statements" was issued on 12 May 2011, which resulted in an amended IAS 27. The amended IAS contains the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity elects to present separate financial statements. IFRS 10's objective is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The group will adopt this new standard and amendment in its financial year ending 31 March 2014 and is currently evaluating the effects.

Notes to the consolidated annual financial statements *(continued)*

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

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

- ▶ IFRS 11 "Joint Arrangements" was issued on 12 May 2011, which focuses on the accounting for joint operations and joint ventures. The main change is that the new standard requires the use of the equity method of accounting for interests in joint ventures thereby eliminating the proportionate consolidation method. The group will adopt this new standard in its financial year ending 31 March 2014 and is currently evaluating the effects.
- ▶ IFRS 12 "Disclosure of Interest in Other Entities" was issued on 12 May 2011 and applies to entities that have interests in subsidiaries, joint arrangements, associates or unconsolidated entities. This resulted in the amendment of IAS 28. The amended IAS prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IFRS 12 establishes disclosure objectives and specifies the minimum disclosures that an entity must provide to meet those objectives. The group will adopt this new standard and amendment in its financial year ending 31 March 2014 and is currently evaluating the effects.
- ▶ IFRS 13 "Fair Value Measurements" was issued on 12 May 2011. It establishes a single framework for measuring fair value which is required by other standards. The standard applies to both financial and non-financial items measured at fair value. The group will adopt this new standard in its financial year ending 31 March 2014 and is currently evaluating the effects.
- ▶ The IASB issued amendments to IFRIC 14 and IFRS 1, which are not applicable to the group. The details of these are available on the IASB's website at www.iasb.org.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES

Financial year ended 31 March 2011

In August 2010 the group consolidated its internet interests in Russia, acquiring a 28,7% interest in Digital Sky Technologies (DST), a prominent internet company in Russian-speaking markets. DST was renamed Mail.ru Group and listed on the London Stock Exchange in November 2010. In consideration, the group contributed its 39,3% investment in Mail.ru Group and US\$388m in cash.

In August 2010 the group acquired a 67,8% fully diluted interest in OLX Inc., an online classifieds business. The fair value of the total purchase consideration was R1 044m (US\$144m) cash. The purchase price allocation (PPA) included tangible assets R3m, intangible assets R260m, cash R237m, other current assets R59m, trade and other payables R35m, deferred tax liability R103m and the balance to goodwill. The main factor contributing to the goodwill recognised is the company's presence in the classifieds sector in emerging markets. The recognised goodwill is not expected to be deductible for income tax purposes. A non-controlling interest of R51m was recognised at the acquisition date. This was measured using the proportionate share of the identifiable net assets.

In December 2010 the group increased its total economic interest to 71,5% on a fully diluted basis. This was accounted for as a transaction with non-controlling interests. The difference of R34m between net asset value and the purchase consideration was recorded in the equity. The revenue and results from OLX since the acquisition date were not significant to the group's consolidated results.

In September 2010 the group acquired a 73,9% fully diluted interest in Multiply Inc. which combines social networking with an online marketplace. The fair value of the total purchase consideration was R311m (US\$44m) in cash. The group increased its holding in Multiply to 74,5% during November for a purchase consideration of R13m (US\$2m) of which R3m was allocated to equity.

The preliminary PPA included tangible assets R7m, intangible assets R80m, cash R3m, trade and other receivables R2m, trade and other payables R1m, deferred tax liability R24m and the balance to goodwill. The main factor contributing to the goodwill recognised is the company's significant user base in emerging markets. The recognised goodwill is not expected to be deductible for income tax

Notes to the consolidated annual financial statements *(continued)*

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES *(continued)*

Financial year ended 31 March 2011 *(continued)*

purposes. A non-controlling interest of R17m was recognised at the acquisition date, and was measured using the proportionate share of the identifiable net assets. The revenue and results from Multiply since the acquisition date were not significant to the group's consolidated results.

In December 2010 the group acquired 100% of Level Up! International Holdings for a cash purchase consideration of R365m (US\$51m). A PPA has not yet been performed and the difference between the net asset value and purchase consideration of R279m was allocated to goodwill.

In February 2011 the group acquired 77,7% of DineroMail, Latin America's leading internet payment solution, for a cash purchase consideration of R206m (US\$28m). A PPA has not yet been performed and the difference between the net asset value and purchase consideration of R181m was allocated to goodwill.

Total acquisition-related costs of R109m were recorded in "Gains on acquisitions and disposals" in the income statement. Had the revenues and net results of all business combinations that occurred in the period been included from 1 April 2010 it would not have had a significant effect on the group's consolidated revenue and net results.

Financial year ended 31 March 2010

During November 2009 the group contributed its 42,9% interest in Mail.ru as well as a cash consideration of R771m to acquire a 39% interest in Mail.ru Internet N.V. which, subsequent to a share swap, holds 100% of the investment in Mail.ru and Astrum Online Entertainment Holdings. The group continues to equity-account the investment.

During October 2009 the group acquired 51% of Korbitec (Proprietary) Limited for cash of R158m with an additional R51m contingent consideration. The group has recorded the purchase consideration, based on a preliminary appraisal namely tangible assets R48m, intangible assets R135m, liabilities R21m and the balance to goodwill. The non-controlling shareholders' share of the above is R79m. The revenues and profits from the acquisition were not significant to the group's consolidated results for the year.

In September 2009 the group acquired 94,8% (diluted interest of 91%) of Brazilian e-commerce group BuscaPé.com Inc. for a consideration of approximately R2,7bn. This was funded from existing debt facilities. A put option of R89m over the non-controlling shareholders' interest is part of the purchase consideration. The group has recorded the purchase consideration based on a preliminary appraisal namely tangible assets R180m, intangible assets R394m, liabilities R228m and the balance to goodwill. The revenues and profits from the acquisitions were not significant to the group's consolidated results for the year.

In June 2009 the group announced a public tender offer to acquire Bankier.pl. The group finalised the transaction in August 2009 and acquired 83% of Bankier.pl. Subsequent to the initial 83% interest acquired, the group also acquired the remaining non-controlling shareholders' interest. The group has recorded the total purchase consideration of R178m namely tangible assets R52m, intangible assets R33m and the balance to goodwill. The revenues and profits from the acquisition were not significant to the group's consolidated results for the year.

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

Notes to the consolidated annual financial statements *(continued)*

	31 March 2011 R'm	31 March 2010 R'm
4. PROPERTY, PLANT AND EQUIPMENT		
Land and buildings – owned	1 402	1 180
Cost price	1 640	1 388
Accumulated depreciation and impairment	238	208
Land and buildings – leased	68	57
Cost price	118	105
Accumulated depreciation and impairment	50	48
Manufacturing equipment – owned	1 370	1 310
Cost price	2 289	2 102
Accumulated depreciation and impairment	919	792
Transmission equipment – owned	892	815
Cost price	1 662	1 382
Accumulated depreciation and impairment	770	567
Transmission equipment – leased	1 995	1 699
Cost price	3 311	3 177
Accumulated depreciation and impairment	1 316	1 478
Vehicles, computer and office equipment – owned	1 203	1 026
Cost price	2 588	2 251
Accumulated depreciation and impairment	1 385	1 225
Vehicles, computers and office equipment – leased	3	11
Cost price	7	15
Accumulated depreciation and impairment	4	4
Subtotal	6 933	6 098
Work in progress	628	392
Net book value	7 561	6 490
Total cost price	12 243	10 812
Accumulated depreciation and impairment	4 682	4 322
Net book value	7 561	6 490

Notes to the consolidated annual financial statements *(continued)***4. PROPERTY, PLANT AND EQUIPMENT** *(continued)*

	Land and buildings R'm	Manu- facturing equipment R'm	Trans- mission equipment R'm	Vehicles, computers and office equipment R'm	Total R'm
1 April 2009					
Cost	1 457	1 945	3 653	2 005	9 060
Accumulated depreciation and impairment	(228)	(793)	(2 414)	(1 135)	(4 570)
Net book value at 1 April 2009	1 229	1 152	1 239	870	4 490
Joint venture activities	(1)	—	—	(4)	(5)
Foreign currency translation effects	(15)	(2)	(138)	(36)	(191)
Transfer from other intangible assets	(3)	1	7	27	32
Transferred to non-current assets held-for-sale	(13)	—	—	(1)	(14)
Acquisition of subsidiaries	1	—	—	23	24
Acquisitions	131	399	1 985	498	3 013
Assets damaged by fire	(21)	(120)	—	(3)	(144)
Disposals/scrappings	(21)	(6)	(130)	(15)	(172)
Impairment	—	(2)	(52)	(3)	(57)
Depreciation	(50)	(112)	(397)	(319)	(878)
31 March 2010					
Cost	1 493	2 102	4 559	2 266	10 420
Accumulated depreciation and impairment	(256)	(792)	(2 045)	(1 229)	(4 322)
Net book value at 31 March 2010	1 237	1 310	2 514	1 037	6 098
Work in progress 31 March 2010					392
Total net book value at 31 March 2010					6 490

Notes to the consolidated annual financial statements *(continued)***4. PROPERTY, PLANT AND EQUIPMENT** *(continued)*

	Land and buildings R'm	Manu- facturing equipment R'm	Trans- mission equipment R'm	Vehicles, computers and office equipment R'm	Total R'm
1 April 2010					
Cost	1 493	2 102	4 559	2 266	10 420
Accumulated depreciation and impairment	(256)	(792)	(2 045)	(1 229)	(4 322)
Net book value at 1 April 2010	1 237	1 310	2 514	1 037	6 098
Joint venture activities	—	—	—	(1)	(1)
Foreign currency translation effects	(4)	(1)	(175)	(24)	(204)
Reclassifications	3	1	—	(4)	—
Transfer to other intangible assets	(1)	—	—	(2)	(3)
Transferred to non-current assets held-for-sale	(25)	—	—	—	(25)
Acquisition of subsidiaries	3	—	—	40	43
Disposal of subsidiaries	(1)	—	—	(2)	(3)
Acquisitions	333	192	1 040	600	2 165
Disposals/scrappings	(26)	(4)	—	(40)	(70)
Impairment	—	—	—	(25)	(25)
Depreciation	(49)	(128)	(492)	(373)	(1 042)
31 March 2011					
Cost	1 758	2 289	4 973	2 595	11 615
Accumulated depreciation and impairment	(288)	(919)	(2 086)	(1 389)	(4 682)
Net book value at 31 March 2011	1 470	1 370	2 887	1 206	6 933
Work in progress 31 March 2011					628
Total net book value at 31 March 2011					7 561

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 R0,6m (2010: decrease of R35,5m).

During the prior years fires damaged manufacturing equipment at the group's printing plants. The net book value of the assets damaged by these fires was R143,9m and was disclosed under "Other gains/(losses) – net" in the income statement. These assets were written off, but were fully insured. During the year the group received R185,7m (2010: R326,6m) from its insurers.

Notes to the consolidated annual financial statements (*continued*)**4. PROPERTY, PLANT AND EQUIPMENT** (*continued*)

The group recognised an impairment of property, plant and equipment with a net book value of R24,6m (2010: R57,0m). The impairment loss has been included in "Other gains/(losses) – net" in the income statement of which Rnil (2010: R51,8m) has been included in the pay-television segment, R24,6m (2010: Rnil) has been included in the internet segment and Rnil (2010: R5,2m) in the print segment. The recoverable amounts of the remaining assets have been determined based on a value in use calculation. The impairments resulted from the recoverable amounts of the assets being lower than the carrying value thereof.

The group has pledged property, plant and equipment with a carrying value of R2,1bn at 31 March 2011 (2010: R1,8bn) 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 statement of financial position.

	31 March 2011 R'm	31 March 2010 R'm
5. GOODWILL		
Cost		
Opening balance	17 051	15 407
Foreign currency translation effects	(516)	(1 163)
Acquisition of subsidiaries	1 802	2 766
Joint-venture activities	85	24
Contingent consideration adjustment	(49)	—
Reclassifications	(2)	17
Closing balance	18 371	17 051
Accumulated impairment		
Opening balance	431	49
Acquisition of joint ventures	—	1
Foreign currency translation effects	(6)	(1)
Impairment	668	382
Closing balance	1 093	431
Net book value	17 278	16 620

The group recognised impairment losses on goodwill of R668,0m (2010: R381,9m) during the financial year ended 31 March 2011 due to the fact that the recoverable amount of certain cash-generating units were less than their carrying value. Included in the total impairment charge is an amount of R306,5m (2010: R335,4m) which relates to our investment in GG Network S.A. (Gadu-Gadu). Gadu-Gadu's revenue model was negatively impacted by increased competition. The group also impaired other smaller internet and print investments where growth has lagged. For the impairment in Gadu-Gadu, management used a three-year projected cash flow model, a growth rate of 2% and a loss of 15,8%. The impairment charges have been included in "Other gains/(losses) – net" in the income statement of which R636,3m (2010: R335,4m) has been included in the internet segment and R31,7m (2010: R46,5m) in the print segment. The recoverable amounts have been based on value in use calculations.

During the year the group finalised the purchase price accounting for acquisitions in the prior year and no significant adjustments were required.

Notes to the consolidated annual financial statements (*continued*)**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 or where more appropriate, the growth rate of the cash-generating units were used to extrapolate the cash flows into the future. Where the fair value was used to calculate recoverable amounts, it is based on publicly traded market prices. The discount rates used reflect specific risks relating to the relevant cash-generating units and the countries in which they operate. The group allocated goodwill to the following groups of cash-generating units:

	Net book value of goodwill R'm	Basis of determination of recoverable amount	Discount rate applied to cash flows %	Growth rate used to extrapolate cash flows %
Groups of cash-generating units				
Tradus plc.	6 699	Value in use	13,5	5,0
MultiChoice South Africa group	3 824	Value in use	17,2	3,5
BuscaPé.com Inc.	2 321	Value in use	21,2	8,7
Aukro s.r.o.	1 192	Value in use	16,0	5,0
OLX Inc.	644	Value in use	18,5	4,0
Level Up! International Private Holdings	266	Note 1	—	—
Cloakware Inc.	231	Value in use	15,9	2,5
Mobile Internet Movel S.A.	194	Value in use	20,7	4,0
DineroMail Inc.	168	Note 1	—	—
Moonfish Media OÜ	157	Value in use	14,9	4,5
Vatera.hu KFT	150	Value in use	19,7	5,0
Entriq Inc.	128	Value in use	20,8	7,5
Multiply Inc.	126	Value in use	21,6	5,8
Trendsales SPA	117	Note 1	—	—
Nimbuzz B.V.	103	Value in use	18,3	5,0
MXit Lifestyle (Proprietary) Limited	90	Value in use	26,7	4,0
Grupa Allegro	86	Value in use	12,4	5,0
Digital Mobile Television (Proprietary) Limited	75	Value in use	17,2	3,5
Sanook! Online Limited	60	Note 1	—	—
Irdeto Access B.V.	59	Value in use	15,9	2,5
Molotok.ru (Russia)	58	Value in use	23,7	5,0
Irdeto France S.A.S.	55	Value in use	25,5	9,5
Various other units	475	Value in use	Various	Various
	17 278			

Note 1

The amounts of goodwill presented for the above cash-generating units represent acquisitions that were made during the year and represent the excess of the purchase consideration over the fair value of the assets acquired. A post-tax discount rate is applied as the value in use was determined using post-tax cash flows.

Notes to the consolidated annual financial statements (*continued*)**5. GOODWILL** (*continued*)

Goodwill represents the above cash-generating units' ability to generate future cash flows, which is a direct result of various factors, including customer relationships, technological innovations, content libraries, the quality of the workforce acquired, supplier relationships and possible future synergies.

If one or more of the inputs were changed to a reasonable possible alternative assumption, there would be no further significant impairments that would have to be recognised.

6. OTHER INTANGIBLE ASSETS

	Intellectual property rights and patents R'm	Sub- scriber base R'm	Brand names and title rights R'm	Software R'm	Total R'm
1 April 2009					
Cost	812	2 880	3 389	468	7 549
Accumulated amortisation and impairment	(249)	(1 202)	(445)	(224)	(2 120)
Net book value at 1 April 2009	563	1 678	2 944	244	5 429
Joint-venture activities	—	—	—	(1)	(1)
Foreign currency translation effects	(148)	(214)	(133)	1	(494)
Acquisition of subsidiaries	—	208	630	74	912
Acquisitions	37	32	3	166	238
Transfer to property, plant and equipment	—	(25)	1	(8)	(32)
Reclassifications	1	(1)	—	—	—
Disposals	—	(4)	—	(14)	(18)
Impairment	—	—	(2)	—	(2)
Amortisation	(56)	(799)	(258)	(100)	(1 213)
31 March 2010					
Cost	662	2 775	3 875	659	7 971
Accumulated amortisation and impairment	(265)	(1 900)	(690)	(297)	(3 152)
Net book value at 31 March 2010	397	875	3 185	362	4 819
Work in progress 31 March 2010					157
Total net book value at 31 March 2010					4 976

Notes to the consolidated annual financial statements *(continued)***6. OTHER INTANGIBLE ASSETS** *(continued)*

	Intellectual property rights and patents R'm	Sub- scriber base R'm	Brand names and title rights R'm	Software R'm	Total R'm
1 April 2010					
Cost	662	2 775	3 875	659	7 971
Accumulated amortisation and impairment	(265)	(1 900)	(690)	(297)	(3 152)
Net book value at 1 April 2010	397	875	3 185	362	4 819
Joint-venture activities	—	6	—	(1)	5
Foreign currency translation effects	(23)	(90)	(161)	18	(256)
Acquisition of subsidiaries	10	337	136	106	589
Acquisitions	5	24	3	238	270
Transfer from property, plant and equipment	—	4	—	(1)	3
Reclassifications	—	3	—	(3)	—
Disposals	—	(4)	(3)	—	(7)
Impairment and derecognition	(7)	(40)	(128)	(197)	(372)
Amortisation	(54)	(704)	(253)	(160)	(1 171)
31 March 2011					
Cost	617	2 992	3 835	971	8 415
Accumulated amortisation and impairment	(289)	(2 581)	(1 056)	(609)	(4 535)
Net book value at 31 March 2011	328	411	2 779	362	3 880
Work in progress 31 March 2011					6
Total net book value at 31 March 2011					3 886

The group recognised impairment losses on other intangible assets of R371,9m (2010: R2,0m) during the financial year ended 31 March 2011 due to the fact that the recoverable amounts of certain cash-generating units were less than their carrying values. Included in the total impairment charge is an amount of R185,8m (2010: Rnil) which relates to our investment in Gadu-Gadu and R112,3m (2010: Rnil) which relates to the derecognition of Media24 intangibles. The Gadu-Gadu impairment is based on the same assumptions as disclosed in note 5 above. The impairment charges have been included in "Other gains/(losses) – net" on the income statement of which R5,6m (2010: Rnil) has been included in the pay-television segment; R180,6m (2010: Rnil) in the internet segment; R52,9m (2010: Rnil) in the technology segment and R141,1m (2010: R2,0m) in the print segment. The recoverable amounts have been based on value in use calculations with discount rates comparable to those used in assessing the impairment of goodwill.

Notes to the consolidated annual financial statements (*continued*)**6. OTHER INTANGIBLE ASSETS** (*continued*)

In terms of IAS 8 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 and residual value, which resulted in an increase in amortisation of R1,5m (2010: decrease of R4,0m).

	Notes	31 March 2011 R'm	31 March 2010 R'm
7. INVESTMENTS AND LOANS			
Investments in associates			
Listed		16 874	4 646
Unlisted		3 893	7 296
Total investments in associates		20 767	11 942
Investments and loans			
Loans to related parties			
Unlisted			
Nimbuzz B.V.	[a]	—	35
MXit Lifestyle International Limited	[b]	20	17
Sanook! Online Limited	[b]	79	—
Various other related parties	[b]	38	29
<i>Total long-term loans to related parties</i>		137	81
Loans and receivables			
Unlisted			
Welkom Yizani preference shares		404	391
Phuthuma Nathi preference shares		2 870	3 170
Other		145	5
<i>Total loans and receivables</i>		3 419	3 566
Accrued dividends included in preference shares		(120)	(144)
<i>Total loans and receivables excluding accrued dividends</i>		3 299	3 422
Short-term loans and receivables		(141)	(3)
<i>Long-term loans and receivables</i>		3 158	3 419
Total investments and loans		3 556	3 647
Investments classified on statement of financial position			
Non-current investments and loans		3 295	3 500
Current investments and loans		141	3
Accrued dividends classified under other receivables		120	144
		3 556	3 647

Notes

[a] During 2011 the group increased its interest in Nimbuzz B.V. from an associate to a subsidiary.

[b] The nature of these related party relationships are that of joint ventures and associates. The loan to Sanook! and MXit is non-interest-bearing with no fixed terms of repayment.

Notes to the consolidated annual financial statements *(continued)*

7. INVESTMENTS AND LOANS *(continued)*

The market value of the group's listed investments in associates at 31 March 2011 amounted to R137,7bn (2010: R92,8bn). Tencent Holdings Limited contributed R125,3bn (2010: R92,7bn), Beijing Media Corporation Limited R108,5m (2010: R95,9m) and Mail.ru Group, which was listed in November 2010, R12,3bn (2010: Rnil). The valuation of total unlisted investments and loans, as approved by the directors of the respective group companies, amounted to R7,2bn (2010: R10,8bn). The decline in value of total unlisted investments and loans is mainly as a result of the Mail.ru Group listing during the year.

Naspers has two major BEE ownership initiatives, Welkom Yizani Investments Limited ("Welkom Yizani"), which holds ordinary shares in Media24 Holdings (Proprietary) Limited and Phuthuma Nathi Investments Limited and Phuthuma Nathi Investments Limited 2 ("Phuthuma Nathi") which holds ordinary shares in MultiChoice South Africa Holdings (Proprietary) Limited. BEE participants funded 20% of their investment 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 Welkom Yizani transaction was restructured during the year ended 31 March 2010. Welkom Yizani redeemed 21,1 million preference shares at a nominal value and the group agreed to waive R119m of arrear and accumulated undeclared preference dividends due to the group. The total refinancing charge of R330m was included in "Other gains/(losses) – net" in the income statement and in the corporate segment in the segment report. Preference dividends are calculated at a rate of 65% (2010: 65%) of the prime interest rate. The carrying value for Welkom Yizani is R404,3m (2010: R391,4m).

The Phuthuma Nathi transaction was not affected by the Welkom Yizani restructuring and the carrying value for Phuthuma Nathi was R2,9bn (2010: R3,2bn) at 31 March 2011. Preference dividends are calculated at a rate of 75% (2010: 75%) of the prime interest rate.

Notes to the consolidated annual financial statements (*continued*)**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
	2011 %				
UNLISTED COMPANIES					
Media24 Holdings (Proprietary) Limited	85,0	85,0 Print media company	South Africa	ZAR	D
Paarl Media Group (Proprietary) Limited	85,0	85,0 Printing	South Africa	ZAR	I
Touchline Media (Proprietary) Limited	85,0	85,0 Publishing of magazines	South Africa	ZAR	I
Boland Koerante (Eiendoms) Beperk Via Afrika Limited	85,0	85,0 Publishing of newspapers	South Africa	ZAR	I
MIH Holdings Limited	100,0	100,0 Investment holding	South Africa	ZAR	D
MultiChoice South Africa Holdings (Proprietary) Limited	80,0	80,0 Subscription television	South Africa	ZAR	I
Huntley Holdings (Proprietary) Limited	80,0	80,0 Internet service provider	South Africa	ZAR	I
MIH (Mauritius) Limited	100,0	100,0 Investment holding	British Virgin Islands	USD	I
MIH B.V.	100,0	100,0 Investment holding	The Netherlands	EUR	I
MultiChoice Africa Limited	100,0	100,0 Investment holding	Mauritius	USD	I
Irdeto Access B.V.	100,0	100,0 Technology development	The Netherlands	USD	I
Electronic Media Network Limited	80,0	80,0 Pay-TV content provider	South Africa	ZAR	I
SuperSport International Holdings Limited	80,0	80,0 Pay-TV content provider	South Africa	ZAR	I
GG Network S.A.	100,0	100,0 Instant-messaging services	Poland	PLN	I
MIH Allegro B.V.	97,0	97,0 Investment holding	Netherlands	EUR	I
QXL Poland	97,0	97,0 Internet e-commerce platform provider	Poland	PLN	I
MIH Ricardo B.V.	100,0	100,0 Investment holding	Netherlands	EUR	I
Ricardo.ch AG	100,0	100,0 Internet e-commerce platform provider	Switzerland	CHF	I
BuscaPé.com Inc.	94,7	94,8 Comparative shopping and e-commerce	Brazil	BRL	I
Mobile Internet Movel S.A.	64,7	54,0 Mobile value-added services	Brazil	BRL	I
Korbitec (Proprietary) Limited	51,0	51,0 Property transfer e-commerce platform	South Africa	ZAR	I
Bankier.pl S.A.	100,0	100,0 Finance and tax portal	Poland	PLN	I
Multiply Inc.	76,4	— Social shopping business	United States	USD	I
OLX Inc.	83,9	— Classifieds	United States	USD	I
Nimbuzz B.V.*	51,6	43,6 Internet related services	Netherlands	EUR	I
Level Up! International Private Holdings	100,0	— Internet related services	Singapore	USD	I
DineroMail Inc.	79,7	— Internet e-commerce platform provider	United States	USD	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.

Note – A register containing the number and class of shares in all investments held as subsidiaries is available for inspection at the group's registered office.

– During 2011 the group increased its interest in Nimbuzz B.V. As at 31 March 2010 it was classified as an associate.

Notes to the consolidated annual financial statements (continued)

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 or I	D
	2011 %	2010 %			
UNLISTED COMPANIES					
The Natal Witness Printing and Publishing Company (Proprietary) Limited	42,5	42,5	South Africa	ZAR	I
MXit Lifestyle (Proprietary) Limited	30,5	30,5	South Africa	ZAR	I
MIH India Global Internet Limited (ibibo) [#]	80,1	90,0	India	INR	I
Pricetown s.r.o.	48,5	48,5	Czech Republic	CZK	I
Glendover Ventures Limited	48,5	48,5	Cyprus	UAH	I
M-Web (Thailand) Limited	50,0	100,0	Thailand	THB	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.

[#] – Although ownership is greater than 50%, it is not consolidated as it is jointly controlled (refer to note 13).

Note – A register containing the number and class of shares in all investments held as joint ventures is available for inspection at the group's registered office.

Additional joint-venture disclosure

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

	31 March 2011 R'm	31 March 2010 R'm
Statement of financial position information		
Non-current assets	153	147
Current assets	249	232
<i>Total assets</i>	402	379
Non-current liabilities	519	494
Current liabilities	155	144
<i>Total liabilities</i>	674	638
<i>Total shareholders' equity</i>	(272)	(259)
<i>Total equity and liabilities</i>	402	379
Income statement information		
Revenue	615	542
Net loss	(40)	(108)

The group's interest in the joint ventures' capital commitments amounted to Rnil (2010: R17,0m) and it had no interest in contingent liabilities at 31 March 2011 and 31 March 2010.

Notes to the consolidated annual financial statements *(continued)***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
	2011 %	2010 %				
LISTED COMPANIES						
Tencent Holdings Limited	34,3	34,6	Internet-related services	China	CNY	I
Beijing Media Corporation Limited	9,9	9,9	Print media advertising and print-related services	China	CNY	I
Mail.ru Group	29,1	—	Internet-related services	Russia	RUB	I
UNLISTED COMPANIES						
Abril S.A.	30,0	30,0	Print media	Brazil	BRL	I
Mail.ru Internet N.V.	—	39,0	Internet-related services	The Netherlands	RUB	I
ACL Wireless Limited	30,0	30,0	Internet-related services	India	INR	I
Free State Cheetahs Rugby (Proprietary) Limited	19,6	19,6	Rugby operations	South Africa	ZAR	I
Natal Sharks (Proprietary) Limited	32,0	32,0	Rugby operations	South Africa	ZAR	I
Hunan Titan Culture Exchange Company Limited	—	37,4	Print media	China	CNY	I
Buzz City PTE Limited	36,1	36,1	Internet-related services	Singapore	SGD	I
Xin'an Media Company Limited (Anhui)	37,0	37,0	Print media	China	CNY	I
Level Up! Inc.	40,0	—	Online gaming	Philippines	PHP	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.

Note – A register containing the number and class of shares in all investments held as associates is available for inspection at the group's registered office.

Notes to the consolidated annual financial statements (*continued*)

	31 March 2011 R'm	31 March 2010 R'm
7. INVESTMENTS AND LOANS (<i>continued</i>)		
Investments in associated companies		
Opening balance	11 942	10 667
Associated companies acquired – gross consideration	3 078	891
Net assets acquired	2 889	17
Goodwill and intangibles recognised	199	876
Deferred taxation recognised	(6)	(5)
Other	(4)	3
Associated companies sold	(277)	(1)
Share of current year other reserve movements	2 601	250
Share of equity-accounted results	3 438	2 417
Net income before amortisation	4 328	3 066
Net loss before amortisation	(38)	(49)
Taxation	(852)	(600)
Equity-accounted results due to purchase accounting	(177)	(423)
Amortisation of other intangible assets	(258)	(326)
Release of purchase accounting goodwill	—	(212)
Realisation of deferred taxation	81	115
Impairment of equity-accounted investments	(118)	(62)
Reversal of impairment of equity-accounted investments	95	—
Dividends received	(947)	(518)
Foreign currency translation adjustments	(329)	(1 343)
Dilution profit	1 461	64
Closing balance	20 767	11 942

The group recognised R3,3bn (2010: R2,1bn) as its share of equity-accounted results in the income statement. Impairment losses on investments in associated companies of R117,6m (2010: R62,2m) has been recorded during the financial year ended 31 March 2011 due to the fact that the recoverable amounts of certain investments in associated companies were less than their carrying values. The impairment charges and reversal have been included in "Impairment of equity-accounted investments" on the income statement. The group sold its investment in Hunan Titan Culture Exchange Company Limited in January 2011. Prior to the disposal an impairment of R95m, previously recognised on the investment, was reversed.

Our share of associates' other comprehensive income and reserves relates mainly to the revaluation of the associates' available-for-sale investments.

The recoverable amounts of the other unlisted investments have been based on value in use calculations with discount rates comparable to those used in assessing the impairment of goodwill. Refer to note 5.

Notes to the consolidated annual financial statements (*continued*)**7. INVESTMENTS AND LOANS** (*continued*)**Additional associate disclosure**

The following are the combined summarised statements of financial position and income statements of the associated companies as per their annual financial statements:

	31 March 2011 R'm	31 March 2010 R'm
Statement of financial position information		
Non-current assets	39 121	10 997
Current assets	34 137	22 380
<i>Total assets</i>	73 258	33 377
Non-current liabilities	5 448	5 874
Current liabilities	19 448	10 689
<i>Total liabilities</i>	24 896	16 563
<i>Total shareholders' equity</i>	48 362	16 814
<i>Total equity and liabilities</i>	73 258	33 377
Income statement information		
Revenue	36 772	28 323
Operating profit	11 406	8 083
Net profit	9 938	7 035

The group's interest in the associates' contingent liabilities as at 31 March 2011 amounted to R806,1m (2010: R247,3m).

The following are entities with more than 50% ownership, which are not consolidated:

Name of entity	Effective percentage interest	Country of incorporation	Reason for not consolidating
DSTV Digital Terrestrial Zambia Limited	99,0	Zambia	Net asset value insignificant
BDK Polska Sp. z o.o.	51,0	Poland	Management agreement, joint control
Smart Village at Waterfall (Proprietary) Limited	55,0	South Africa	Management agreement, joint control
MIH India Global Internet Limited	80,0	India	Management agreement, joint control
New Media Publishers (Proprietary) Limited	58,0	South Africa	Management agreement, joint control
Zayle Investment (Proprietary) Limited	65,0	South Africa	Management agreement, associate

Notes to the consolidated annual financial statements *(continued)***7. INVESTMENTS AND LOANS** *(continued)*

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 or investments, but are now consolidated:

Name of entity	Effective percentage interest	Country of incorporation
MultiChoice Namibia (Proprietary) Limited	49,0	Namibia
Details Nigeria Limited	49,0	Nigeria
DCC Cell Captive	0,0	South Africa

The following entities have less than 20% ownership, but are classified as associates as significant influence is established through either 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
Vodacom Cheetahs (Proprietary) Limited	8,2	South Africa

	31 March 2011 R'm	31 March 2010 R'm
8. PROGRAMME AND FILM RIGHTS		
Cost price		
– programme rights	2 837	1 974
– film rights	513	788
	3 350	2 762
Accumulated amortisation		
– programme rights	(1 559)	(1 044)
– film rights	(304)	(420)
	(1 863)	(1 464)
Net book value		
– programme rights	1 278	930
– film rights	209	368
	1 487	1 298

A significant portion of the group's cash obligations under contracts for pay-television programming and channels is denominated in US dollars. The group uses forward exchange contracts to hedge the exposure to foreign currency risk. The group generally covers forward 50% to 100% of firm commitments in foreign currency for up to two years.

At 31 March 2011 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 R7,7bn (2010: R8,7bn).

Notes to the consolidated annual financial statements (*continued*)

	31 March 2011 R'm	31 March 2010 R'm
9. DEFERRED TAXATION		
Opening balance	(446)	(505)
Accounted for in income statement	217	80
Accounted for against reserves	(10)	182
Acquisition of subsidiaries and joint ventures	(174)	(278)
Foreign currency translation adjustments	65	75
Closing balance	(348)	(446)

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

	1 April 2010 R'm	Charged to income R'm	Charged to equity R'm	Acquisition of sub- sidiaries and joint ventures R'm	Disposal of sub- sidiaries and joint ventures R'm	Foreign currency translation adjust- ments R'm	31 March 2011 R'm
Deferred taxation assets							
Provisions and other current liabilities	405	39	—	1	—	(2)	443
Capitalised finance leases	104	(59)	—	—	—	—	45
Income received in advance	78	29	—	—	—	—	107
Tax losses carried forward	1 596	823	—	89	(20)	(68)	2 420
STC credits	252	(94)	—	—	—	—	158
Derivatives	149	(19)	(6)	—	—	—	124
Other	255	59	—	(4)	—	(5)	305
	2 839	778	(6)	86	(20)	(75)	3 602
Valuation allowance	1 734	768	—	94	(21)	(74)	2 501
	1 105	10	(6)	(8)	1	(1)	1 101
Deferred taxation liabilities							
Property, plant and equipment	454	1	—	—	—	(2)	453
Intangible assets	959	(269)	—	166	1	(66)	791
Other	138	61	4	—	—	2	205
	1 551	(207)	4	166	1	(66)	1 449
Net deferred taxation	(446)	217	(10)	(174)	—	65	(348)

Notes to the consolidated annual financial statements (continued)

9. DEFERRED TAXATION (continued)

	1 April 2009 R'm	Charged to income R'm	Charged to equity R'm	Acquisition of subsidiaries and joint ventures R'm	Foreign currency translation adjust- ments R'm	31 March 2010 R'm
Deferred taxation assets						
Provisions and other current liabilities	370	23	—	18	(6)	405
Capitalised finance leases	186	(82)	—	—	—	104
Tax losses carried forward	1 780	116	—	19	(319)	1 596
STC credits	334	(82)	—	—	—	252
Derivatives	6	20	120	—	3	149
Other	291	64	—	2	(24)	333
	2 967	59	120	39	(346)	2 839
Valuation allowance	1 812	240	—	8	(326)	1 734
	1 155	(181)	120	31	(20)	1 105
Deferred taxation liabilities						
Property, plant and equipment	328	132	—	—	(6)	454
Intangible assets	1 051	(314)	—	309	(87)	959
Other	281	(77)	(61)	—	(5)	138
	1 660	(259)	(61)	309	(98)	1 551
Net deferred taxation	(505)	78	181	(278)	78	(446)

Valuation allowances are created against the net deferred taxation assets, when it is probable that the deferred taxation 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 whether future taxable profits will be available to utilise unused tax losses and timing differences.

	South Africa R'm	Rest of Africa R'm	Asia R'm	Europe R'm	Latin America and USA R'm	Other R'm	Total R'm
Valuation allowance – 2011	532	23	97	664	1 049	136	2 501
Valuation allowance – 2010	508	15	113	425	569	104	1 734

Notes to the consolidated annual financial statements (*continued*)**9. DEFERRED TAXATION** (*continued*)

The group has tax losses carried forward of approximately R6,9bn (2010: R5,3bn). A summary of the tax losses carried forward at 31 March 2011 by tax jurisdiction and the expected expiry dates are set out below:

	South Africa R'm	Rest of Africa R'm	Asia R'm	Europe R'm	Latin America and USA R'm	Other R'm	Total R'm
Expires in year one	22	4	1	26	—	—	53
Expires in year two	—	—	1	3	—	—	4
Expires in year three	—	—	3	5	—	4	12
Expires in year four	—	—	26	7	—	—	33
Expires in year five	—	—	71	210	—	—	281
Expires after year five	1 760	142	116	1 972	2 092	402	6 484
	1 782	146	218	2 223	2 092	406	6 867

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 statement of financial position.

Deferred taxation 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 statement of financial position:

Classification on statement of financial position	31 March 2011 R'm	31 March 2010 R'm
Deferred tax assets	817	814
Deferred tax liabilities	(1 165)	(1 260)
	(348)	(446)

The group recognised deferred income tax of R9,8m (charged 2010: R181,4m) to other comprehensive income as a result of changes in the fair value of derivative financial instruments that relate to forecast transactions or commitments.

Total deferred taxation assets amount to R816,8m (2010: R813,6m) of which R124,3m (2010: R108,5m) will be utilised within the next 12 months and R692,5m (2010: R705,1m) after 12 months. Total deferred taxation liabilities amount to R1 164,6m (2010: R1 260,5m) of which R1,5m (2010: R3,7m) will be utilised within the next 12 months and R1 163,1m (2010: R1 256,8m) after 12 months.

During the year a deferred tax asset of R148,4m has been recognised of which the utilisation thereof depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, and the entity has suffered a loss in either the current or preceding period.

Notes to the consolidated annual financial statements *(continued)*

	31 March 2011 R'm	31 March 2010 R'm
10. INVENTORY		
Carrying value		
Raw materials	217	166
Finished products, trading inventory and consumables	284	265
Work in progress	36	37
Decoders, internet and associated components	420	426
Gross inventory	957	894
Provision for slow-moving and obsolete inventories	(226)	(201)
Net inventory	731	693

The total provision charged to write inventory down to net realisable value in the income statement amounted to R192,4m (2010: R102,0m), and reversals of these provisions amounted to R25,0m (2010: R2,0m). Inventories written down to net realisable value amounted to R0,9m (2010: R17,4m).

11. TRADE RECEIVABLES		
Carrying value		
Trade accounts receivable, gross	3 179	2 665
Less: Provision for impairment of receivables	(250)	(227)
	2 929	2 438

The movement in the allowance account for impairment of trade receivables during the year was as follows:

Provision for impairment of receivables		
Opening balance	(227)	(213)
Additional provisions charged to income statement	(133)	(99)
Provisions reversed to income statement	42	32
Provisions utilised	57	38
Foreign currency translation effect	8	17
Other	3	(2)
Closing balance	(250)	(227)

Notes to the consolidated annual financial statements *(continued)***11. TRADE RECEIVABLES** *(continued)*

The ageing of trade receivables as well as the amount of provision per age class, for each of the reportable segments (excluding associates), is presented below:

	31 March 2011					Total R'm
	Neither past due nor impaired R'm	30 days and older R'm	60 days and older R'm	90 days and older R'm	120 days and older R'm	
Pay television	620	267	53	49	69	1 058
Provision	—	(12)	(9)	(26)	(36)	(83)
Total	620	255	44	23	33	975
Internet	696	37	13	11	61	818
Provision	—	(5)	(4)	(6)	(54)	(69)
Total	696	32	9	5	7	749
Technology	150	34	14	14	42	254
Provision	—	(12)	(1)	(1)	(13)	(27)
Total	150	22	13	13	29	227
Print	792	168	31	14	44	1 049
Provision	—	(37)	(4)	(2)	(28)	(71)
Total	792	131	27	12	16	978
Total	2 258	506	111	88	216	3 179
Provision	—	(66)	(18)	(35)	(131)	(250)
Total	2 258	440	93	53	85	2 929

Notes to the consolidated annual financial statements *(continued)*11. TRADE RECEIVABLES *(continued)*

31 March 2010

	Neither past due nor impaired R'm	30 days and older R'm	60 days and older R'm	90 days and older R'm	120 days and older R'm	Total R'm
Pay television	726	187	31	15	38	997
Provision	—	(23)	(24)	(11)	(31)	(89)
Total	726	164	7	4	7	908
Internet	457	38	13	11	44	563
Provision	—	(7)	(4)	(8)	(37)	(56)
Total	457	31	9	3	7	507
Technology	109	17	17	4	54	201
Provision	—	(1)	—	—	(34)	(35)
Total	109	16	17	4	20	166
Print	634	147	47	15	61	904
Provision	—	(6)	(1)	(3)	(37)	(47)
Total	634	141	46	12	24	857
Total	1 926	389	108	45	197	2 665
Provision	—	(37)	(29)	(22)	(139)	(227)
Total	1 926	352	79	23	58	2 438

MWEB is now reported in the pay-television rather than the internet segment. It is working on technologies to deliver video content. Comparative segmental results have been restated.

Notes to the consolidated annual financial statements (*continued*)

	31 March 2011 R'm	31 March 2010 R'm
12. OTHER RECEIVABLES		
Prepayments and accrued income	939	960
Receivables from non-controlling shareholders	—	10
Staff debtors	15	10
VAT and related taxes receivable	325	202
Preference dividend accrual	120	144
Insurance proceeds	—	152
Transponder lease receivable	14	82
Promissory notes	373	—
Other receivables	353	311
	2 139	1 871

13. RELATED PARTY TRANSACTIONS AND BALANCES

The group entered into transactions and has balances with a number of related parties, including equity investees, joint ventures, 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:

Sale of goods and services to related parties

	Note		
New Media Publishers (Proprietary) Limited	[a]	83	83
Rodale & Touchline Publishers (Proprietary) Limited	[a]	12	—
Various other related parties	[a]	12	20
		107	103

Note

[a] The group receives revenue from a number of its related parties mainly for the printing and distribution of magazines and newspapers. The nature of these related party relationships are that of joint ventures and associates.

Purchase of goods and services from related parties

MXit Lifestyle Development Company (Proprietary) Limited		10	—
New Media Publishers (Proprietary) Limited	[a]	4	4
Natal Witness Printing & Publishing Company (Proprietary) Limited	[a]	15	11
Various other related parties	[a]	20	10
		49	25

Note

[a] The group purchases goods and services from a number of its related parties mainly for the printing and distribution of magazines and newspapers. The nature of these related party relationships are that of joint ventures and associates.

Notes to the consolidated annual financial statements (continued)

13. RELATED PARTY TRANSACTIONS AND BALANCES (continued)
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.

MIH India Global Internet Limited ("MIH India"), a joint venture of the group, entered into a transaction with Tencent, pursuant to which Tencent granted to MIH India and its subsidiaries a licence to use Tencent's technology and content in India in consideration of MIH India granting an option to Tencent to subscribe for new shares of MIH India. The licence will be exclusive to MIH India for an initial period of seven years. Upon termination of the exclusive period, the licence will continue on a non-exclusive basis. Tencent will also provide additional support services to MIH India.

During March 2011 Tencent exercised a further 9,9% of its option in MIH India. At 31 March 2011 Tencent held a 19,9% interest in MIH India with the remaining 80,1% held by the group. The group has performed an assessment, as required by IAS 27 "Consolidated and Separate Financial Statements", to determine whether the group would still exert control over MIH India in the event that the remaining option is exercised. The option to acquire an additional interest is currently exercisable. Based on this assessment, if Tencent were to exercise its option in full, all decisions made by the board of directors would require approval by both the group and Tencent's directors. As such, the group will exert joint control, as defined in IAS 31 "Interests in Joint Ventures", over MIH India with Tencent. The group has proportionately consolidated its share of all assets, liabilities, income and expenses of MIH India.

The option granted falls within the scope of IFRS 2 "Share-based Payments", as equity of the company is being given in exchange for goods and services to be received. The group has therefore performed a calculation to determine the fair value of the option during 2009, which amounted to R31,5m and is being amortised over a seven-year period, being the licence period.

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

	Notes	31 March 2011 R'm	31 March 2010 R'm
Receivables			
New Media Publishers (Proprietary) Limited	[a]	24	20
Various other related parties	[a]	14	6
		38	26
Payables			
Tencent Technology (Shenzhen) Company Limited	[b]	79	—
New Media Publishers (Proprietary) Limited	[a]	7	2
Various other related parties	[a]	7	7
		93	9

Refer to note 7 for long-term loans to related parties.

Notes

[a] The group receives income and purchases goods and services from a number of its related parties mainly for the printing and distribution of magazines and newspapers. The nature of these related party relationships are that of joint ventures and associates.

[b] The 6% stake purchased by Tencent during December 2008 in MIH India resulted in a shareholder loan payable to Tencent. The loan is non-interest-bearing with no fixed terms of repayment.

Notes to the consolidated annual financial statements (*continued*)**13. RELATED PARTY TRANSACTIONS AND BALANCES** (*continued*)

	31 March 2011 R'000	31 March 2010 R'000
Directors' emoluments		
Non-executive directors:		
Fees for services as directors	7 649	6 409
Fees for services as directors of subsidiary companies	5 241	5 247
	12 890	11 656

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.

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

Executive directors	Salary R'000	Bonuses and performance- related fees R'000	Pension contributions R'000	Total R'000
2011				
S J Z Pacak	3 054	2 900	200	6 154
J P Bekker	—	—	—	—
	3 054	2 900	200	6 154
2010				
S J Z Pacak	2 820	3 135	280	6 235
J P Bekker	—	—	—	—
	2 820	3 135	280	6 235

Mr Pacak's bonus is based on financial, operational and discrete objectives, which were approved by the human resources and remuneration committee in advance. The bonus is capped at 100% of total cost to company. Remuneration received by executive directors for other services paid by subsidiary companies totalled R6,154m (2010: R6,235m).

Notes to the consolidated annual financial statements *(continued)*

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

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

Non-executive directors	Directors' fees		Committee ¹ and trustee ² fees		Total 2011 R'000	Directors' fees		Committee ¹ and trustee ² fees		Total 2010 R'000
	Paid by company R'000	Paid by subsidiary R'000	Paid by company R'000	Paid by subsidiary R'000		Paid by company R'000	Paid by subsidiary R'000	Paid by company R'000	Paid by subsidiaries R'000	
	T Vosloo ³	2 011	1 407	—		109	3 527	1 887	1 233	
J J M van Zyl ^{3, 4}	379	791	517	211	1 898	354	578	390	176	1 498
L N Jonker ⁴	379	—	45	—	424	354	—	42	—	396
N P van Heerden ³	379	85	—	—	464	354	80	—	—	434
B J van der Ross	379	—	163	—	542	354	—	—	—	354
G J Gerwel ³	379	590	165	70	1 204	354	557	90	67	1 068
H S S Willemse ⁴	379	—	45	—	424	354	—	42	—	396
F-A du Plessis ⁴	379	—	339	—	718	354	—	135	137	626
T M F Phaswana	379	—	—	—	379	354	124	—	—	478
L P Retief ³	379	1 350	—	133	1 862	354	1 687	—	130	2 171
R C C Jafta ³	379	197	195	298	1 069	354	186	135	197	872
D Meyer	379	—	—	—	379	148	—	—	—	148
	6 180	4 420	1 469	821	12 890	5 575	4 445	834	802	11 656

Notes

¹ Committee fees include fees for the attendance of the audit committee, the risk committee (2011 only), the human resources and remuneration committee, and the nomination committee meetings of the board.

² Trustee fees include fees for the attendance of the various retirement fund trustee meetings of the group's retirement funds.

³ Directors' fees include fees for services as directors, where appropriate, of Media24 Limited, Paarl Media Holdings (Proprietary) Limited, Via Afrika Limited, MIH Holdings Limited, MIH (Mauritius) Limited, Myriad International Holdings B.V. and MultiChoice South Africa (Proprietary) Limited.

⁴ Committee and trustee fees include, where appropriate, fees to be considered by shareholders at the annual general meeting on 26 August 2011 for services as trustees or members, as appropriate, of the group's share schemes/retirement funds/Media24's safety, health and environmental committee.

Notes to the consolidated annual financial statements *(continued)*

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 as at 31 March 2011 in respect of the executive directors' participation in scheme shares not yet released, are as follows:

Name	Purchase date	Number of N shares	Purchase price	Release period
J P Bekker ¹	31/03/2008	3 895 936	R176,11	31/03/2012
	31/03/2008	3 895 936	R185,56	31/03/2013
S J Z Pacak ²	08/07/2006	50 000	R114,52	08/07/2011

Notes

¹ The chief executive of Naspers has allocations, as indicated above, under the share incentive scheme, in terms of which Naspers N ordinary shares can be acquired at certain prices, with the vesting of the various 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 Stellenbosch University. The chief executive does not earn any remuneration from the group, in particular no salary, bonus, car scheme, medical or pension contributions of any nature whatsoever. The chief executive's contract is for a five-year period which started on 1 April 2008. No compensation will apply to termination.

² On 15 December 2010 a total of 15 000 released Naspers N ordinary shares were sold by Mr S J Z Pacak's family trust upon payment of an average price of R23,50 per 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 Naspers share incentive trust, at an average selling price of R392,01 per Naspers N ordinary share.

On 21 December 2010 a total of 10 000 released Naspers N ordinary shares were sold by Mr S J Z Pacak's family trust upon payment of an average price of R23,50 per 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 Naspers share incentive trust, at an average selling price of R390,00 per Naspers N ordinary share.

Directors' interest in MIH (Mauritius) Limited share incentive scheme

At 31 March 2011 a total of 428 000 (2010: 556 000) unreleased Naspers N ordinary shares were allocated to Mr S J Z Pacak with vesting periods until 27 February 2014.

Directors' interest in Naspers shares

The directors of Naspers have the following interests in Naspers A ordinary shares on 31 March 2011:

Name	31 March 2011 Naspers A ordinary shares Beneficial			31 March 2010 Naspers A ordinary shares Beneficial		
	Direct	Indirect	Total	Direct	Indirect	Total
J J M van Zyl	745	—	745	745	—	745

Mr J P Bekker has an indirect 25% interest in Wheatfields 221 (Proprietary) Limited, which controls 168 605 Naspers Beleggings Beperk ordinary shares, 16 860 500 Keeromstraat 30 Beleggings Beperk 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 2011 or 31 March 2010.

Notes to the consolidated annual financial statements (*continued*)**13. RELATED PARTY TRANSACTIONS AND BALANCES** (*continued*)

The directors of Naspers (and their associates) have the following interests in Naspers N ordinary shares on 31 March:

Name	31 March 2011 Naspers N ordinary shares Beneficial			31 March 2010 Naspers N ordinary shares Beneficial		
	Direct	Indirect	Total	Direct	Indirect	Total
T Vosloo	—	213 000	213 000	—	213 000	213 000
J P Bekker ⁵	3 895 936	4 688 691	8 584 627	—	4 688 691	4 688 691
J J M van Zyl	50 361	190 796	241 157	50 361	190 796	241 157
L N Jonker	1 000	52 000	53 000	1 000	52 000	53 000
N P van Heerden	—	2 600	2 600	—	2 600	2 600
B J van der Ross ¹	—	400	400	—	400	400
G J Gerwel	—	—	—	—	—	—
H S S Willemse ²	85	3 205	3 290	85	3 205	3 290
F-A du Plessis	—	—	—	—	—	—
T M F Phaswana ³	—	3 530	3 530	—	3 530	3 530
L P Retief ⁴	—	—	—	—	—	—
R C C Jafra	—	—	—	—	—	—
S J Z Pacak ⁶	300 510	282 548	583 058	122 510	307 548	430 058
D Meyer	—	—	—	—	—	—
	4 247 892	5 436 770	9 684 662	173 956	5 461 770	5 635 726

Notes

¹ It has been ascertained that the Van der Ross Family Trust acquired 400 Naspers N ordinary shares on 18 August 2008. The comparatives have been adjusted accordingly. Furthermore, on 21 April 2011 this trust acquired 100 Naspers N ordinary shares. The trade was implemented by the investment manager without specific approval from Mr van der Ross. The investment manager accepted full responsibility for the breach in the JSE Listings Requirements.

² In April 2004, in terms of a scheme of arrangement, Naspers acquired all the ordinary shares of M-Net and SuperSport for a cash distribution and 4,2365 Naspers shares for every 100 linked units in M-Net/SuperSport. It has been ascertained that Mr H S S Willemse and one of his associates were entitled to receive 85 Naspers N ordinary shares each in terms of this transaction. The comparatives have been adjusted accordingly.

³ Mr T M F Phaswana's shares were reclassified from direct to indirect. The comparatives have been adjusted accordingly.

⁴ The Media24 group entered into a contract with the Retief family trust in October 2008, which contains a put option whereby the Retief family trust can enforce a buy-out by Media24 group of their remaining interest in Paarl Media Holdings (Proprietary) Limited (currently 5%) and Paarl Coldset (Proprietary) Limited (currently 12.6%). Mr L P Retief, a director of Naspers Limited, is a related party to the Retief family trust.

⁵ At 31 March 2011, 3 895 936 Naspers N ordinary shares at an offer price of R167,23 per share were released and reserved for Mr J P Bekker in the Naspers share incentive scheme.

⁶ During the financial year Naspers N ordinary shares were released and reserved for Mr S J Z Pacak in the Naspers group's share incentive schemes.

Except as set out in note 1 above there have been no changes to the directors' interests in the table above between the end of the financial year and 24 June 2011.

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 R415,0m (2010: R416,2m), comprising short-term employee benefits of R94,6m (2010: R93,6m), post-employment benefits of R7,5m (2010: R7,1m) and a share-based payment charge of R312,9m (2010: R315,5m). The aggregate number of share options granted to the executive directors and key management during the 2011 financial year and the number of shares allocated to the executive directors and key management at 31 March 2011 respectively are:

Notes to the consolidated annual financial statements (*continued*)**13. RELATED PARTY TRANSACTIONS AND BALANCES** (*continued*)

For shares listed on a recognised stock exchange as follows: 31 358 (2010: 318 197) Naspers Limited N ordinary shares were allocated during the 2011 financial year and an aggregate of 23 124 505 (2010: 23 292 521) N ordinary shares were allocated as at 31 March 2011.

For shares in unlisted companies as follows: nil (2010: nil) Media24 Limited ordinary shares were allocated during the 2011 financial year and an aggregate of 4 840 (2010: 9 480) ordinary shares were allocated as at 31 March 2011; nil (2010: nil) Irdeto Access B.V. ordinary shares were allocated during the 2011 financial year and an aggregate of 200 000 (2010: 200 000) ordinary shares were allocated as at 31 March 2011; nil (2010: nil) MIH China (BV) Limited ordinary shares were allocated during 2011 financial year and an aggregate of 18 084 (2010: 18 876) shares were allocated as at 31 March 2011; nil (2010: nil) Entriq (Mauritius) Limited shares were allocated during the 2011 financial year and an aggregate of 420 000 (2010: 420 000) shares were allocated as at 31 March 2011; nil (2010: nil) MediaZone Holdings B.V. shares were allocated during the 2011 financial year and an aggregate of 100 000 (2010: 100 000) shares were allocated as at 31 March 2011; 440 000 (2010: 225 599) MIH India (Mauritius) Limited shares were allocated during the 2011 financial year and an aggregate of 2 139 694 (2010: 2 799 758) shares were allocated as at 31 March 2011; 20 000 (2010: 367 586) MIH Russia Internet B.V. shares were allocated during the 2011 financial year and an aggregate of 557 484 (2010: 553 960) shares were allocated as at 31 March 2011; nil (2010: 55 667) MIH BuscaPé shares were allocated during the 2011 financial year and an aggregate of 55 667 (2010: 55 667) shares were allocated as at 31 March 2011.

For share appreciation rights (SARs) in unlisted companies as follows: 1 304 706 (2010: nil) Media24 SARs were allocated during the 2011 financial year and an aggregate of 1 549 283 (2010: 493 919) SARs were allocated as at 31 March 2011; nil (2010: nil) MultiChoice Africa SARs were allocated during the 2011 financial year and an aggregate of 238 059 (2010: 606 069) MultiChoice Africa SARs were allocated as at 31 March 2011; nil (2010: nil) M-Net/SuperSport SARs were allocated during the 2011 financial year and an aggregate of 44 538 (2010: 262 005) SARs were allocated as at 31 March 2011; nil (2010: 33 333) MIH Brazil SARs were allocated during the 2011 financial year and an aggregate of 174 582 (2010: 179 248) SARs were allocated as at 31 March 2011; nil (2010: nil) Gadu-Gadu 2008 SARs were allocated during the 2011 financial year and an aggregate of 31 910 (2010: 31 910) SARs were allocated as at 31 March 2011; 28 937 (2010: 68 900) Irdeto 2008 SARs were allocated during the 2011 financial year and an aggregate of 188 727 (2010: 159 790) SARs were allocated as at 31 March 2011; 203 169 (2010: 247 217) MultiChoice 2008 SARs were allocated during the 2011 financial year and an aggregate of 519 696 (2010: 316 527) SARs were allocated as at 31 March 2011; nil (2010: 20 000) MIH Allegro 2008 SARs were allocated during the 2011 financial year and an aggregate of 129 449 (2010: 129 449) SARs were allocated as at 31 March 2011; nil (2010: 2 842) MIH China 2008 SARs were allocated during the 2011 financial year and an aggregate of 11 747 (2010: 11 747) SARs were allocated as at 31 March 2011; nil (2010: nil) MIH Ricardo 2008 SARs were allocated during the 2011 financial year and an aggregate of 104 106 (2010: 104 106) SARs were allocated as at 31 March 2011; nil (2010: 7 358) Allegro 2009 SARs were allocated during the 2011 financial year and an aggregate of 7 358 (2010: 7 358) SARs were allocated as at 31 March 2011; 241 546 (2010: nil) MIH Internet Africa (Proprietary) Limited SARs were allocated during the 2011 financial year and an aggregate of 241 546 (2010: nil) MIH Internet Africa (Proprietary) Limited SARs were allocated as at 31 March 2011; 266 000 (2010: nil) Paarl Coldset (Proprietary) Limited SARs were allocated during the 2011 financial year and an aggregate of 266 000 (2010: nil) Paarl Coldset (Proprietary) Limited SARs were allocated as at 31 March 2011; 300 000 (2010: nil) Paarl Media Holdings (Proprietary) Limited SARs were allocated during the 2011 financial year and an aggregate of 300 000 (2010: nil) Paarl Media Holdings (Proprietary) Limited SARs were allocated as at 31 March 2011.

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

Notes to the consolidated annual financial statements *(continued)*

	31 March 2011 R'm	31 March 2010 R'm
14. SHARE CAPITAL AND PREMIUM		
Authorised		
1 250 000 A ordinary shares of R20 each	25	25
500 000 000 N ordinary shares of 2 cents each	10	10
	35	35
Issued		
712 131 A ordinary shares of R20 each (2010: 712 131)	14	14
406 581 911 N ordinary shares of 2 cents each (2010: 405 885 411)	8	8
	22	22
Share premium	19 271	19 018
	19 293	19 040
<i>Less: Accumulated losses on vesting of equity compensation</i>	(1 789)	(1 517)
<i>Less: 31 142 354 (2010: 31 577 777) N ordinary shares held as treasury shares at cost</i>	(3 120)	(3 056)
	14 384	14 467

Treasury shares

The group holds a total of 31 142 354 N ordinary shares (2010: 31 577 777), or 7,7% (2010: 7,8%) of the gross number in issue at 31 March 2011 as treasury shares. Equity compensation plans hold 26 433 083 of the N ordinary shares (2010: 26 868 506) and the remaining 4 709 271 N ordinary shares (2010: 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 (2010: 350 000) A ordinary shares and Keeromstraat 30 Beleggings Beperk holds 219 344 (2010: 219 344) A ordinary shares 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 majority of the directors on the boards of these companies are also directors of Naspers Limited. Wheatfields 221 (Proprietary) Limited controls 133 350 (2010: 133 350) A ordinary shares.

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 93 418 089 N ordinary shares in the company. This authority was granted subject to the provisions of section 221 of the South African Companies Act, No 61 of 1973, and the JSE Listings Requirements.

Notes to the consolidated annual financial statements (*continued*)

	2011 Number of N shares	2010 Number of N shares
14. SHARE CAPITAL AND PREMIUM (<i>continued</i>)		
Movement in N ordinary shares in issue during the year		
Shares in issue at 1 April	405 885 411	404 305 411
Shares issued to share incentive trusts	696 500	1 580 000
Shares in issue at 31 March	406 581 911	405 885 411
Movement in N ordinary shares held as treasury shares during the year		
Shares held as treasury shares at 1 April	31 577 777	31 854 868
Shares issued to share incentive trusts	696 500	1 580 000
Shares acquired by participants from equity compensation plans	(1 131 923)	(1 857 091)
Shares held as treasury shares at 31 March	31 142 354	31 577 777
Net number of N ordinary shares in issue at 31 March	375 439 557	374 307 634
	31 March 2011 R'm	31 March 2010 R'm
Share premium		
Balance at 1 April	19 018	18 585
Share premium on share issues	253	433
Balance at 31 March	19 271	19 018

Refer to note 40 for share options in employee share incentive plans.

Capital management

The group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders by pricing products and services commensurately with the level of risk.

Naspers relies upon distributions from its subsidiaries, associated companies, joint ventures and other investments to generate the funds necessary to meet the obligations and other cash flow requirements of the combined group. The operations of Naspers have been funded in a number of ways in the past. The internet and technology development activities were primarily funded by cash generated by the pay-television businesses and some debt financing. Media24 used its statement of financial position and cash-generating capacity to utilise debt to finance its property, plant and equipment refurbishment and certain acquisitions.

Notes to the consolidated annual financial statements *(continued)*

14. SHARE CAPITAL AND PREMIUM *(continued)*

Capital management *(continued)*

Naspers's general business approach has been to acquire developing businesses and to provide funding to meet the cash needs of the business until it can, within a reasonable period of time, become self-funding. Funding is provided through a combination of loans and share capital, depending on the country-specific regulatory requirements. From a subsidiary's perspective, intergroup loan funding is generally considered to be part of the capital structure. The focus on increased profitability and cash flow generation will continue in the foreseeable future, although Naspers will continue to actively evaluate potential growth opportunities within its areas of expertise. Naspers will also grow its business in the future by making equity investments in growth companies. Naspers anticipates that it may fund future acquisitions and investments through the issue of debt instruments and available cash resources.

The group sets the amount of capital in proportion to risk. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

In July 2010 the group issued a seven-year US\$700m international bond. The bond matures in July 2017 with a fixed interest rate of 6,375%. The proceeds were used to partly pay down the offshore revolving credit facility (RCF).

During March 2011 the group refinanced its existing RCF of US\$1,72bn with a new RCF of US\$1,875bn. The new RCF matures in March 2016 and bears interest at US LIBOR plus 1,75% before commitment and utilisation fees. At the same time, the group entered into a bilateral facility for US\$125m under the same terms and conditions as the RCF providing the group with a total RCF of US\$2bn.

The borrower under the bond and RCF/bilateral facilities is MIH B.V. and the facilities are guaranteed by Naspers Limited. The borrower is obligated to pay a commitment fee equal to 35% of the applicable margin under the RCF/bilateral facility. The undrawn balance of the RCF is available to fund future investments by the group as part of its growth strategy.

As of 31 March 2011 Naspers had total interest-bearing debt (including capitalised finance leases) of R13,5bn (2010: R9,5bn) and total cash of R7,4bn (2010: R5,8bn). The net interest-bearing debt to equity ratio was 15% (2010: 11%) at 31 March 2011. The group excludes satellite transponders from total interest-bearing debt when evaluating and managing capital. These items are considered to be operating expenses. The adjusted total interest-bearing debt (excluding transponder leases) was R11,3bn (2010: R7,5bn) and the adjusted net interest-bearing debt to equity ratio was 10% (2010: 5%).

The group does not have a formal targeted debt-equity ratio. The group, as well as the Media24 and MIH groups, have specific financial covenants in place with various financial institutions to govern their debt.

South African exchange control regulations are administered by the South African Reserve Bank acting through its Financial Surveillance Department. The exchange control regulations provide for a common monetary area consisting of the Republic of South Africa, the Kingdom of Lesotho, the Kingdom of Swaziland and the Republic of Namibia, and restrict the export of capital from the common monetary area. Approval is required for any acquisitions outside of the common monetary area if the acquisition is funded from within the common monetary area.

Notes to the consolidated annual financial statements (*continued*)

	31 March 2011 R'm	31 March 2010 R'm
15. OTHER RESERVES		
Other reserves on the statement of financial position comprise:		
Foreign currency translation reserve	(1 185)	(737)
Hedging reserve	(297)	(407)
Valuation reserve	4 256	1 844
Existing control business combination reserve	25	97
Share-based compensation reserve	2 300	1 573
	5 099	2 370

The valuation reserve relates to the difference between the fair value and the book value of shares given in business combinations, as well as the fair value adjustments made to intangible assets during successive acquisitions are included in this reserve. This also relates to unrealised profits and losses that resulted from changes in the fair value of investments that are classified available-for-sale. This includes our share of associates' revaluation of their own available-for-sale investments.

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 statements of financial position at the ruling exchange rates at the statement of financial position date if the functional currency differs.

The existing control business combination reserve is used to account for transactions with non-controlling 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. This reserve is also used in common control transactions (where all of the combining entities in a business combination are ultimately controlled by the same entity) where the excess of the cost over the acquirer's proportionate share of the net assets is allocated to this reserve.

The fair value of share options issued to employees is accounted for in the share-based compensation reserve over the vesting period. The reserve is adjusted at each year-end 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.

Notes to the consolidated annual financial statements *(continued)*

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 the Republic of South Africa, may be subject to secondary taxation on companies (STC) at a rate of 10% 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 2011 amounted to R1,6bn (2010: R2,5bn). The group has raised a valuation allowance against deferred tax assets of R45,7m relating to unutilised STC credits at 31 March 2011 (2010: R156,6m) 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 270 cents (2010: 235 cents) per N ordinary share and 54 cents (2010: 47 cents) per A ordinary share be paid to shareholders on 27 September 2011. If approved by the shareholders of the company at its annual general meeting, the company will pay a total dividend of R1,1bn based on the number of shares in issue at 31 March 2011. 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 taxation asset of R110m that will be charged to the income statement during the 2012 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 R54,8m at 31 March 2009 and has matured during the year ended 31 March 2010.

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.

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

	31 March 2011	31 March 2010
Discount rate	8,3%	10,2%
Healthcare cost inflation	7,3%	9,2%
Average retirement age	60	60
Membership discontinued at retirement	0%	0%

Notes to the consolidated annual financial statements (continued)

17. POST-RETIREMENT LIABILITIES (continued)

17.1 Medical liability (continued)

Key assumptions and valuation method (continued)

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

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, note that even if the assumptions are appropriate for the group overall, they may not be appropriate at an individual level.

	31 March 2011 R'm	31 March 2010 R'm
Post-retirement medical liability		
Opening balance	178	155
Current service cost	1	10
Interest cost	16	15
Employer benefit payments	(9)	(7)
Actuarial (gain)/loss	(6)	6
	180	179
Less: Short-term portion	(1)	(1)
Closing balance	179	178

	31 March				
	2011 R'm	2010 R'm	2009 R'm	2008 R'm	2007 R'm
Trend information					
Present value of obligations	180	179	156	142	150
Experience adjustments: In respect of present value of obligations – actuarial (gain)/loss	(6)	6	6	4	6

Notes to the consolidated annual financial statements *(continued)*

17. POST-RETIREMENT LIABILITIES *(continued)*

17.1 Medical liability *(continued)*

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		
	7,3%	(1%)	+ 1%
Accrued liability 31 March 2011 (R'm)	180	176	184
% change	—	(2,2%)	+2,2%
Current service cost + interest cost 2011/12 (R'm)	15	15	16
% change	—	(0,1%)	+6,7%

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 R306,7m (2010: R279,4m) was recognised as an expense in relation to the group's retirement funds.

	31 March 2011 R'm	31 March 2010 R'm
18. LONG-TERM LIABILITIES		
Interest-bearing: Capitalised finance leases	1 893	1 736
Total liabilities	2 147	2 065
Less: Current portion	(254)	(329)
Interest-bearing: Loans and other liabilities	10 822	6 877
Total liabilities	11 314	7 471
Less: Current portion	(492)	(594)
Non-interest-bearing: Programme and film rights	—	—
Total liabilities	748	736
Less: Current portion	(748)	(736)
Non-interest-bearing: Loans and other liabilities	123	137
Total liabilities	139	153
Less: Current portion	(16)	(16)
Net long-term liabilities	12 838	8 750

Notes to the consolidated annual financial statements (*continued*)**18. LONG-TERM LIABILITIES** (*continued*)**Interest-bearing: Capitalised finance leases**

Type of lease	Currency of year-end balance	Year of final repayment	Weighted average year-end interest rate	31 March 2011 R'm	31 March 2010 R'm
Buildings, manufacturing equipment, vehicles, computers and office equipment	Various	Various	Various	33	45
				33	45
Transmission equipment and satellites	USD	2011	8,2%	136	336
	EUR	2011	9,1%	—	27
	EUR	2011	3,5%	—	34
	USD	2013	4,1%	98	118
	USD	2025	6,0%	1 880	1 505
				2 114	2 020
Total capitalised finance leases				2 147	2 065
Minimum instalments					
Payable within year one				378	451
Payable within year two				231	396
Payable within year three				218	222
Payable within year four				216	156
Payable within year five				216	154
Payable after year five				1 819	1 502
				3 078	2 881
Future finance costs on finance leases				(931)	(816)
Present value of finance lease liabilities				2 147	2 065
Present value					
Payable within year one				254	329
Payable within year two				121	298
Payable within year three				115	140
Payable within year four				121	80
Payable within year five				128	84
Payable after year five				1 408	1 134
Present value of finance lease liabilities				2 147	2 065

Notes to the consolidated annual financial statements *(continued)***18. LONG-TERM LIABILITIES** *(continued)***Interest-bearing: Loans and other liabilities**

Loan	Asset secured	Currency of year-end balance	Year of final repayment	Weighted average year-end interest rate	31 March 2011 R'm	31 March 2010 R'm
Secured						
Syndicated loans	Guarantees	USD	2016	3-month LIBOR +1,75%	6 072	6 710
Publicly traded bond	Guarantees	USD	2017	(2,01%)	4 683	—
Various institutions	Various	Various	Various	Various	25	29
Unsecured						
Term loan: Nedbank Limited		ZAR	2012	7,4%	8	37
Term loan: CommerzBank		ZAR	2011	10,3%	69	135
Term loan: Nedbank Limited		ZAR	2012	14,7%	62	54
Preference share investments		ZAR	2012	14,7%	(30)	(26)
Loans from non-controlling shareholders		EUR	—	3,9%	349	353
Loans from non-controlling shareholders		ZAR	Various	Various	50	170
Right to subscription shares		ZAR	2012	Various	(32)	(28)
Other loans		Various	Various	Various	58	37
					11 314	7 471

Notes to the consolidated annual financial statements (*continued*)**18. LONG-TERM LIABILITIES** (*continued*)**Non-interest-bearing: Programme and film rights**

Liabilities	Currency of year-end balance	Year of final repay- ment	31 March 2011 R'm	31 March 2010 R'm
Unsecured				
Programme and film rights liabilities	USD	2012	748	736
			748	736
Non-interest-bearing: Loans and other liabilities				
Loans				
Unsecured				
MTN Limited	ZAR	Conditional	86	105
Loans from non-controlling shareholders	Various	Various	11	11
Other	Various	Various	42	37
			139	153
Total long-term liabilities				
<i>Repayment terms of long-term liabilities (excluding capitalised finance leases)</i>				
– Payable within year one			1 256	1 241
– Payable within year two			36	58
– Payable within year three			16	7 002
– Payable within year four			107	10
– Payable within year five			6 078	27
– Payable after year five			4 708	22
			12 201	8 360
<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			303	350
– Loans at fixed rates: more than 12 months			6 619	1 830
– Interest-free loans			887	889
– Loans linked to variable rates			6 539	7 356
			14 348	10 425

Notes to the consolidated annual financial statements (*continued*)

19. PROVISIONS

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

Group	1 April 2010 R'm	Additional provi- sions raised R'm	Unuti- lised provi- sions reversed to income R'm	Provi- sions utilised R'm	Foreign currency trans- lation R'm	Other R'm	31 March 2011 R'm	Less: Short- term portion R'm	Long- term portion R'm
Warranties	133	—	(37)	—	(5)	—	91	(90)	1
Pending litigation	8	51	(1)	(1)	—	—	57	(54)	3
Reorganisation	10	2	—	(11)	—	—	1	(1)	—
Onerous contracts	24	13	(2)	(11)	(1)	—	23	(18)	5
Ad valorem duties	23	—	—	—	—	—	23	(23)	—
Decommissioning costs	4	2	(1)	(1)	—	3	7	(3)	4
Refurbishment	—	—	—	—	—	2	2	—	2
Long service and retirement gratuity	—	33	—	—	—	—	33	—	33
	202	101	(41)	(24)	(6)	5	237	(189)	48

Group	1 April 2009 R'm	Additional provi- sions raised R'm	Unuti- lised provi- sions reversed to income R'm	Provi- sions utilised R'm	Foreign currency trans- lation R'm	Other R'm	31 March 2010 R'm	Less: Short- term portion R'm	Long- term portion R'm
Warranties	168	1	—	—	(36)	—	133	(132)	1
Pending litigation	11	3	(5)	—	(1)	—	8	(6)	2
Reorganisation	—	18	—	(8)	—	—	10	(10)	—
Onerous contracts	17	17	(1)	(7)	(2)	—	24	(12)	12
Ad valorem duties	23	—	—	—	—	—	23	(23)	—
Decommissioning costs	11	1	(5)	—	(3)	—	4	(4)	—
Other	2	—	—	—	—	(2)	—	—	—
	232	40	(11)	(15)	(42)	(2)	202	(187)	15

Notes to the consolidated annual financial statements (*continued*)**19. PROVISIONS** (*continued*)

Further details describing the provisions at 31 March 2011 are included below:

The group recognises the estimated liability on all products still under warranty at the statement of financial position date. Included in warranties are Irdeco's 12-month warranty on all hardware provided as well as warranties for possible taxes payable.

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 possible claims relating to these actions (refer to note 21).

The provision for onerous contracts relates to compensation for early termination of a contract with a business partner, as well as 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.

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.

The provision for long service and retirement gratuity relates to the estimated cost of these employee benefits.

	31 March 2011 R'm	31 March 2010 R'm
20. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES		
Deferred income	1 555	1 485
Accrued expenses	2 219	1 982
Amounts owing in respect of investments acquired	35	32
Taxes and other statutory liabilities	1 189	851
Bonus accrual	442	282
Accrual for leave	238	210
Other personnel accruals	102	89
Cash-settled share-based payment liability (short term)	15	24
Other current liabilities	388	271
	6 183	5 226

Notes to the consolidated annual financial statements *(continued)*

21. COMMITMENTS AND CONTINGENCIES

The group is subject to commitments and contingencies, that occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group plans to fund these commitments and contingencies out of existing loan facilities and internally generated funds.

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2011 amounted to R401,1m (2010: R526,6m).

(b) Programme and film rights

At 31 March 2011 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 R7,7bn (2010: R8,7bn).

(c) Transponder leases

During the year ended 31 March 2011 the group entered into new leasing contracts for new and an increased number of satellite transponders. The commitment outstanding as at 31 March 2011 amounted to R6,8bn (2010: R7,7bn).

(d) Set-top boxes

At 31 March 2011 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 R468,7m (2010: R358,7m).

(e) Other commitments

At 31 March 2011 the group had entered into contracts for the receipt of various services. These service contracts are for the receipt of advertising, satellite and DVB-H broadcast capacity, computer and decoder support services, access to networks and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amounted to R700,3m (2010: R656,6m).

	31 March 2011 R'm	31 March 2010 R'm
(f) Operating lease commitments		
The group has the following operating lease liabilities at 31 March 2011 and 2010:		
Minimum operating lease payments:		
Payable in year one	213	190
Payable in year two	171	149
Payable in year three	137	116
Payable in year four	118	81
Payable in year five	87	58
Payable after five years	170	104
	896	698

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.

Notes to the consolidated annual financial statements (*continued*)**21. COMMITMENTS AND CONTINGENCIES** (*continued*)**(g) Litigation claims*****MultiChoice South Africa (MCSA)/South African Revenue Services (SARS)***

MCSA instituted legal proceedings against SARS in relation to the ad valorem tariff determination on decoders, which SARS made in 2004. The proceedings were defended by SARS, but when the matter went to court the High Court found in MCSA's favour. SARS thereafter appealed to the Supreme Court of Appeal which, in February 2011, overturned the decision of the High Court and found in SARS's favour.

MIH Germany

MIH Germany B.V. and Myriad International Holdings B.V. ("MIH Germany") were involved in an arbitration in Germany. The dispute was governed by the arbitration rules of the German institution for arbitration (DIS Rules) and was covered by an express confidentiality ruling by the arbitration tribunal in question. An oral hearing took place from 12 to 14 October 2009. The parties then exchanged written post-hearing submissions on 18 December 2009 and statements of their respective fees and costs in January 2010. The arbitration tribunal issued its award on 8 June 2010. In the award it dismissed the claimant's claim and ordered it to pay a substantial portion of MIH Germany's legal costs and fees.

Eyeball Networks Inc. ("Eyeball")/Gadu-Gadu S.A. ("Gadu-Gadu")

On 19 May 2008 Gadu-Gadu was served with a claim for US\$22,2m filed against it by Eyeball in a court in British Columbia, Canada. The claim arose from a master software licence agreement entered into on 23 March 2005 pursuant to which Gadu-Gadu acquired a licence to use some of Eyeball's products. The licence terminated no later than 9 November 2006 and Eyeball alleges that Gadu-Gadu continued to use Eyeball's products and that it is therefore entitled to claim the full amount of the licence fees that would have been payable based on its current standard pricing. Gadu-Gadu denies that it used Eyeball's products after the date of termination, and accordingly, that it owes any licence fees to Eyeball and is defending the claim. Gadu-Gadu also filed a counterclaim against Eyeball and SalesManager Software Sp z o.o., Eyeball's representative in Poland, for damages and loss arising from the wrongful breach and repudiation of the transaction agreements and their failure to perform the obligations under the transaction agreements. The pleadings have been filed and lists of documents have been exchanged by Gadu-Gadu and Eyeball. Examinations for discovery have not yet been held. The trial was originally set down for hearing on 15 November 2010, but at the request of Eyeball the hearing was postponed to October 2011.

Taxation matters

The group operates a number of businesses in jurisdictions where withholding taxes are payable on certain transactions or payments. In some circumstances transactions could possibly lead to withholding taxes being payable. We continue to seek relevant advice and work with our advisors to identify and quantify such tax exposures. Our current assessment of possible withholding tax exposures, including interest and potential penalties amounts to approximately R546,8m (US\$80,8m) (2010: R229,6m (US\$31,3m)).

Paarl Print fire

On 17 April 2009 a fire destroyed the premises of Paarl Print (Proprietary) Limited in Paarl and claimed the lives of 13 people. A formal inquiry in terms of section 32 of the Occupational Health and Safety Act No 85 of 1993 (OHS), was completed in June 2010. A report has been prepared in terms of section 32 of OHS and based on information received from the Department of Labour it is anticipated that this report will be made available in the foreseeable future. Further information indicates that the report has been referred to the National Prosecuting Authority for further action. Once the report has been made available, it is possible that third parties may pursue civil claims against the company. Paarl Print's exposure in this regard, after insurance reimbursement, is not expected to be material.

Notes to the consolidated annual financial statements (continued)

21. COMMITMENTS AND CONTINGENCIES (continued)
(g) Litigation claims (continued)
Gold Reef City/M-Net

Akani Egoli (Proprietary) Limited instituted action in December 2005 against M-Net and Combined Artistic Productions in the High Court of South Africa for damages of R10,6m 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 were closed. The matter was set down for a hearing in November 2007, but before the hearing the plaintiff requested defendants to agree to a postponement sine die, which they agreed to. Thereafter a new claim for more than R40m, arising from the same cause of action, was served on the defendants by Gold Reef City Theme Park. At the same time, the first claim by Akani Egoli was reduced. The claims were consolidated and amounted to approximately R47m. A hearing of the matter took place in the High Court in August/September 2010. Judgement was delivered in February 2011 in favour of the claimants and the defendants are appealing to the SCA. The High Court decision dealt only with liability, not with the quantum of damages.

(h) Guarantees

At 31 March 2011 the group had provided guarantees of R2,0bn (2010: R1,2bn) mainly in respect of bank guarantees for sport rights, office rental, services and other contracts.

(i) 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 R2,2bn at 31 March 2011 (2010: R4,6bn) to a number of banks as security for certain bank overdrafts and term loans listed in note 18 to the value of R2,2bn (2010: R2,1bn).

	31 March 2011 R'm	31 March 2010 R'm
22. REVENUE		
Subscription revenue	17 206	14 762
Advertising revenue	4 495	3 814
e-Commerce revenue	3 294	2 854
Technology revenue	1 594	1 209
Circulation revenue	1 308	1 235
Printing revenue	1 210	1 098
Hardware sales	1 155	864
Book publishing and book sales revenue	747	645
Distribution revenue	409	234
Subsistence revenue	302	213
Decoder maintenance	222	177
Contract publishing	180	163
Reconnection fees	113	84
Other revenue	850	646
	33 085	27 998
Other revenue includes revenue from backhaul charges, financing service fees, online deed searches and instant messaging.		
Barter revenue		
Amount of barter revenue included in total revenue	146	112

Notes to the consolidated annual financial statements (*continued*)

	31 March 2011 R'm	31 March 2010 R'm
23. EXPENSES BY NATURE		
Operating profit includes the following items:		
Depreciation classification		
Cost of providing services and sale of goods	618	545
Selling, general and administration expenses	424	333
	1 042	878
Amortisation classification		
Cost of providing services and sale of goods	99	123
Selling, general and administration expenses	1 072	1 090
	1 171	1 213
Operating leases		
Buildings	214	204
Satellites and transponders	9	57
Other equipment	36	30
	259	291
Auditor's remuneration		
Audit fees	63	58
Audit fees – prior year underprovision	2	4
Audit-related fees	2	2
Tax fees	22	25
All other fees	4	10
	93	99
Foreign exchange (losses)/profits		
On capitalisation of forward exchange contracts in hedging transactions	(437)	(29)
Other	–	6
	(437)	(23)

Notes to the consolidated annual financial statements (continued)

	31 March 2011 R'm	31 March 2010 R'm
23. EXPENSES BY NATURE (continued)		
Staff costs		
As at 31 March 2011 the group had 15 932 (2010: 12 958) permanent employees. The total cost of employment of all employees, including executive directors, was as follows:		
Salaries, wages and bonuses	5 660	4 689
Retirement benefit costs	307	279
Medical aid fund contributions	199	194
Post-retirement benefits	11	17
Training costs	87	55
Share-based compensation expenses	519	484
Total staff costs	6 783	5 718
Fees paid to non-employees for administration, management and technical services	169	140
Research and development costs	44	21
Advertising expenses	926	1 100
Amortisation of programme and film rights	3 951	2 997
Cost of inventories sold	3 692	3 866
24. OTHER GAINS/(LOSSES) – NET		
Profit/(loss) on sale of assets	42	(47)
Fair value adjustment of financial instruments	6	–
Impairment losses	(1 068)	(939)
Impairment and derecognition of goodwill and other intangible assets	(1 040)	(384)
Impairment of property, plant and equipment due to fire damage	–	(144)
Impairment of other property, plant and equipment and other assets	(28)	(81)
Welkom Yizani refinancing	–	(330)
Gain on settlement of transponder lease	88	253
Compensation received from third parties for property, plant and equipment impaired, lost or stolen	51	369
Total other gains/(losses) – net	(881)	(364)

Refer to notes 4, 5 and 6 for further information on the above impairments.

Notes to the consolidated annual financial statements (*continued*)

	31 March 2011 R'm	31 March 2010 R'm
25. FINANCE COSTS/(INCOME)		
Interest paid		
Loans and overdrafts	883	600
Transponder leases	144	93
RCF costs – accelerated amortisation	128	—
Other	234	190
	1 389	883
Interest received		
Loans and bank accounts	(308)	(314)
Other	(93)	(34)
	(401)	(348)
Net loss/(profit) from foreign exchange translation and fair value adjustments on derivative financial instruments		
On translation of assets and liabilities	26	(141)
On translation of transponder leases	(13)	(82)
On translation of forward exchange contracts	234	377
	247	154
Preference dividends (BEE structures) received	(217)	(268)
Other finance costs/(income) – net	30	(114)
Total finance costs/(income)	1 018	421
26. GAINS ON ACQUISITIONS AND DISPOSALS		
Profit on sale of investments	34	144
Gain on loss of control	72	—
Acquisition related costs	(109)	—
Other	45	—
	42	144

Notes to the consolidated annual financial statements (*continued*)

	31 March 2011 R'm	31 March 2010 R'm
27. TAXATION		
Normal taxation		
South Africa	1 488	1 351
– Current year	1 490	1 395
– Prior year	(2)	(44)
Foreign taxation	585	530
– Current year	609	555
– Prior year	(24)	(25)
Secondary taxation on companies	5	5
Income taxation for the year	2 078	1 886
Deferred taxation		
South Africa	(100)	6
– Current year	(129)	(22)
– Prior year	29	28
Foreign taxation	(117)	(84)
– Current year	(139)	(62)
– Change in rate	–	(22)
– Prior year	22	–
Total taxation per income statement	1 861	1 808
Reconciliation of taxation		
Taxation at statutory rates	2 186	1 613
Adjusted for:		
Non-deductible expenses	446	404
Non-taxable income	(68)	(195)
Temporary differences not provided for	181	676
Assessed losses expired	(11)	–
Initial recognition of prior year taxes	(17)	(36)
Other taxes	164	364
Changes in taxation rates	24	(23)
Tax attributable to associate income	(920)	(576)
Tax adjustment for foreign taxation rates	(124)	(419)
Taxation provided in income statement	1 861	1 808

28. NON-CURRENT ASSETS AND LIABILITIES HELD-FOR-SALE

As at 31 March 2011 held-for-sale assets to the value of R37m (2010: R12m) comprise mainly land and buildings in South Africa which are being actively marketed for sale.

Notes to the consolidated annual financial statements (*continued*)

29. EARNINGS PER SHARE

	31 March							
	2011				2010			
	Gross R'm	Taxation R'm	Non-controlling interests R'm	Net R'm	Gross R'm	Taxation R'm	Non-controlling interests R'm	Net R'm
Earnings								
Net profit attributable to shareholders				5 260				3 257
Headline adjustments								
Adjustments for:	(1 016)	(27)	(4)	(1 047)	(17)	7	50	40
Insurance proceeds	(51)	7	14	(30)	(369)	47	90	(232)
Impairment of property, plant and equipment and other assets	20	—	—	20	225	(40)	(34)	151
Impairment and derecognition of goodwill and intangible assets	1 040	(39)	(30)	971	384	—	(11)	373
Profit on sale of property, plant and equipment	(404)	4	6	(394)	(156)	(6)	6	(156)
Profit on sale of intangibles	(3)	1	1	(1)	(73)	1	—	(72)
Profit on sale of investments	(152)	—	5	(147)	(120)	—	—	(120)
Dilution profit	(1 461)	—	—	(1 461)	—	—	—	—
Remeasurement included in equity-accounted earnings	(28)	—	—	(28)	30	5	—	35
Impairment of equity-accounted investments	23	—	—	23	62	—	(1)	61
Headline earnings				4 213				3 297

Notes to the consolidated annual financial statements *(continued)*

	2011 Number of N shares	2010 Number of N shares
29. EARNINGS PER SHARE <i>(continued)</i>		
Number of N ordinary shares in issue at year-end (excluding treasury shares)	375 439 557	374 307 634
Adjusted for movement in shares held by share trusts	(938 564)	(1 356 802)
Weighted average number of N ordinary shares in issue during the year	374 500 993	372 950 832
Adjusted for effect of future share-based compensation payments	14 964 275	10 869 345
Diluted weighted average number of N ordinary shares in issue during the year	389 465 268	383 820 177
Earnings per N ordinary share (cents)		
Basic	1 405	873
Fully diluted	1 351	848
Headline earnings per N ordinary share (cents)		
Basic	1 125	884
Fully diluted	1 082	859
Dividend paid per A ordinary share (cents)	47	41
Dividend paid per N ordinary share (cents)	235	207
Proposed dividend per A ordinary share (cents)	54	47
Proposed dividend per N ordinary share (cents)	270	235

Notes to the consolidated annual financial statements (*continued*)

	31 March 2011 R'm	31 March 2010 R'm
30. CASH FROM OPERATIONS		
Profit before tax per income statement	7 808	5 760
Adjustments:		
– Non-cash and other	(69)	1 242
(Profit)/loss on sale of assets	(42)	47
Depreciation and amortisation	2 213	2 091
Share-based compensation expenses	519	484
Net finance cost/(income)	1 018	421
Share of equity-accounted results	(3 290)	(2 058)
Impairment of equity-accounted investments	23	62
Gains on acquisitions and disposals	(151)	(144)
Dilution gains on equity-accounted investments	(1 461)	–
Gain on settlement of transponder lease	(88)	(253)
Insurance proceeds not yet received	–	(142)
Insurance proceeds received elsewhere included	(51)	(286)
Impairment losses	1 068	939
Other	173	81
– Working capital	(463)	264
Cash movement in trade and other receivables	(797)	(130)
Cash movement in payables, provisions and accruals	622	584
Cash movements for programme and film rights	(236)	(180)
Cash movement in inventories	(52)	(10)
Cash from operations	7 276	7 266
31. ACQUISITION OF SUBSIDIARIES		
Fair value of assets and liabilities acquired:		
Property, plant and equipment	43	24
Investments and loans	19	7
Intangible assets	589	912
Net current assets/(liabilities)	429	(14)
Deferred taxation	(173)	(278)
Long-term liabilities	(10)	(36)
	897	615
Non-controlling interests	(219)	(122)
Derecognition of investment in associate	(98)	(2)
Goodwill	1 802	2 766
Purchase consideration	2 382	3 257
Amount to be settled in future	(12)	(155)
Settlement of amounts owing in respect of prior year purchases	16	–
Cash in subsidiaries acquired	(442)	(57)
Net cash outflow from acquisition of subsidiaries	1 944	3 045

Notes to the consolidated annual financial statements (*continued*)

	31 March 2011 R'm	31 March 2010 R'm
32. DISPOSAL OF SUBSIDIARIES		
Book value of assets and liabilities:		
Other intangible assets	—	1
Non-current assets classified as held-for-sale	—	380
Foreign currency translation	—	1
	—	382
Profit on sale	—	100
Selling price	—	482
Cash in subsidiaries disposed of	—	(79)
Net cash inflow from disposal of subsidiaries	—	403
33. DILUTION OF SUBSIDIARIES		
Book value of assets and liabilities:		
Property, plant and equipment	3	—
Investments and loans	159	—
Net current assets/(liabilities)	10	—
Long-term liabilities	(163)	—
	9	—
Dilution profit	36	—
Foreign currency translation reserve release	28	—
Dilution of cash	(8)	—
Net cash inflow from dilution of subsidiaries	65	—
34. ACQUISITION OF JOINT VENTURES		
Fair value of assets and liabilities acquired:		
Investments	3	—
Intangible assets	7	—
Net current assets/(liabilities)	—	7
Deferred taxation	(1)	—
	9	7
Goodwill	16	24
Amount to be settled in future	(8)	—
Cash in joint venture acquired	(1)	—
Net cash outflow from acquisition of joint ventures	16	31
35. ACQUISITION OF ASSOCIATES		
Included in acquisition of associates of R3 065m are the following: Dubizzle R76m, Park One R114m, Icenl R33m, Titulum R5m, Mail.ru Group R2 834m and other acquisitions of R3m. These investments were allocated to investments in associates.		

Notes to the consolidated annual financial statements (*continued*)

	31 March 2011 R'm	31 March 2010 R'm
36. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	4 399	3 394
Short-term bank deposits	4 332	3 391
Bank overdrafts and call loans	(1 330)	(958)
	7 401	5 827

Restricted cash

Restricted cash is still included in cash and cash equivalents due to the fact that it mostly relates to cash held on behalf of customers. The following cash balances are restricted from immediate use according to agreements with banks and other financial institutions:

Europe	190	102
Other	2	25
Total restricted cash	192	127

37. SEGMENT INFORMATION

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decisionmaker (CODM) in order to allocate resources to the segments and to assess their performance. The chief operating decisionmaker has been identified as the executive committee that makes strategic decisions.

The group proportionally consolidates its share of the results of its associated companies in the various reportable segments. This is considered to be more reflective of the economic value of these investments.

The group has identified its operating segments based on its business by service or product and aggregated them into the following reporting segments: pay television, internet (with Tencent being disclosed separately from the other internet operations), technology and print. Below are the types of services and products from which each segment generates revenue:

- ▶ *Pay television* – the group offers digital satellite and other pay television services to subscribers through MultiChoice South Africa and MultiChoice Africa in the rest of sub-Saharan Africa.
- ▶ *Internet* – the group operates internet platforms to provide various services and products. These platforms are built around communities, and each of them provides various services, including e-commerce, games, MVAS and IVAS (mobile and internet value-added services), content, communication and social networking. These services are provided via mobile or PC/laptops. The main platforms are Tencent, Allegro, Ricardo, Mail.ru Group, BuscaPé, Sanook!, ibibo, Movie, Gadu-Gadu, Nimbuzz, MXit, OLX and Level Up!.
- ▶ *Technology* – through Irdeto, the group provides digital content management and protection systems to customers globally to protect, manage and monetise all digital media on any platform.
- ▶ *Print* – through Media24 in Africa, the group publishes newspapers, magazines and books. Its activities also include printing and distribution. The group also has print interests in Brazil through its 30% stake in the magazine publisher, Abril S.A., and in China through its stake in the listed Beijing Media Company and Xin'an Media Company.

MWEB is now reported in the pay-television rather than the internet segment. It is working on technologies to deliver video content. Comparative segmental results have been restated in accordance with IFRS 8 "Operating Segments".

Notes to the consolidated annual financial statements *(continued)***37. SEGMENT INFORMATION** *(continued)*

March 2011	Pay television R'm	Internet	
		Tencent R'm	Other internet R'm
Revenue			
External	21 025	7 215	4 877
Intersegmental	131	—	36
Total revenue	21 156	7 215	4 913
Cost of providing services and sale of goods	(11 751)	(2 143)	(1 233)
Selling, general and administration expenses	(2 863)	(1 277)	(3 530)
EBITDA	6 542	3 795	150
Depreciation	(639)	(245)	(149)
Amortisation – software	(32)	(7)	(51)
Interest on capitalised transponder leases	(144)	—	—
Trading profit	5 727	3 543	(50)
Interest received	926	94	327
Interest paid	(678)	(13)	(1 220)
Investment income	193	—	—
Share of equity-accounted results ¹	—	28	4
Profit before taxation	6 168	3 652	(939)
Taxation	(1 708)	(660)	(1)
Profit after taxation	4 460	2 992	(940)
Non-controlling interests	(765)	(23)	114
Profit from operations	3 695	2 969	(826)
Amortisation of other intangibles	(308)	(35)	(750)
Foreign exchange (losses)/gains	(203)	12	4
Impairment of investment in associates	—	—	(144)
Exceptional items	76	31	781
Net profit/(loss)	3 260	2 977	(935)
Additional disclosure			
Impairment of assets	(6)	—	(205)
Impairment of goodwill	—	—	(636)
Share of equity-accounted results ²	—	3 123	(51)

Notes

¹ Includes immaterial associates not proportionally consolidated.

² All associates' results are accounted for using the equity method.

Notes to the consolidated annual financial statements (continued)

Technology R'm	Print R'm	Total reportable segments R'm	Corporate R'm	Less: Proportionally consolidated associates R'm	Eliminations R'm	Total R'm
1 228	10 758	45 103	—	(12 018)	—	33 085
541	227	935	77	—	(1 012)	—
1 769	10 985	46 038	77	(12 018)	(1 012)	33 085
(452)	(6 558)	(22 137)	(47)	4 425	683	(17 076)
(1 129)	(3 233)	(12 032)	(269)	3 112	329	(8 860)
188	1 194	11 869	(239)	(4 481)	—	7 149
(51)	(275)	(1 359)	(1)	320	—	(1 040)
(9)	(47)	(146)	—	19	—	(127)
—	—	(144)	—	—	—	(144)
128	872	10 220	(240)	(4 142)	—	5 838
81	168	1 596	78	(204)	(1 069)	401
(106)	(452)	(2 469)	(2)	157	1 069	(1 245)
—	—	193	24	—	—	217
—	3	35	—	3 432	—	3 467
103	591	9 575	(140)	(757)	—	8 678
(27)	(222)	(2 618)	(13)	770	—	(1 861)
76	369	6 957	(153)	13	—	6 817
—	(41)	(715)	—	28	—	(687)
76	328	6 242	(153)	41	—	6 130
(111)	(265)	(1 469)	—	246	—	(1 223)
(12)	(40)	(239)	(2)	(6)	—	(247)
—	97	(47)	—	24	—	(23)
(55)	99	932	(4)	(305)	—	623
(102)	219	5 419	(159)	—	—	5 260
(53)	(136)	(400)	—	—	—	(400)
—	(32)	(668)	—	—	—	(668)
—	218	3 290	—	—	—	3 290

Notes to the consolidated annual financial statements *(continued)*
37. SEGMENT INFORMATION *(continued)*

March 2010	Pay television R'm	Internet	
		Tencent R'm	Other internet R'm
Revenue			
External	17 603	4 874	3 363
Intersegmental	74	—	28
Total revenue	17 677	4 874	3 391
Cost of providing services and sale of goods	(9 264)	(1 428)	(733)
Selling, general and administration expenses	(2 562)	(904)	(2 503)
EBITDA	5 851	2 542	155
Depreciation	(506)	(159)	(131)
Amortisation – software	(22)	(20)	(25)
Interest on capitalised transponder leases	(91)	—	—
Trading profit	5 232	2 363	(1)
Interest received	816	53	327
Interest paid	(405)	—	(918)
Investment income	221	—	—
Share of equity-accounted results ¹	(1)	9	(4)
Profit before taxation	5 863	2 425	(596)
Taxation	(1 421)	(319)	(126)
Profit after taxation	4 442	2 106	(722)
Non-controlling interests	(698)	(26)	36
Profit from operations	3 744	2 080	(686)
Amortisation of other intangibles	(432)	(32)	(634)
Foreign exchange (losses)/gains	(52)	(1)	91
Impairment of investment in associates	—	—	—
Exceptional items	145	(86)	(103)
Net profit/(loss)	3 405	1 961	(1 332)
Additional disclosure			
Impairment of assets	(52)	—	—
Impairment of goodwill	—	—	(335)
Share of equity-accounted results ²	(1)	1 961	90

Notes

¹ Includes immaterial associates not proportionally consolidated.

² All associates' results are accounted for using the equity method.

Notes to the consolidated annual financial statements (*continued*)

Technology R'm	Print R'm	Total reportable segments R'm	Corporate R'm	Less: Proportionally consolidated associates R'm	Eliminations R'm	Total R'm
1 207	10 204	37 251	—	(9 253)	—	27 998
425	186	713	159	—	(872)	—
1 632	10 390	37 964	159	(9 253)	(872)	27 998
(448)	(5 876)	(17 749)	(126)	3 511	596	(13 768)
(1 086)	(3 282)	(10 337)	(263)	2 590	276	(7 734)
98	1 232	9 878	(230)	(3 152)	—	6 496
(44)	(251)	(1 091)	(2)	215	—	(878)
(7)	(83)	(157)	—	79	—	(78)
—	(2)	(93)	—	—	—	(93)
47	896	8 537	(232)	(2 858)	—	5 447
103	28	1 327	151	(64)	(1 066)	348
(100)	(463)	(1 886)	—	27	1 069	(790)
—	—	221	47	—	—	268
—	—	4	—	2 476	—	2 480
50	461	8 203	(34)	(419)	3	7 753
(55)	(349)	(2 270)	(59)	485	36	(1 808)
(5)	112	5 933	(93)	66	39	5 945
—	(33)	(721)	(32)	25	33	(695)
(5)	79	5 212	(125)	91	72	5 250
(117)	(232)	(1 447)	—	132	—	(1 315)
21	(168)	(109)	(9)	(36)	—	(154)
—	(62)	(62)	—	—	—	(62)
(1)	100	55	(76)	(187)	(254)	(462)
(102)	(283)	3 649	(210)	—	(182)	3 257
—	(205)	(257)	(330)	—	—	(587)
—	(47)	(382)	—	—	—	(382)
—	8	2 058	—	—	—	2 058

Notes to the consolidated annual financial statements *(continued)***37. SEGMENT INFORMATION** *(continued)*

The trading profit as disclosed in the segment disclosure above is the CODM and management's measure of each segment's operational performance. A reconciliation of the segmental trading profit to operating profit and profit before tax as reported in the income statement is provided below:

	31 March 2011 R'm	31 March 2010 R'm
Trading profit per segment report	5 838	5 447
Adjusted for:		
Interest on capitalised transponder leases	144	93
Amortisation of other intangible assets	(1 045)	(1 135)
Other gains/(losses)	(881)	(364)
Operating profit per the income statement	4 056	4 041
Interest received	401	348
Interest paid	(1 389)	(883)
Other finance income/(costs) – net	(30)	114
Share of equity-accounted results	3 290	2 058
Impairment of investment in associates	(23)	(62)
Gains on acquisitions and disposals	42	144
Dilution gains on equity-accounted investments	1 461	–
Profit before taxation as per the income statement	7 808	5 760

Sales between segments are eliminated in the "Eliminations" column. The revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report is measured in a manner consistent with that in the income statement.

The revenues from external customers for each major group of products and services are disclosed in note 22. The group is not reliant on any one major customer as the group's products are consumed by the general public in a large number of countries.

Geographical information

The group operates in five main geographical areas:

Africa – The group derives revenues from television platform services, print media activities, internet services and technology products and services. The group is domiciled in the Republic of South Africa and is therefore presented separately.

Asia – The group's activities comprise its interest in internet and print activities based in China, India, Thailand and Singapore.

Europe – The group's activities comprise its interest in internet activities based in Central and Eastern Europe and Russia. Furthermore, the group generates revenue from technology products and services provided by subsidiaries based in the Netherlands.

Latin America – The group's activities comprise its interest in internet and print activities based in Brazil and other Latin American countries.

Other – Includes the group's provision of various products through internet and technology activities located mainly in Australia and the United States of America.

Notes to the consolidated annual financial statements (*continued*)**37. SEGMENT INFORMATION** (*continued*)**Africa**

	South Africa R'm	Rest of Africa R'm	Latin America R'm	Asia R'm	Europe R'm	Other R'm	Total R'm
March 2011							
Consolidated revenue	23 023	5 220	989	620	2 923	310	33 085
Proportionately consolidated revenue ¹	23 023	5 220	4 771	8 199	3 580	310	45 103
Segment assets ²	9 345	2 659	6 844	8 355	21 144	1 145	49 492
March 2010							
Consolidated revenue	19 638	4 516	392	215	2 606	631	27 998
Proportionately consolidated revenue ¹	19 638	4 516	4 169	5 412	2 885	631	37 251
Segment assets ²	9 511	1 979	6 729	5 257	15 580	972	40 028

Notes

¹ Revenue includes the group's proportionate share of associates' external revenue.

² Segment assets consist of non-current assets excluding financial instruments, deferred tax and the proportionate share of associates' assets.

Included in the segment assets above is R6,6bn attributable to Brazil, R7,9bn attributable to China, R6,8bn attributable to Poland and R9,4bn attributable to Russia. These are the only significant foreign countries contributing more than 10% of the group's segment assets for the year ended 31 March 2011 and relate mainly to the investments in associates.

Revenue is allocated to a country based on the location of subscribers or users.

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

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair value interest risk, cash flow interest risk and price risk), credit risk and liquidity risk. These include the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The group's overall risk management programme 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. The group had no significant price risk for the years ending 31 March 2011 and 31 March 2010.

Risk management is carried out by the management of the group under policies approved by the board of directors and its risk management committee. 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.

Notes to the consolidated annual financial statements *(continued)*

38. FINANCIAL RISK MANAGEMENT *(continued)*

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk. 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 satellite transponder leases and contracts for pay-television programming, are denominated in US dollars. Where the group's revenue is denominated in local currency depreciation of the local currency against the US dollar adversely affects the group's earnings and its ability to meet cash obligations. Some entities in the group use forward exchange contracts to hedge their exposure to foreign currency risk in connection with their obligations. Management may hedge the net position in the major foreign currencies by using forward currency contracts. The group generally covers forward 50% to 100% of firm commitments in foreign currency for up to two years in the pay-television business. The group also uses forward exchange contracts to hedge foreign currency exposure in its print business where cover is generally taken for 75% to 100% of firm commitments in foreign currency for up to one year.

The group has classified its forward exchange contracts relating to forecast transactions and firm commitments as cash flow and fair value hedges, and measures them at fair value. The transactions relate mainly to programming costs, transponder lease instalments and the acquisition of inventory items. A cumulative after-tax loss of R297,4m (2010: R407,7m after-tax loss) has been deferred in a hedging reserve at 31 March 2011. This amount is expected to realise over the next two years. The fair value of all forward exchange contracts designated as cash flow hedges at 31 March 2011 was a net liability of R462,9m (2010: net liability of R527,9m), comprising assets of R9,0m (2010: Rnil) and liabilities of R471,9m (2010: R527,9m), that were recognised as derivative financial instruments. The fair value of all forward exchange contracts designated as fair value hedges at 31 March 2011 was a liability of R133,9m (2010: liability of R195,4m).

During the year ended 31 March 2011 the group recognised gains on fair value hedges of R23,7m (2010: R187,4m) and losses of R62,7m (2010: R209,8m) on the hedged items attributable to the hedged risks. The amount recognised in the income statement due to the ineffectiveness of cash flow hedges was R41,2m (2010: R123,0m). As at 31 March 2011 the group had no hedges of net investments in foreign operations.

Notes to the consolidated annual financial statements (*continued*)**38. FINANCIAL RISK MANAGEMENT** (*continued*)**Foreign exchange risk** (*continued*)

The table below sets out the periods when the cash flows are expected to occur for both fair value and cash flow hedges in place at 31 March 2011:

Total outstanding FECs at 31 March 2011	Maturing within one year			Maturing within one to two years	
	EUR 'm	USD 'm	Other 'm	EUR 'm	USD 'm
Pay television	4	288	—	—	240
Corporate	—	88	—	—	44
Print	47	(2)	7	—	—
	51	374	7	—	284
Rand value (R'm)	509	3 072	60	—	2 260
Average exchange rate	9,98	8,21	8,57	—	7,96

Total outstanding FECs at 31 March 2010	Maturing within one year			Maturing within one to two years	
	EUR 'm	USD 'm	Other 'm	EUR 'm	USD 'm
Pay television	5	242	—	4	222
Corporate	—	26	—	—	—
Print	62	3	3	—	—
	67	271	3	4	222
Rand value (R'm)	763	2 633	32	51	1 874
Average exchange rate	11,39	9,72	10,67	12,75	8,44

Where the group has surplus funds offshore, the treasury policy is to spread the funds between more than one currency to limit the effect of foreign exchange rate fluctuations and to achieve the highest level of interest income. As at 31 March 2011 the group had a net cash balance of R7,4bn (2010: R5,8bn), of which R3,2bn (2010: R3,2bn) was held in South Africa. The R4,2bn (2010: R2,6bn) held offshore was largely denominated in US dollar, euro and Polish zloty.

Foreign currency sensitivity analysis

The group's presentation currency is the South African rand, but as it operates internationally, it is exposed to a number of currencies, of which the exposure to the US dollar, euro and Polish zloty is the most significant. The group is also exposed to the Chinese yuan renminbi and Brazil real but to a lesser extent.

The sensitivity analysis below details the group's sensitivity to a 10% decrease (2010: 10% decrease) in the rand against the US dollar, euro and Polish zloty, as well as a 10% decrease (2010: 10% decrease) of the US dollar against the euro, as well as a 10% decrease (2010: 10% decrease) of the euro against the Polish zloty. This analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for the above percentage change in foreign currency rates. The sensitivity analysis includes external loans, as well as loans to foreign operations within the group, but excludes loans considered part of the net foreign investment and translation differences due to translating from functional currency to presentation currency.

A 10% decrease (2010: 10% decrease) of the rand against the US dollar, euro and Polish zloty, a 10% decrease (2010: 10% decrease) of the US dollar against the euro, and a 10% decrease (2010: 10% decrease) of the euro against the Polish zloty, would result in an after-tax gain of R160,3m (2010: R103,9m after-tax gain). Other equity would increase by R329,5m (2010: R213,0m increase).

Notes to the consolidated annual financial statements (continued)

38. FINANCIAL RISK MANAGEMENT (continued)**Foreign exchange risk** (continued)**Foreign exchange rates**

The exchange rates used by the group to translate foreign entities' income statements and statements of financial position are as follows:

Currency (1FC = ZAR)	31 March 2011		31 March 2010	
	Average rate	Closing rate	Average rate	Closing rate
US dollar	7,1557	6,7699	7,7123	7,3343
Euro	9,4847	9,6041	10,9054	9,9165
Thai baht	0,2302	0,2238	0,2292	0,2265
Chinese yuan renminbi	1,0680	1,0345	1,1295	1,0743
Brazilian real	4,1704	4,1625	4,1460	4,1111
British pound	11,1474	10,8687	12,3308	11,1308
Polish zloty	2,3732	2,3821	2,6061	2,5702
Russian rouble	0,2368	0,2383	0,2523	0,2492

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.

Derivative financial instruments	31 March 2011		31 March 2010	
	Assets R'm	Liabilities R'm	Assets R'm	Liabilities R'm
Current portion				
Foreign exchange contracts	12	461	—	625
Other derivatives – put options ¹	—	123	—	71
Other derivatives – interest rate swaps	—	15	—	151
	12	599	—	847
Non-current portion				
Foreign exchange contracts	3	151	—	98
Other derivatives – put options ¹	3	563	—	579
Other derivatives – interest rate swaps	—	—	—	7
	6	714	—	684
Total	18	1 313	—	1 531

Note

¹ Media24 group entered into a contract with the Retief family trust in October 2008 which contains a put option whereby the Retief family trust can enforce a buy-out by Media24 group of its remaining interest in Paarl Media Holdings (Proprietary) Limited (currently 5%) and Paarl Coldset (Proprietary) Limited (currently 12,6%). Mr L P Retief, a director of Naspers Limited (refer to note 13), is a related party to the Retief family trust. The group has several other put options where non-controlling shareholders can put their stakes to the group based on specified terms and conditions. The total value of these other options was R330m at 31 March 2011.

Notes to the consolidated annual financial statements (*continued*)**38. FINANCIAL RISK MANAGEMENT** (*continued*)**Foreign exchange risk** (*continued*)

	31 March 2011		31 March 2010	
	Foreign currency amount 'm	R'm	Foreign currency amount 'm	R'm
Uncovered foreign liabilities				
The group had the following uncovered foreign liabilities:				
US dollar	1 075	7 280	1 050	7 703
British pound	6	63	4	45
Euro	57	548	46	460
Polish zloty	29	68	—	1
South Korean won	233	1	256	2
Other	26	40	49	25

Credit risk

The group is exposed to certain concentrations of credit risk relating to the following assets:

Investments and loans

There is no concentration of credit risk within investments and loans, except for preference shares in Welkom Yizani and Phuthuma Nathi. Shareholder agreements are in place, which regulate the shares held by Welkom Yizani and Phuthuma Nathi, and management monitors the credit risk regularly.

Trade receivables

Receivables consist primarily of invoiced amounts from normal trading activities. The group has a large diversified customer base across many geographical areas. The majority of trade receivables consist of receivables within the pay-television, newspapers, magazines and printing segments. Various credit checks are performed on new debtors to determine the quality of their credit history. These checks are also performed on existing debtors with long-overdue accounts. Furthermore, current debtors are monitored to ensure they do not exceed their credit limits. As at 31 March 2011 the directors were unaware of any significant unprovided or uninsured concentration of credit risk.

Other receivables

There is no concentration of credit risk within other receivables, except for the accrued preference share dividends relating to the preference share investments, as disclosed above, and the promissory notes. The level of interest in related party receivables minimises the credit risk.

Cash, deposits and derivative assets

The group is exposed to certain concentrations of credit risk relating to its cash, current investments and derivative assets. It places these instruments 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. As at 31 March 2011 the group held the majority of its cash, deposits and derivative assets with local and international banks with a 'Baa1' credit rating or higher (Moody's International rating). The counterparties that are used by the group are evaluated on a continuous basis.

Notes to the consolidated annual financial statements *(continued)***38. FINANCIAL RISK MANAGEMENT** *(continued)***Credit risk** *(continued)***Cash, deposits and derivative assets** *(continued)*

The maximum amount of credit risk that the group is exposed to is R15,9bn (2010: R13,4bn), and has been calculated as follows:

	31 March 2011 R'm	31 March 2010 R'm
Investments and loans	3 436	3 503
Receivables and loans	3 702	3 106
Derivative financial instruments	18	—
Cash and cash equivalents	8 731	6 785
	15 887	13 394

Liquidity risk

Prudent liquidity risk management implies, among others, 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 2011 and 31 March 2010:

	31 March 2011 R'm	31 March 2010 R'm
On call	901	1 477
Expiring within one year	457	249
Expiring beyond one year	7 322	5 868
	8 680	7 594

Notes to the consolidated annual financial statements (*continued*)

38. FINANCIAL RISK MANAGEMENT (*continued*)

Liquidity risk (*continued*)

The following analysis details the group's remaining contractual maturity for its non-derivative and derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The analysis includes both interest and principal cash flows.

31 March 2011	Carrying value R'm	Contractual cash flows R'm	0 – 12 months R'm	1 – 5 years R'm	5 years + R'm
Non-derivative financial liabilities					
– Interest-bearing: Capitalised finance leases	(2 147)	(3 078)	(378)	(881)	(1 819)
– Interest-bearing: Loans and other	(11 314)	(14 372)	(949)	(8 222)	(5 201)
– Non-interest-bearing: Programme and film rights	(748)	(770)	(770)	–	–
– Non-interest-bearing: Loans and other	(139)	(139)	(16)	(105)	(18)
– Trade payables	(1 916)	(1 916)	(1 916)	–	–
– Accrued expenses and other current liabilities	(2 402)	(2 402)	(2 402)	–	–
– Related party payables	(93)	(93)	(93)	–	–
– Bank overdrafts and call loans	(1 330)	(1 330)	(1 330)	–	–
	Carrying value R'm	Contractual cash flows R'm	0 – 12 months R'm	1 – 2 years R'm	2 years + R'm
Derivative financial liabilities					
– Forward exchange contracts – outflow	(597)	(5 901)	(3 641)	(2 260)	–
– Forward exchange contracts – inflow	–	5 237	3 136	2 101	–
– Shareholders' liabilities	(683)	(708)	(123)	(57)	(528)
– Interest rate swaps	(15)	(15)	(15)	–	–

Notes to the consolidated annual financial statements (*continued*)**38. 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. 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. As at 31 March 2011 the group had the following interest rate swaps in place:

Institution	Fair value of liability R'm	Loan amount R'm	Rate of loan %	Rate of swap
Rand Merchant Bank	—	8	7,43	3-month average JIBAR with cap of 12,42%
Rand Merchant Bank	(8)	250	9,80	3-month average JIBAR with cap of 9,80%
Investec	(7)	250	11,00	3-month average JIBAR with cap of 12,3% and floor of 11,2%
	(15)			

Please refer to note 18 for the interest rate profile and repayment terms of long-term liabilities as at 31 March 2011 and 31 March 2010.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the statement of financial position date (after taking into account the effect of hedging) and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The group is mainly exposed to interest rate fluctuations of the South African, American and European repo rates. The following changes in the repo rates represent management's best estimate of the possible change in interest rates at the respective year-ends:

- ▶ South African repo rate: increases by 100 basis points (2010: increased by 100 basis points)
- ▶ American, European and London Interbank Rates: increases by 100 basis points each (2010: increased by 100 basis points each)

If interest rates changes as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's profit after tax for the year ended 31 March 2011 would increase by R4,2m (2010: increased by R23,2m). Other equity would remain unchanged (2010: remained unchanged).

Notes to the consolidated annual financial statements (continued)

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values, together with the carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense and impairment of each class of financial instrument are as follows:

	Carrying value R'm	Fair value R'm	Net gains and (losses) recognised in profit and loss R'm	Total interest income R'm	Total interest expense R'm	Impairment R'm
31 March 2011						
Assets						
Investments and loans	3 436	3 436	—	221	—	6
Loans and receivables	3 154	3 154	—	217	—	—
Held-to-maturity investment and loans	141	141	—	—	—	—
Originated loans	4	4	—	—	—	—
Related party loans	137	137	—	4	—	6
Receivables and loans	3 702	3 702	(23)	86	—	127
Accounts receivable	2 929	2 929	4	13	—	125
Other receivables	735	735	(1)	73	—	—
Related party receivables	38	38	(26)	—	—	2
Derivative financial instruments	18	18	(61)	—	—	—
Foreign exchange contracts	15	15	(61)	—	—	—
Other derivatives – shareholders' assets	3	3	—	—	—	—
Cash and cash equivalents	8 731	8 731	(32)	309	—	—
Total	15 887	15 887	(116)	616	—	133
Liabilities						
Long-term liabilities	12 838	12 838	—	—	1 017	—
Interest-bearing:						
Capitalised finance leases	1 893	1 893	—	—	133	—
Interest-bearing: Loans and other	10 822	10 822	—	—	884	—
Non-interest-bearing:						
Loans and other	123	123	—	—	—	—
Short-term payables and loans	5 922	5 922	66	—	125	—
Interest-bearing:						
Capitalised finance leases	254	254	13	—	21	—
Interest-bearing: Loans and other	493	493	—	—	26	—
Non-interest-bearing:						
Programme and film rights	748	748	64	—	14	—
Non-interest-bearing:						
Loans and other	16	16	(12)	—	—	—
Trade payables	1 916	1 916	(4)	—	52	—
Accrued expenses and other current liabilities	2 402	2 402	8	—	12	—
Related party payables	93	93	(3)	—	—	—
Derivative financial instruments	1 313	1 313	(613)	—	52	—
Foreign exchange contracts	612	612	(614)	—	—	—
Other derivatives – shareholders' liabilities	686	686	16	—	52	—
Other derivatives – interest rate swaps	15	15	(15)	—	—	—
Bank overdrafts and call loans	1 330	1 330	—	—	105	—
Total	21 403	21 403	(547)	—	1 299	—

Notes to the consolidated annual financial statements (continued)

39. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

31 March 2010	Carrying value R'm	Fair value R'm	Net gains and (losses) recognised in profit and loss R'm	Total interest income R'm	Total interest expense R'm	Impairment R'm
Assets						
Investments and loans	3 503	3 503	(6)	272	—	367
Loans and receivables	3 417	3 417	—	268	—	330
Originated loans	5	5	—	—	—	—
Related party loans	81	81	(6)	4	—	37
Receivables and loans	3 106	3 106	133	27	—	44
Accounts receivable	2 438	2 438	2	1	—	44
Other receivables	642	642	(2)	26	—	—
Related party receivables	26	26	133	—	—	—
Cash and cash equivalents	6 785	6 785	78	315	—	—
Total	13 394	13 394	205	614	—	411
Liabilities						
Long-term liabilities	8 750	8 738	32	—	524	—
Interest-bearing:						
Capitalised finance leases	1 736	1 736	30	—	55	—
Interest-bearing:						
Loans and other	6 877	6 865	—	—	461	—
Non-interest-bearing:						
Loans and other	137	137	2	—	8	—
Short-term payables and loans	5 545	5 527	(8)	—	144	—
Interest-bearing:						
Capitalised finance leases	329	329	52	—	37	—
Interest-bearing:						
Loans and other	594	576	—	—	23	—
Non-interest-bearing:						
Programme and film rights	736	736	(61)	—	33	—
Non-interest-bearing:						
Loans and other	16	16	—	—	—	—
Trade payable	1 721	1 721	47	—	26	—
Accrued expenses and other current liabilities	2 138	2 138	37	—	23	—
Related party payables	9	9	(83)	—	2	—
Dividends payable	2	2	—	—	—	—
Derivatives	1 531	1 531	(378)	—	72	—
Foreign exchange contracts	723	723	(374)	—	—	—
Other derivatives – shareholders' liabilities	650	650	(10)	—	42	—
Other derivatives – interest rate swaps	158	158	6	—	30	—
Bank overdrafts and call loans	958	958	5	—	101	—
Total	16 784	16 754	(349)	—	841	—

Notes to the consolidated annual financial statements (*continued*)

39. FAIR VALUE OF FINANCIAL INSTRUMENTS (*continued*)

The fair value of financial instruments was calculated using market information and other relevant valuation techniques, and does not necessarily represent the values that the group will realise in the normal course of business. The carrying amounts of cash and cash equivalents, 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 other derivative instruments are based on quoted market prices, other prices that are observable for the asset or liability, either directly or indirectly, or valuation techniques that include unobservable inputs. The fair values of interest-bearing loans are calculated based on discounted expected future principal and interest cash flows.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- ▶ Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ▶ Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- ▶ Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value R'm	Level 1 R'm	Level 2 R'm	Level 3 R'm	Total R'm
31 March 2011					
Assets/liabilities measured at fair value:					
Assets					
Foreign exchange contracts	15	—	15	—	15
Other derivatives – shareholders' assets	3	—	—	3	3
Total	18	—	15	3	18
Liabilities					
Foreign exchange contracts	612	—	612	—	612
Other derivatives – shareholders' liabilities	686	—	—	686	686
Other derivatives – interest rate swaps	15	—	15	—	15
Total	1 313	—	627	686	1 313
	Fair value R'm	Level 1 R'm	Level 2 R'm	Level 3 R'm	Total R'm
31 March 2010					
Liabilities measured at fair value:					
Liabilities					
Foreign exchange contracts	723	—	723	—	723
Other derivatives – shareholders' liabilities	650	—	—	650	650
Other derivatives – interest rate swaps	158	—	158	—	158
Total	1 531	—	881	650	1 531

There were no transfers between level 1 and level 2 during the period.

Notes to the consolidated annual financial statements (continued)

39. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table presents the changes in level 3 instruments for the year ending 31 March 2011:

	Other derivatives – shareholders' assets R'm	Total R'm	Other derivatives – shareholders' liabilities R'm	Total R'm
Reconciliation of level 3 instruments:				
Opening balance at 1 April 2010	–	–	650	650
Total losses in income statement	–	–	42	42
Purchases	3	3	31	31
Settlements	–	–	(19)	(19)
Foreign currency translation effects	–	–	(18)	(18)
Closing balance 31 March 2011	3	3	686	686
Opening balance at 1 April 2009	–	–	360	360
Total losses in income statement	–	–	53	53
Purchases	–	–	264	264
Foreign currency translation effects	–	–	(22)	(22)
Settlements	–	–	(5)	(5)
Closing balance 31 March 2010	–	–	650	650

Total losses for the period included in the income statement for assets and liabilities still held at the end of the period amounted to R41,7m (2010: R53,0m). Of this amount included in the income statement a loss of R85,6m (2010: a loss of R42,7m) was included in "Other finance income/(costs) – net", a profit of R56,6m (2010: a loss of R5,3m) in "Other gains/(losses) – net", and a loss of R12,6m (2010: a loss of R4,8m) in "Foreign exchange profits/(losses)".

If one or more of the inputs were changed to a reasonable possible alternative assumption, there would be no significant change in the fair value measurements of level 3 instruments.

Notes to the consolidated annual financial statements (continued)

40. EQUITY COMPENSATION BENEFITS

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

	Date of incorporation	Maximum awards permissible⁴	Vesting period	Period to expiry from date of offer	IFRS 2 classification
Share trusts					
Naspers	14 August 1987	Note ¹	*	10 years	Equity-settled
Media24	31 August 2000	15%	*	10 years	Cash-settled
Paarl Media Holdings	29 May 2001	5%	*	10 years	Cash-settled
Via Afrika	21 November 2003	10%	*	10 years	Cash-settled
MIH Holdings	27 September 1993	Note ¹	*	10 years	Equity-settled
MIH (Mauritius)	25 March 1999	Note ¹	*	10 years	Equity-settled
Irdeto Access	14 October 1999	10%	*	10 years	Note ³
MIH China (BVI)	23 February 2003	Note ²	**	10 years	Equity-settled
2005 MIH China (BVI)	30 September 2005	Note ²	**	5 to 8 years	Equity-settled
Entriq (Mauritius)	6 May 2003	15%	**	10 years	Cash-settled
MediaZone Holdings B.V.	8 August 2006	15%	**	10 years	Equity-settled
M-Net	12 June 1991	Note ¹	*	10 years	Equity-settled
SuperSport	12 June 1991	Note ¹	*	10 years	Equity-settled
MIH India (Mauritius)	22 February 2007	15%	***	10 years	Equity-settled
MIH Russia Internet B.V.	4 June 2007	10%	***	10 years	Equity-settled
MIH BuscaPé Holdings B.V.	15 March 2010	6%	*	5 years and 3 months	Equity-settled
SARs					
Media24	20 September 2005	10%	*	5 years and 14 days	Equity-settled
MultiChoice Africa	20 September 2005	10%	*	5 years and 14 days	Equity-settled
M-Net/SuperSport	20 September 2005	10%	*	5 years and 14 days	Equity-settled
MIH Brazil Holdings B.V.	9 June 2006	10%	*	5 years and 14 days	Equity-settled
Irdeto Access B.V.	9 June 2006	15%	*	5 years and 14 days	Equity-settled
Cloakware Inc. 2008	11 July 2008	15%	**	5 years and 14 days	Equity-settled
MIH Entriq Investments B.V. 2008	11 July 2008	10%	***	5 years and 14 days	Equity-settled
Gadu-Gadu S.A. 2008	11 July 2008	10%	***	5 years and 14 days	Equity-settled
MIH Allegro B.V. 2008	11 July 2008	10%	***	5 years and 14 days	Equity-settled
MIH Ricardo B.V. 2008	11 July 2008	15%	***	5 years and 14 days	Equity-settled
Irdeto Access B.V. 2008	5 September 2008	15%	***	5 years and 14 days	Equity-settled

Notes to the consolidated annual financial statements (*continued*)**40. EQUITY COMPENSATION BENEFITS** (*continued*)

	Date of incorporation	Maximum awards permissible ⁴	Vesting period	Period to expiry from date of offer	IFRS 2 classification
MIH (China) Mauritius 2008	5 September 2008	10%	***	5 years and 14 days and 8 years and 14 days	Equity-settled
MultiChoice Africa 2008	2 April 2008	10%	*	5 years and 14 days	Equity-settled
Allegro BV 2009	25 September 2009	10%	***	5 years and 14 days	Equity-settled
Molotok No1	12 June 2009	10%	*	5 years and 14 days	Equity-settled
MIH Internet Africa	9 June 2010	10%	*	5 years and 14 days	Equity-settled
On the Dot	24 November 2010	10%	*	5 years and 14 days	Equity-settled
Paarl Coldset ⁵	10 March 2010	5%	*	5 years and 14 days	Equity-settled
Paarl Media Holdings ⁵	10 March 2010	5%	*	5 years and 14 days	Equity-settled

Notes

¹ These share trusts issue Naspers N ordinary shares. Collectively the maximum number of shares available for fresh allocation after 27 August 2010 is 40 588 541 shares which number will increase by virtue of any subdivision of shares or decrease by virtue of any consolidation of shares, as the case may be.

² The MIH China (BVI) and 2005 MIH China (BVI) share trusts may collectively issue no more than 10% of the total number of MIH China Limited ordinary shares in issue.

³ Offers before September 2005 are cash-settled and offers after September 2005 are equity-settled.

⁴ The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that the applicable Trust/SAR plan may hold and subsequently allocate to participants.

⁵ For these two schemes, the initial grants vest one-third after two, three and four years with all subsequent grants vesting as indicated in the table above.

Vesting period: * One-third vests after years three, four and five.

** One-quarter vests after years one, two, three and four.

*** One-fifth vests after years one, two, three, four and five.

Notes to the consolidated annual financial statements *(continued)***40. EQUITY COMPENSATION BENEFITS** *(continued)***Additional information**

All share options are granted with an exercise price of not less than 100% of market value or fair value of the respective company's shares on the date of the grant. All SARs are granted with an exercise price of not less than 100% of fair value of the SARs on the date of the grant. All unvested share options/SARs are subject to forfeiture upon termination of employment. All cancelled options/SARs are cancelled by mutual agreement between the employer and employee.

Movements in terms of the share trust incentive plans are as follows:

31 March 2011	Naspers	Media24	Paarl Media	Via Afrika	MIH Holdings	MIH (Mauritius) (US\$-based)
Shares						
Outstanding at 1 April	17 377 338	636 734	139 700	13 172	877 297	57 700
Granted	29 386	—	—	—	105 684	—
Exercised	(181 087)	(428 892)	(97 960)	—	(109 612)	(14 450)
Forfeited	(8)	(1 568)	—	(13 172)	(15 503)	—
Expired	—	(70 270)	—	—	(144)	—
Outstanding at 31 March	17 225 629	136 004	41 740	—	857 722	43 250
Available to be implemented at 31 March	9 067 656	136 004	41 740	—	290 682	43 250
Weighted average exercise price	(rand)	(rand)	(rand)	(rand)	(rand)	(US\$)
Outstanding at 1 April	131,42	8,36	6,91	5,00	148,24	2,39
Granted	278,76	—	—	—	316,01	—
Exercised	78,28	7,86	5,21	—	111,73	1,98
Forfeited	131,42	8,84	—	5,00	178,12	—
Expired	—	6,94	—	—	92,42	—
Outstanding at 31 March	132,23	10,66	10,90	—	173,05	2,53
Available to be implemented at 31 March	89,15	10,66	10,90	—	91,59	2,53
Weighted average share price of options taken up during the year						
Shares	181 087	428 892	97 960	—	109 612	14 450
Weighted average share price	364,81	29,25	27,93	—	348,71	51,33

Notes to the consolidated annual financial statements *(continued)***40. EQUITY COMPENSATION BENEFITS** *(continued)*

Movements in terms of the share trust incentive plans are as follows:

31 March 2010	Naspers	Media24	Paarl Media	Via Afrika	MIH Holdings	MIH (Mauritius) (US\$- based)
Shares						
Outstanding at 1 April	17 557 772	938 083	704 073	66 822	983 237	204 071
Granted	37 553	—	—	—	178 786	—
Exercised	(175 781)	(260 194)	(549 040)	—	(221 524)	(145 041)
Forfeited	(33 404)	(41 155)	(15 333)	(53 650)	(62 864)	(1 330)
Expired	(8 802)	—	—	—	(338)	—
Outstanding at 31 March	17 377 338	636 734	139 700	13 172	877 297	57 700
Available to be implemented at 31 March	5 156 990	621 724	139 700	13 172	202 067	57 700
Weighted average exercise price	(rand)	(rand)	(rand)	(rand)	(rand)	(US\$)
Outstanding at 1 April	130,23	8,76	10,59	5,00	111,70	2,83
Granted	261,71	—	—	—	257,98	—
Exercised	39,54	9,62	11,50	—	72,18	3,01
Forfeited	166,07	9,43	11,50	5,00	157,57	2,12
Expired	24,87	—	—	—	26,99	—
Outstanding at 31 March	131,42	8,36	6,91	5,00	148,24	2,39
Available to be implemented at 31 March	28,19	8,07	6,91	5,00	57,58	2,39
Weighted average share price of options taken up during the year						
Shares	175 781	260 194	549 040	—	221 524	145 041
Weighted average share price	257,25	29,15	29,07	—	245,98	28,69

Notes to the consolidated annual financial statements (continued)

40. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the share trust incentive plans are as follows:

31 March 2011	MIH (Mauritius) (rand- based)	Irdeto Access B.V.	MIH China (BVI)	2005 MIH China (BVI)	Entriq
Shares					
Outstanding at 1 April	7 799 157	438 205	6 875	14 916	3 752 100
Granted	195 227	—	—	—	—
Exercised	(328 906)	(39 013)	—	(1 523)	—
Forfeited	(75 891)	(10 949)	—	(30)	(135 300)
Outstanding at 31 March	7 589 587	388 243	6 875	13 363	3 616 800
Available to be implemented at 31 March	4 422 688	358 989	6 875	13 156	3 616 800
Weighted average exercise price					
	(rand)	(US\$)	(US\$)	(US\$)	(US\$)
Outstanding at 1 April	116,48	7,67	246,81	761,11	0,65
Granted	310,15	—	—	—	—
Exercised	98,65	8,21	—	893,65	—
Forfeited	171,50	8,86	—	2 481,05	0,65
Outstanding at 31 March	121,68	7,58	246,81	742,14	0,65
Available to be implemented at 31 March	80,19	7,39	246,81	714,78	0,65
Weighted average share price of options taken up during the year					
Shares	328 906	39 013	—	1 523	—
Weighted average share price	345,60	12,89	—	13 727,00	—

Notes to the consolidated annual financial statements *(continued)***40. EQUITY COMPENSATION BENEFITS** *(continued)*

Movements in terms of the share trust incentive plans are as follows:

31 March 2010	MIH (Mauritius) (rand- based)	Irdeto Access B.V.	MIH China (BVI)	2005 MIH China (BVI)	Entriq
Shares					
Outstanding at 1 April	8 066 131	566 231	7 963	23 234	4 244 500
Granted	527 045	—	—	—	—
Exercised	(705 768)	(106 078)	(1 088)	(8 263)	—
Forfeited	(88 251)	(21 948)	—	(55)	(427 400)
Cancelled	—	—	—	—	(65 000)
Outstanding at 31 March	7 799 157	438 205	6 875	14 916	3 752 100
Available to be implemented at 31 March	3 466 386	336 502	6 875	14 125	3 727 650
Weighted average exercise price					
	(rand)	(US\$)	(US\$)	(US\$)	(US\$)
Outstanding at 1 April	102,07	7,52	246,62	767,03	0,65
Granted	263,69	—	—	—	—
Exercised	56,96	7,13	245,47	770,36	—
Forfeited	145,55	8,79	—	1 872,39	0,65
Cancelled	—	—	—	—	0,65
Outstanding at 31 March	116,48	7,67	246,81	761,11	0,65
Available to be implemented at 31 March	56,96	7,22	246,81	690,27	0,65
Weighted average share price of options taken up during the year					
Shares	705 768	106 078	1 088	8 263	—
Weighted average share price	232,48	14,74	8 964,98	10 018,19	—

Notes to the consolidated annual financial statements *(continued)*

40. EQUITY COMPENSATION BENEFITS *(continued)*

Movements in terms of the share trust incentive plans are as follows:

31 March 2011	Media- Zone	M-Net	Super- Sport	MIH India	MIH Russia	MIH BuscaPé
Shares						
Outstanding at 1 April	346 000	31 774	42 113	12 419 251	730 131	804 295
Granted	—	—	—	2 500 109	20 000	133 000
Exercised	—	(7 068)	(9 578)	—	(38 802)	—
Forfeited	(11 000)	(69)	(101)	(2 534 892)	(9 525)	—
Expired	—	(80)	(165)	—	—	—
Outstanding at 31 March	335 000	24 557	32 269	12 384 468	701 804	937 295
Available to be implemented at 31 March	335 000	24 557	32 269	5 234 544	215 103	—
Weighted average exercise price	(US\$)	(rand)	(rand)	(US\$)	(euro)	(euro)
Outstanding at 1 April	0,82	8,81	34,60	0,55	14,31	15,40
Granted	—	—	—	0,58	14,37	15,40
Exercised	—	9,25	35,66	—	12,64	—
Forfeited	0,82	8,67	30,82	0,55	14,69	—
Expired	—	9,23	23,90	—	—	—
Outstanding at 31 March	0,82	8,68	34,35	0,55	14,40	15,40
Available to be implemented at 31 March	0,82	8,68	34,35	0,54	13,76	—
Weighted average share price of options taken up during the year						
Shares	—	7 068	9 578	—	38 802	—
Weighted average share price	—	317,19	316,37	—	65,39	—

Notes to the consolidated annual financial statements *(continued)***40. EQUITY COMPENSATION BENEFITS** *(continued)*

Movements in terms of the share trust incentive plans are as follows:

31 March 2010	Media- Zone	M-Net	Super- Sport	MIH India	MIH Russia	MIH BuscaPé
Shares						
Outstanding at 1 April	501 500	57 413	75 123	10 369 940	245 207	—
Granted	—	—	—	4 418 821	492 793	804 295
Exercised	—	(25 639)	(33 010)	—	—	—
Forfeited	(155 500)	—	—	(2 369 510)	(7 869)	—
Outstanding at 31 March	346 000	31 774	42 113	12 419 251	730 131	804 295
Available to be implemented at 31 March	259 500	31 774	42 113	3 578 959	94 918	—
Weighted average exercise price	(US\$)	(rand)	(rand)	(US\$)	(euro)	(euro)
Outstanding at 1 April	0,82	8,75	34,83	0,54	12,64	—
Granted	—	—	—	0,57	15,12	15,40
Exercised	—	8,68	35,11	—	—	—
Forfeited	0,82	—	—	0,54	12,64	—
Outstanding at 31 March	0,82	8,81	34,60	0,55	14,31	15,40
Available to be implemented at 31 March	0,82	8,81	34,60	0,54	12,64	—
Weighted average share price of options taken up during the year						
Shares	—	25 639	33 010	—	—	—
Weighted average share price	—	215,37	215,71	—	—	—

Notes to the consolidated annual financial statements (continued)

40. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the share appreciation rights plans are as follows:

31 March 2011	Media24	Multi-Choice Africa	M-Net/SuperSport	MIH Brazil	Irdeto Access	MultiChoice Africa 2008
SARs						
Outstanding at 1 April	10 065 856	4 949 377	3 360 116	224 853	188 044	3 303 087
Granted	6 764 874	—	—	—	—	3 483 220
Exercised	—	(2 558 788)	(2 328 494)	(5 228)	—	(44 961)
Forfeited	(930 416)	(166 902)	(79 955)	(22 366)	(6 345)	(249 216)
Expired	(4 759 998)	(17 634)	(13 065)	—	—	—
Outstanding at 31 March	11 140 316	2 206 053	938 602	197 259	181 699	6 492 130
Available to be implemented at 31 March	1 005 921	311 596	168 621	81 927	60 495	—
Weighted average exercise price	(rand)	(rand)	(rand)	(US\$)	(US\$)	(rand)
Outstanding at 1 April	22,36	42,86	9,28	44,84	15,20	75,84
Granted	17,46	—	—	—	—	91,61
Exercised	—	34,20	9,17	42,17	—	72,76
Forfeited	21,17	49,59	9,36	48,59	15,20	80,22
Expired	21,55	23,70	9,00	—	—	—
Outstanding at 31 March	19,83	52,55	9,56	44,48	15,20	84,15
Available to be implemented at 31 March	24,67	50,61	9,56	42,17	15,20	—
Weighted average share price of SARs taken up during the year						
SARs	—	2 558 788	2 328 494	5 228	—	44 961
Weighted average SAR price	—	73,65	25,07	50,99	—	91,74

Notes to the consolidated annual financial statements *(continued)***40. EQUITY COMPENSATION BENEFITS** *(continued)*

Movements in terms of the share appreciation rights plans are as follows:

31 March 2010	Media24	Multi-Choice Africa	M-Net/SuperSport	MIH Brazil	Irdeto Access	MultiChoice Africa 2008
SARs						
Outstanding at 1 April	9 618 622	7 530 463	5 716 714	170 600	306 943	1 580 233
Granted	2 201 342	—	—	54 253	—	1 921 083
Exercised	(5 011)	(2 324 719)	(2 186 829)	—	(33 942)	(82 193)
Forfeited	(1 438 688)	(256 367)	(169 769)	—	(84 957)	(116 036)
Cancelled	(310 409)	—	—	—	—	—
Outstanding at 31 March	10 065 856	4 949 377	3 360 116	224 853	188 044	3 303 087
Available to be implemented at 31 March	3 577 140	180 922	321 185	42 313	—	—
Weighted average exercise price						
	(rand)	(rand)	(rand)	(US\$)	(US\$)	(rand)
Outstanding at 1 April	22,61	38,46	9,25	43,91	15,20	69,31
Granted	21,40	—	—	47,77	—	80,74
Exercised	21,55	29,08	9,20	—	15,20	69,31
Forfeited	22,86	38,50	9,23	—	15,20	72,74
Cancelled	21,55	—	—	—	—	—
Outstanding at 31 March	22,36	42,86	9,28	44,84	15,20	75,84
Available to be implemented at 31 March	21,86	30,46	9,13	42,17	—	—
Weighted average share price of SARs taken up during the year						
SARs	5 011	2 324 719	2 186 829	—	33 942	82 193
Weighted average SAR price	23,65	73,65	25,07	—	16,00	82,18

Notes to the consolidated annual financial statements (*continued*)

40. EQUITY COMPENSATION BENEFITS (*continued*)

Movements in terms of the share appreciation rights plans are as follows:

31 March 2011	Irdeto Access B.V. 2008	Gadu- Gadu S.A. 2008	MIH Allegro B.V. 2008	MIH (China) Mauritius 2008	Cloak- ware Inc. 2008	MIH Entriq Invest- ments B.V. 2008
SARs						
Outstanding at 1 April	811 773	883 296	433 499	12 010	7 351	—
Granted	554 974	317 022	—	44	—	—
Exercised	(28 539)	—	(34 591)	(53)	—	—
Forfeited	(49 489)	(235 058)	(7 130)	—	(6 371)	—
Cancelled	—	—	—	—	(980)	—
Outstanding at 31 March	1 288 719	965 260	391 778	12 001	—	—
Available to be implemented at 31 March	165 738	219 058	109 745	4 150	—	—
Weighted average exercise price	(US\$)	(PLN)	(euro)	(US\$)	(US\$)	(US\$)
Outstanding at 1 April	11,63	13,55	47,15	6 049,81	7,25	—
Granted	13,60	13,55	—	12 223,34	—	—
Exercised	10,20	—	43,84	3 352,92	—	—
Forfeited	11,65	13,55	51,54	—	7,25	—
Cancelled	—	—	—	—	7,25	—
Outstanding at 31 March	12,51	13,55	47,37	6 084,35	—	—
Available to be implemented at 31 March	12,87	13,55	43,29	5 556,14	—	—
Weighted average share price of SARs taken up during the year						
SARs	28 539	—	34 591	53	—	—
Weighted average SAR price	13,60	—	86,25	13 096,73	—	—

Notes to the consolidated annual financial statements *(continued)***40. EQUITY COMPENSATION BENEFITS** *(continued)*

Movements in terms of the share appreciation rights plans are as follows:

31 March 2010	Irdeto Access B.V. 2008	Gadu- Gadu S.A. 2008	MIH Allegro B.V. 2008	MIH (China) Mauritius 2008	Cloak- ware Inc. 2008	MIH Entriq Invest- ments B.V. 2008
SARs						
Outstanding at 1 April	208 927	636 580	398 121	9 039	162 699	749 120
Granted	617 283	357 856	106 015	2 971	—	—
Exercised	—	—	(67 595)	—	—	—
Forfeited	(14 437)	(111 140)	(3 042)	—	(17 598)	(182 488)
Cancelled	—	—	—	—	(137 750)	(566 632)
Outstanding at 31 March	811 773	883 296	433 499	12 010	7 351	—
Available to be implemented at 31 March	39 897	109 095	53 727	1 806	1 468	—
Weighted average exercise price	(US\$)	(PLN)	(euro)	(US\$)	(US\$)	(US\$)
Outstanding at 1 April	16,00	13,55	38,16	4 847,35	7,25	2,22
Granted	10,20	13,55	74,93	9 708,18	—	—
Exercised	—	—	38,16	—	—	—
Forfeited	13,75	13,55	38,16	—	7,25	2,22
Cancelled	—	—	—	—	7,25	2,22
Outstanding at 31 March	11,63	13,55	47,15	6 049,81	7,25	—
Available to be implemented at 31 March	16,00	13,55	38,16	4 848,20	7,25	—
Weighted average share price of SARs taken up during the year						
SARs	—	—	67 595	—	—	—
Weighted average SAR price	—	—	74,93	—	—	—

Notes to the consolidated annual financial statements (continued)

40. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the share appreciation rights plans are as follows:

31 March 2011	MIH Ricardo B.V. 2008	Allegro B.V. 2009	Molotok No1	MIH Internet Africa	On the Dot	Paarl Coldset	Paarl Media Holdings
SARs							
Outstanding at 1 April	1 761 540	78 857	284 226	—	—	—	—
Granted	225 338	45 830	—	750 389	482 000	2 956 000	2 380 000
Exercised	(45 279)	—	—	—	—	—	—
Forfeited	(63 173)	—	—	—	—	—	(40 000)
Outstanding at 31 March	1 878 426	124 687	284 226	750 389	482 000	2 956 000	2 340 000
Available to be implemented at 31 March	587 563	15 766	—	—	—	—	—
Weighted average exercise price	(euro)	(euro)	(euro)	(rand)	(rand)	(rand)	(rand)
Outstanding at 1 April	1,58	74,93	17,80	—	—	—	—
Granted	1,74	87,02	—	20,70	20,27	4,35	28,38
Exercised	1,58	—	—	—	—	—	—
Forfeited	1,59	—	—	—	—	—	28,38
Outstanding at 31 March	1,60	79,37	17,80	20,70	20,27	4,35	28,38
Available to be implemented at 31 March	1,58	74,93	—	—	—	—	—
Weighted average share price of SARs taken up during the year							
SARs	45 279	—	—	—	—	—	—
Weighted average SAR price	1,74	—	—	—	—	—	—

Notes to the consolidated annual financial statements (continued)

40. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the share appreciation rights plans are as follows:

31 March 2010	MIH Ricardo B.V. 2008	Allegro B.V. 2009	Molotok No1	MIH Internet Africa	On the Dot	Paarl Coldset	Paarl Media Holdings
SARs							
Outstanding at 1 April	1 615 075	—	—	—	—	—	—
Granted	418 489	78 857	284 226	—	—	—	—
Exercised	(39 891)	—	—	—	—	—	—
Forfeited	(232 133)	—	—	—	—	—	—
Outstanding at 31 March	1 761 540	78 857	284 226	—	—	—	—
Available to be implemented at 31 March	268 595	—	—	—	—	—	—
Weighted average exercise price							
	(euro)	(euro)	(euro)	(rand)	(rand)	(rand)	(rand)
Outstanding at 1 April	1,58	—	—	—	—	—	—
Granted	1,59	74,93	17,80	—	—	—	—
Exercised	1,58	—	—	—	—	—	—
Forfeited	1,58	—	—	—	—	—	—
Outstanding at 31 March	1,58	74,93	17,80	—	—	—	—
Available to be implemented at 31 March	1,58	—	—	—	—	—	—
Weighted average share price of SARs taken up during the year							
SARs	39 891	—	—	—	—	—	—
Weighted average SAR price	1,59	—	—	—	—	—	—

Notes to the consolidated annual financial statements *(continued)*

40. EQUITY COMPENSATION BENEFITS *(continued)*

Share option allocations outstanding and currently available to be implemented at 31 March 2011 by exercise price:

Exercise price/range of exercise price	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2011	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2011	Weighted average exercise price
Naspers Limited (rand)					
10,00 – 20,00	18 168	1,47	18,10	18 168	18,10
20,01 – 25,00	2 567 411	1,51	23,42	2 567 411	23,42
25,01 – 30,00	813 701	1,75	28,94	813 701	28,94
30,01 – 35,00	1 490 854	1,71	30,96	1 490 854	30,96
40,01 – 45,00	11 550	3,20	42,89	11 550	42,89
45,01 – 50,00	100 000	3,44	50,00	100 000	50,00
50,01 – 60,15	1 982	3,42	50,45	1 982	50,45
110,00 – 120,00	163 668	5,35	114,52	100 000	114,52
120,01 – 130,00	9 437	5,44	124,00	4 718	124,00
130,01 – 145,00	216 239	6,95	138,87	54 513	138,87
160,01 – 175,00	3 962 438	7,00	167,31	3 904 759	167,24
175,01 – 200,00	7 803 242	7,00	180,83	—	—
250,01 – 275,00	46 871	8,78	251,86	—	—
275,01 – 300,00	10 870	8,91	288,00	—	—
300,00 – 320,00	3 334	9,44	306,00	—	—
340,00 – 360,00	5 864	9,96	351,95	—	—
	17 225 629		132,23	9 067 656	89,15
Media24 Limited (rand)					
6,04	35 316	0,92	6,04	35 316	6,04
6,90	10 008	1,67	6,90	10 008	6,90
6,92	1 830	0,50	6,92	1 830	6,92
8,12	11 015	2,81	8,12	11 015	8,12
11,63	59 592	3,47	11,63	59 592	11,63
20,42	18 243	4,47	20,42	18 243	20,42
	136 004		10,66	136 004	10,66
Paarl Media Holdings (rand)					
4,80	3 740	0,50	4,80	3 740	4,80
11,50	38 000	4,00	11,50	38 000	11,50
	41 740		10,90	41 740	10,90

Notes to the consolidated annual financial statements (*continued*)**40. EQUITY COMPENSATION BENEFITS** (*continued*)

Share option allocations outstanding and currently available to be implemented at 31 March 2011 by exercise price:

Exercise price/range of exercise price	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2011	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2011	Weighted average exercise price
MIH Holdings Limited (rand)					
6,91 – 20,00	21 639	0,88	14,06	21 639	14,06
20,01 – 40,00	50 780	2,00	25,50	50 780	25,50
40,01 – 60,00	41 288	2,92	41,65	41 288	41,65
100,01 – 120,00	55 648	4,45	105,35	55 648	105,35
120,01 – 140,00	279 145	6,53	134,79	96 571	133,29
140,01 – 160,00	85	7,93	146,50	—	—
160,01 – 180,00	56 282	7,14	175,65	7 027	174,95
180,01 – 200,00	75 922	6,37	186,60	17 729	188,38
250,01 – 275,00	149 108	8,43	251,00	—	—
300,01 – 320,00	113 416	9,34	305,60	—	—
360,00 – 380,00	14 409	9,68	379,42	—	—
	857 722		173,05	290 682	91,59
MIH (Mauritius) Limited (US\$)					
1,10	5 750	1,10	1,10	5 750	1,10
1,11 – 2,50	13 330	0,70	2,12	13 330	2,12
2,51 – 5,00	24 170	2,40	3,09	24 170	3,09
	43 250		2,53	43 250	2,53
MIH (Mauritius) Limited (rand)					
8,19 – 15,00	88 733	0,88	8,19	88 733	8,19
15,01 – 40,00	1 807 885	2,02	24,17	1 807 885	24,17
40,01 – 65,00	525 237	3,22	44,97	525 237	44,97
100,01 – 125,00	889 125	4,93	119,95	826 849	119,65
125,01 – 145,00	1 448 102	6,94	138,90	475 963	138,92
145,01 – 160,00	869 952	7,79	153,19	31 248	145,99
160,01 – 175,00	982 740	6,05	174,68	624 372	174,99
175,01 – 190,00	285 159	6,83	179,59	42 401	182,00
250,01 – 275,00	382 379	8,43	251,14	—	—
275,01 – 300,00	417	8,70	292,56	—	—
300,01 – 320,00	299 306	9,25	305,25	—	—
360,00 – 380,00	6 725	9,68	379,42	—	—
380,00 – 400,00	3 827	9,79	388,70	—	—
	7 589 587		121,68	4 422 688	80,19

Notes to the consolidated annual financial statements (continued)

40. EQUITY COMPENSATION BENEFITS (continued)

Share option allocations outstanding and currently available to be implemented at 31 March 2011 by exercise price:

Exercise price/range of exercise price	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2011	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2011	Weighted average exercise price
Irdeto Access B.V. (US\$)					
6,70	230 527	3,24	6,70	230 527	6,70
7,90	81 340	4,50	7,90	81 340	7,90
9,90	76 376	5,47	9,90	47 122	9,90
	388 243		7,58	358 989	7,39
MIH China (BVI) Limited (US\$)					
34,00	2 500	1,90	34,00	2 500	34,00
368,41	4 375	3,19	368,41	4 375	368,41
	6 875		246,81	6 875	246,81
2005 MIH China (BVI) Limited (US\$)					
612,75	11 981	4,44	612,75	11 981	612,75
654,02	50	1,67	654,02	50	654,02
1 434,92	728	3,44	1 434,92	728	1 434,92
2 481,05	604	4,25	2 481,05	397	2 481,05
	13 363		742,14	13 156	714,78
Entriq (Mauritius) Limited (US\$)					
0,65	3 616 800	3,95	0,65	3 616 800	0,65
MediaZone Holdings B.V. (US\$)					
0,82	335 000	5,36	0,82	335 000	0,82
M-Net Limited (rand)					
8,51 – 13,50	24 541	1,87	8,67	24 541	8,67
13,51 – 30,50	16	2,84	16,88	16	16,88
	24 557		8,68	24 557	8,68

Notes to the consolidated annual financial statements (*continued*)**40. EQUITY COMPENSATION BENEFITS** (*continued*)

Share option allocations outstanding and currently available to be implemented at 31 March 2011 by exercise price:

Exercise price/range of exercise price	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2011	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2011	Weighted average exercise price
SuperSport Limited (rand)					
—	9 827	1,87	—	9 827	—
25,01 – 40,00	15	2,84	28,65	15	28,65
40,01 – 55,00	22 427	1,87	49,41	22 427	49,41
	32 269		34,35	32 269	34,35
MIH India (US\$)					
0,54	6 542 323	6,36	0,54	4 518 239	0,54
0,57	3 581 583	8,58	0,57	716 305	0,57
0,58	2 260 562	9,44	0,58	—	—
	12 384 468		0,55	5 234 544	0,54
MIH Russia (euro)					
12,64	196 886	6,18	12,64	118 122	12,64
14,37	20 000	9,44	14,37	—	—
15,12	484 918	8,99	15,12	96 981	15,12
	701 804		14,40	215 103	13,76
MIH BuscaPé (euro)					
15,40	937 295	4,31	15,40	—	—

Notes to the consolidated annual financial statements (continued)

40. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2011 by exercise price:

Exercise price/range of exercise price	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2011	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2011	Weighted average exercise price
Media24 Limited (rand)					
17,46	6 580 901	4,30	17,46	—	—
21,40	1 845 017	3,55	21,40	—	—
21,55	64 965	0,50	21,55	64 965	21,55
23,65	744 398	2,44	23,65	—	—
24,75	918 750	0,62	24,75	612 272	24,75
25,15	986 285	1,54	25,15	328 684	25,15
	11 140 316		19,83	1 005 921	24,67
MultiChoice Africa (Proprietary) Limited (rand)					
23,70	2 392	0,50	23,70	2 392	23,70
39,87	676 822	0,49	39,87	124 695	39,87
58,21	1 526 839	1,31	58,21	184 509	58,21
	2 206 053		52,55	311 596	50,61
M-Net/SuperSport (rand)					
9,56	938 602	0,52	9,56	168 621	9,56
MIH Brazil Holdings B.V. (US\$)					
42,17	128 185	0,57	42,17	81 927	42,17
47,57	39 496	3,48	47,57	—	—
50,39	29 578	2,58	50,39	—	—
	197 259		44,48	81 927	42,17
Irdeto Access B.V. (US\$)					
15,20	181 699	1,53	15,20	60 495	15,20
MultiChoice Africa 2008 (rand)					
69,31	1 498 701	2,60	69,31	—	—
82,18	1 637 536	3,45	82,18	—	—
91,74	3 355 893	4,45	91,74	—	—
	6 492 130		84,15	—	—
Irdeto Access B.V. 2008 (US\$)					
10,20	548 801	3,53	10,20	89 302	10,20
13,60	548 287	4,48	13,60	—	—
16,00	191 631	2,52	16,00	76 436	16,00
	1 288 719		12,51	165 738	12,87

Notes to the consolidated annual financial statements (*continued*)**40. EQUITY COMPENSATION BENEFITS** (*continued*)

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2011 by exercise price:

Exercise price/range of exercise price	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2011	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2011	Weighted average exercise price
Gadu-Gadu S.A. 2008 (PLN)					
13,55	965 260	3,29	13,55	219 058	13,55
MIH Allegro B.V. 2008 (euro)					
38,16	293 697	2,41	38,16	94 442	38,16
74,93	98 081	3,50	74,93	15 303	74,93
	391 778		47,37	109 745	43,29
MIH (China) Mauritius 2008 (US\$)					
3 352,92	81	2,83	3 352,92	—	—
3 809,17	937	2,97	3 809,17	374	3 809,17
4 994,57	7 968	5,52	4 994,57	3 186	4 994,57
9 344,20	2 648	3,46	9 344,20	528	9 344,20
12 223,33	44	4,47	12 223,34	—	—
12 692,10	323	4,00	12 692,10	62	12 692,10
	12 001		6 084,35	4 150	5 556,14
MIH Ricardo B.V. 2008 (euro)					
1,58	1 284 864	2,43	1,58	513 924	1,58
1,59	368 224	3,48	1,59	73 639	1,59
1,74	225 338	4,47	1,74	—	—
	1 878 426		1,60	587 563	1,58
Allegro B.V. 2009 (euro)					
74,93	78 857	3,63	74,93	15 766	74,93
87,02	45 830	4,47	87,02	—	—
	124 687		79,37	15 766	74,93
Molotok No1 (euro)					
17,80	284 226	3,99	17,80	—	—
MIH Internet Africa (rand)					
20,70	750 389	4,72	20,70	—	—
On the Dot (rand)					
20,27	482 000	4,84	20,27	—	—

Notes to the consolidated annual financial statements (continued)

40. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2011 by exercise price:

Exercise price/range of exercise price	SARs outstanding			SARs currently available	
	Number outstanding at 31 March 2011	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2011	Weighted average exercise price
Paarl Coldset (rand) 4,35	2 956 000	4,02	4,35	—	—
Paarl Media Holdings (rand) 28,38	2 340 000	4,02	28,38	—	—

Share trust incentive plans grants made during the year:

31 March 2011	Naspers Limited (rand)	MIH Holdings Limited (rand)	MIH (Mauritius) Limited (rand)	MIH India (US\$)	MIH Russia (euro)	MIH BuscaPé (euro)
Weighted average fair value at measurement date	128,44	121,78	127,26	0,23	5,30	6,11

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	278,76	316,01	310,15	0,58	14,37	15,40
Weighted average exercise price	278,76	316,01	310,15	0,58	14,37	15,40
Weighted average expected volatility (%)*	32,0	30,4	30,3	36,5	36,5	44,3
Weighted average option life (years)	10,0	10,0	10,0	10,0	10,0	5,3
Weighted average dividend yield (%)	0,9	0,9	0,9	—	—	—
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	8,2	7,5	7,5	2,6	2,6	1,7
Weighted average annual suboptimal rate (%)	71,4	250,0	125,5	90,0	150,0	248,0
Weighted average vesting period (years)	4,0	4,0	4,0	3,0	3,0	4,0

*The weighted average expected volatility of all share option grants listed above is determined using historical daily share prices except for the MIH India, MIH Russia and MIH BuscaPé plans where historical annual company valuations are used.

Notes to the consolidated annual financial statements (*continued*)**40. EQUITY COMPENSATION BENEFITS** (*continued*)

Share trust incentive plans grants made during the year:

31 March 2010	Naspers Limited (rand)	MIH Holdings Limited (rand)	MIH (Mauritius) Limited (rand)	MIH India (US\$)	MIH Russia (euro)	MIH BuscaPé (euro)
Weighted average fair value at measurement date	124,49	115,76	118,52	0,30	6,79	6,71
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	261,71	257,82	254,64	0,57	15,12	15,40
Weighted average exercise price	261,71	257,82	254,64	0,57	15,12	15,40
Weighted average expected volatility (%)*	37,2	38,4	37,8	51,6	44,5	47,9
Weighted average option life (years)	10,0	10,0	10,0	10,0	10,0	5,3
Weighted average dividend yield (%)	1,3	1,3	1,2	—	—	—
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	8,6	8,6	8,6	3,7	3,5	2,5
Weighted average annual suboptimal rate (%)	93,3	216,0	125,6	90,0	150,0	248,0
Weighted average vesting period (years)	4,0	4,0	4,0	3,0	3,0	4,0

Various early exercise expectations were calculated based on historical exercise behaviours.

*The weighted average expected volatility of all share option grants listed above is determined using historical daily share prices except for the MIH India, MIH Russia and MIH BuscaPé plans where historical annual company valuations are used.

Notes to the consolidated annual financial statements *(continued)*

40. EQUITY COMPENSATION BENEFITS *(continued)*

Share appreciation rights plans grants made during the year:

31 March 2011	Media24 (rand)	MIH Brazil (US\$)	Multi- Choice Africa 2008 (rand)	Irdeto Access B.V. 2008 (US\$)	Gadu- Gadu S.A. 2008 (PLN)	MIH Allegro B.V. 2008 (euro)	MIH (China) Mauritius 2008 (US\$)
Weighted average fair value at measurement date	5,39	—	35,15	3,53	4,37	—	3 810,40

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	17,46	—	91,61	13,60	13,55	—	12 223,34
Weighted average exercise price	17,46	—	91,61	13,60	13,55	—	12 223,34
Weighted average expected volatility (%)*	15,1	—	31,1	28,7	36,8	—	36,8
Weighted average option life (years)	5,0	—	5,0	5,0	5,0	—	5,0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	7,6	—	7,2	1,6	1,6	—	1,1
Weighted average annual suboptimal rate (%)	181,5	—	293,8	118,0	100,0	—	185,3
Weighted average vesting period (years)	4,0	—	4,0	3,0	3,0	—	3,0

*The weighted average expected volatility of all SAR grants listed above is determined using historical annual company valuations, except for the MIH (China) Mauritius 2008 plan where historical daily share prices are used.

Notes to the consolidated annual financial statements (*continued*)**40. EQUITY COMPENSATION BENEFITS** (*continued*)

Share appreciation rights plans grants made during the year:

31 March 2010	Media24 (rand)	MIH Brazil (US\$)	Multi- Choice Africa 2008 (rand)	Irdeto Access B.V. 2008 (US\$)	Gadu- Gadu S.A. 2008 (PLN)	MIH Allegro B.V. 2008 (euro)	MIH (China) Mauritius 2008 (US\$)
Weighted average fair value at measurement date	6,66	22,60	34,06	3,43	5,39	29,21	3 619,51
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	21,40	47,77	80,74	10,21	13,55	73,72	8 293,80
Weighted average exercise price	21,40	47,77	80,74	10,21	13,55	73,72	8 293,80
Weighted average expected volatility (%)*	7,6	40,0	34,4	23,1	48,2	48,3	56,6
Weighted average option life (years)	5,0	5,0	5,0	5,0	5,0	5,0	5,0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	8,3	8,4	8,2	8,2	2,7	2,6	1,7
Weighted average annual suboptimal rate (%)	168,9	93,3	293,8	114,5	248,0	248,0	171,0
Weighted average vesting period (years)	4,0	4,0	4,0	3,0	3,0	3,0	3,0

Various early exercise expectations were calculated based on historical exercise behaviours.

*The weighted average expected volatility of all SAR grants listed above is determined using historical annual company valuations, except for the MIH (China) Mauritius 2008 plan where historical daily share prices are used.

Notes to the consolidated annual financial statements *(continued)***40. EQUITY COMPENSATION BENEFITS** *(continued)*

Share appreciation rights plans grants made during the year:

31 March 2011	MIH Ricardo B.V. 2008 (euro)	MIH Allegro 2009 (euro)	Molotok No1 (euro)	MIH Internet Africa (rand)	On the Dot (rand)	Paarl Coldset (rand)	Paarl Media Holdings (rand)
Weighted average fair value at measurement date	0,50	23,52	—	8,76	6,28	1,28	8,36

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	1,74	87,02	—	20,70	20,27	4,35	28,38
Weighted average exercise price	1,74	87,02	—	20,70	20,27	4,35	28,38
Weighted average expected volatility (%)*	31,9	31,9	—	35,4	15,1	15,1	15,1
Weighted average option life (years)	5,0	5,0	—	5,0	5,0	5,0	5,0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	1,6	1,6	—	7,2	7,6	8,2	8,2
Weighted average annual suboptimal rate (%)	100,0	248,0	—	100,0	181,5	181,5	181,5
Weighted average vesting period (years)	3,0	3,0	—	4,0	4,0	3,0	3,0

*The weighted average expected volatility of all SAR grants listed above is determined using historical annual company valuations.