



Business

The Naspers group comprises the following interests:

1 Internet

Investments in internet platforms in Central and Eastern Europe, China, Russia, Brazil, Africa, India and Thailand. Services are primarily delivered to computers and mobile phones.

2 Pay television

Pay television subscriber platforms and channels in sub-Saharan Africa, as well as investments in mobile television in sub-Saharan Africa.

3 Print media

Magazines, newspapers, printing, distribution and book publishing businesses in South Africa and sub-Saharan Africa, as well as print media investments in Brazil and China.

4 Technology

Development of underlying technologies for internet, pay television and mobile platforms.

overview





Internet

The group recently acquired a 100% interest in Tradus, a leading provider of consumer-to-consumer e-commerce platforms in Central and Eastern Europe, plus a 97% interest in Gadu-Gadu, a leading instant-messaging platform in Poland. In China Tencent extended its leading position in a fiercely competitive market. mail.ru has also performed well in a growing Russian environment.

In Brazil the group started expanding its internet activities in collaboration with its local partner, Abril. In India a joint venture with Tencent was concluded to build a social network platform that incorporates products such as instant-message services, e-mail and online games into the ibibo products.



The group has also invested in companies offering internet services on mobile phones. During the year we acquired an interest in Nimbuzz, which focuses on instant-messaging, mobile voice over internet protocol (VoIP) and telecommunications applications.



CHINA

Tencent strengthened its position in China by growing its instant-messaging, portal and premium services platforms. As at March 2008 the QQ instant-messaging platform reached 317 million active user accounts, with 40 million simultaneous peak-time users. Tencent's QQ.com portal and wireless service portals also



improved their product offerings and grew user traffic. The QQ Game portal reached four million simultaneous peak-time users.

THAILAND

Sanook! strengthened its leadership position as a Thai portal, achieving an average of 20 million daily page views in March 2008. The company is beginning to develop e-commerce in Thailand. In addition, its online advertising network has expanded. The objective is to further grow and diversify revenue streams.



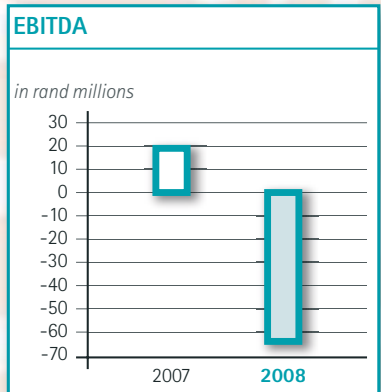
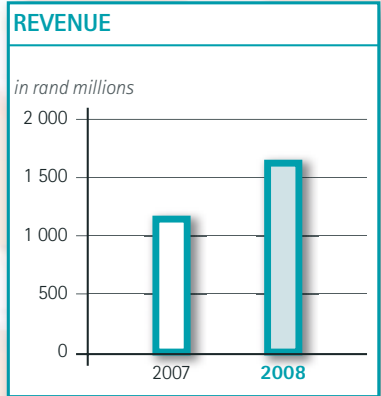
INDIA

The 18-month-old ibibo operation is one of the fastest-growing Indian internet clusters, empowering users to create and share information and to find friends. Daily page views increased monthly. The main office is located in



Gurgaon, with a development office in Bangalore and a sales office in Mumbai. ibibo's

focus now is to launch its integrated instant-messaging, e-mail and gaming applications, expand its advertising sales and promote user-generated content.





EUROPE

The acquisition of 100% of Tradus was concluded in March 2008. This is a leading provider of consumer-to-consumer (C2C) e-commerce platforms, offering online auction and fixed-price sales services. The primary market is Poland. It also has operations in Switzerland, the Czech Republic, Slovakia, Romania, Bulgaria, Hungary, Ukraine, Russia, Lithuania and Estonia. Over the past year registered users increased by 41% to 12 million.

Following the acquisition, the Tradus group was divided into Eastern Europe and Western Europe. Eastern Europe will be known as the Allegro Group and Western Europe as the Ricardo Group, operating as independent companies.

Allegro is replicating its successes elsewhere in Eastern Europe. It has extended its C2C expertise into price comparisons (*ceneo.pl*), car (*otomoto.pl*) and real estate classifieds (*otodom.pl*) in Poland. Allegro is now the leading C2C platform in the Czech Republic (*aukro.cz*) and has gained market traction in the Ukraine (*aukro.ua*).

In December 2007 MIH acquired 97% of the equity share capital in Warsaw-listed Gadu-Gadu, the leading

instant-messaging platform in Poland. The number of active instant-message users grew to 5,9 million at year-end. Monthly page views more than doubled to 3,7 billion. The social networking site, *Moja Generacja* (new generation), grew to 3,2 million users in March 2008.

RUSSIA

mail.ru is a leading provider of internet products and services, with the largest Russian-speaking internet audience. By year-end the number of unique users on the mail.ru portal expanded to 52 million. Its core offering of e-mail services has been growing at a compounded rate of 59% per annum in recent years.

Last year mail.ru launched its own social networking site, *Moi Mir* (My World), which now has a unique user base of 13,5 million. The popularity of its e-mail and instant-messaging communication products has led to mail.ru becoming a market leader in display advertising. It is well positioned to benefit from growth in online advertising in Russia, fuelled by increasing broadband internet penetration.

Cooperation opportunities are currently being explored between mail.ru's comparison shopping services and the *molotok.ru* trading platform, in which Allegro shares an interest.



24.com is also active in the online classifieds field through *Netads24*. *Careers24* has a growing base of job-seekers and provides an attractive online

SOUTH AFRICA

MWEB ISP

MWEB is one of the largest residential internet service providers (ISPs) in South Africa and also owns the largest VSAT (very small aperture technology) corporate internet base in sub-Saharan Africa. In South Africa slow deregulation has hampered internet growth. MWEB conducted a WiMAX (wireless broadband technology) trial in Johannesburg, Cape Town and Soweto to deliver broadband services to homes and businesses. Given the

advertising opportunity for recruiters. *Kalahari.net* confirmed its status as the leading online retail destination in South Africa. 24.com is developing new-generation functionality for consumers.

MOBILE VALUE-ADDED SERVICES

Nimbuzz

The group acquired an interest in the young Nimbuzz, which focuses on instant-messaging aggregation, VoIP

12 million registered users on Tradus platforms

anticipated pace of broadband deployment in South Africa, MWEB intended to invest in wireless broadband infrastructure to maintain its leadership position.

Since the group owns no other ISP and the nature of this business is more infrastructural than our other units, offers of purchase have been requested and is currently being evaluated.

24.com

24.com is the biggest internet publisher in South Africa. A variety of its sub-brands (including *News24*, *Health24*, *Property24*, *Fin24* and *Wheels24*) are category leaders in their fields.

and telecommunications applications. Users are connected to various communities such as MSN, AIM, Yahoo and Skype, providing a 'buddy' network on the Nimbuzz platform. Partnerships are being formed with regional players.

MXit

MXit, a mobile instant-messaging provider, grew revenue in South Africa by 110% and users by 88% during the year. MXit recently begun expansion into Brazil, India and other markets. Several challenges were faced during the year, including a major platform upgrade.





Pay television

A year of subscriber growth, new channel launches, exciting local productions, a feast of sport and a strong focus on education.

SOUTH AFRICA

The Independent Communications Authority of South Africa (Icasa) awarded broadcast licences to five applicants in 2007. After a process of bilateral negotiations between Icasa and these licence holders, specific and generic conditions will be attached to each licence. The issue of individual licences is expected to be concluded in 2008. The process of converting M-Net's broadcast licence

to align with the terms of the new Electronic Communications Act should be completed in 2009.

The entry of these new competitors has produced an upward spiral in the price of content rights, squeezing operator margins. The costs for renewing sports rights for various sports are high. Our group is currently the biggest funder of sport leagues on the African continent as a whole.

The equated subscriber base grew by 178 000 to 1,57 million households on the back of good content and an attractive sports offering. The lower-priced *DStv Compact* bouquet grew to 258 000 subscribers. A mid-priced tier, *DStv Select*, which sells for R139 per month, was launched in

June 2007 and the affordable *EasyView* bouquet, selling at R20 per month, was relaunched.

The personal video recorder (PVR) continued good growth, closing on 242 000 subscribers. A high-definition PVR will be available shortly.

MultiChoice launched eight new channels – *MagicWorld*, *Sony Entertainment*, *One Gospel*, *Animax*, *M-Net Stars*, *The Style Network*, *Trace TV* and *Nat Geo Wild*. Further additions are planned for the year ahead.





M-Net's schedule was spiced with new local productions. *The Coconuts* (a comedy series); *Ella Blue*, *Jacob's Cross* and *Feast of the Uninvited* (drama); *Are you Smarter than a 5th Grader?* (game show), as well as the

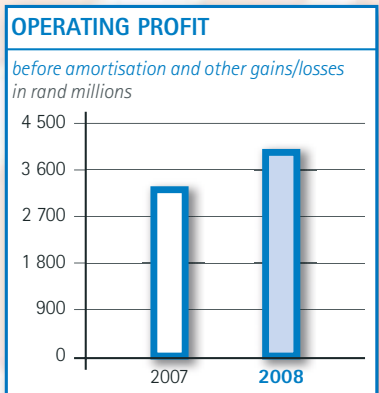
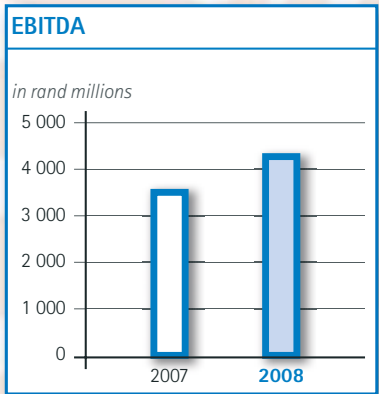
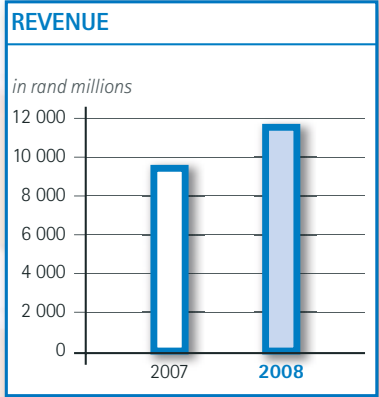


return of *Deal or No Deal* have increased audiences significantly. *Binnelanders* (soap opera) continues to perform well after its introduction to combat the loss of advertising revenues when M-Net's Open Time



window fell away in April 2007. South Africa's venerable soap opera *Egoli* is now running for its 17th consecutive year. M-Net was the first broadcaster in the world to flight three reality shows simultaneously – *Idols*, *Big Brother Africa* and *Survivor South Africa*. Both *M-Net Series* and *M-Net Action* settled in well following their revamp. *kykNet* continued to focus on local dramas and reality shows, while *Channel O* serves young music enthusiasts across 80 countries in Africa.

SuperSport secured various long-term broadcasting rights. As a consequence of

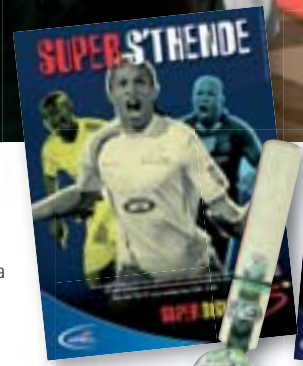




SuperSport's agreement with the PSL, soccer fans enjoyed a feast of local games in the 2007/2008 season: approximately 187 matches were broadcast, compared with about 76 broadcast in the 2006/2007 season prior to SuperSport acquiring the rights. In addition to SuperSport's own broadcast, some 90 matches were sub-licensed to the SABC, including the big derbies and finals of competitions.

SuperSport's production teams had a busy year with extensive coverage of four world cups: Rugby World Cup, Cricket World Cup, Twenty20 Cricket World Cup and the Women's Soccer World Cup.

The sports teams in which SuperSport has an interest have



performed reasonably well, with the Free State Cheetahs winning the Currie Cup (rugby) and the Sharks narrowly losing in the 2007 Super14 rugby competition final. SuperSport United rewarded their fans by securing the PSL League title for 2008.

When launched in 2006/2007, MultiChoice's Phuthuma Nathi was the largest empowerment transaction in the media sector. MultiChoice also runs various projects that uplift previously disadvantaged people in areas such as preferential procurement, community development and corporate social investment initiatives. MultiChoice is committed to a healthy and safe working environment and continues to conduct annual risk and compliance audits.

Further details of MultiChoice's corporate social investment and sustainability initiatives are available on the website (www.multichoice.co.za).

REVIEW OF OPERATIONS

Business Overview – Pay TV

continued

SUB-SAHARAN AFRICA

MultiChoice sub-Saharan Africa experienced strong growth despite the loss of certain rights and the entry of competitors. The subscriber base grew by 68 000 households for the year, primarily in Nigeria and Angola. Lower-priced bouquets – *DStv Family* and *DStv Compact* – reached 162 000 households.

The focus on localising programming on the continent continued during the past year. With the



Idols East Africa and *Deal or No Deal*. It commissioned a new Nigerian soap opera, *Tinsel*, and an East African drama series.

SuperSport customised the sub-Saharan Africa soccer channels. It signed up rights for the Nigerian, Kenyan and Zambian football leagues, as well as for the top three Angolan teams, to enhance African football coverage. The addition of the Spanish La Liga, French and Italian soccer leagues, together with the Chelsea, Manchester United, Arsenal and Liverpool clubs' channels, improved the soccer offering. SuperSport

162 thousand households enjoy the *DStv Family* and *DStv Compact* bouquets

addition of channels from Kenya and Angola, the total number of public and commercial channels carried on the *DStv* service increased to 19. M-Net split its East and West African feeds, and introduced separate channels for *M-Net Series* and *Channel O*. The popular *AfricaMagic* channel was extended to 24 hours. M-Net also supplemented its portfolio of local content with the hit productions *Big Brother Africa*,



screened the Euro 2008 competition and will screen the 2010 Fifa Soccer World Cup. However, the entry of new competitors on the continent has increased costs.

New channels were added to the *DStv* service. They include *One Gospel*, *The Style Network*, *Trace TV*, *M-Net Stars*, *Nat Geo Wild*, *Sony Entertainment Television*, *Animax*, *MagicWorld* and *Inspirations TV*. On the Portuguese bouquet, *AXN* and *E! Entertainment* were added.

REVIEW OF OPERATIONS

Business Overview – Pay TV

continued

Corporate social investment remained focused on education. Some 350 MultiChoice Resource Centres provided educational television to learners and helped trained teachers. These centres are managed in partnership with governments as well as with the Nepad e-schools commission.

The regulatory environment across Africa remains uncertain, with changes to existing legislation and new broadcasting bills and regulations being developed in a



€29,50 to €57. Three content-supply agreements were signed with internet protocol television (IPTV) operators as part of the strategy to make programming available on all transmission platforms.

The call centre won a bronze medal in the national Teleperformance Hellas competition and the marketing team took two silver Ermis awards and one gold Ermis prize during the year for its marketing campaigns.

350

MultiChoice Resource Centres provide educational television

number of countries. There is also a focus on digital migration by some African governments.

MEDITERRANEAN

The NetMed subscriber base reached 362 000 by 31 March 2008, built largely on a strong sport offering. This includes broadcasting the matches of ten of the 16 Greek football teams and securing the rights to the Euro 2008 football championship.

In October 2007 new programme packages were launched, consisting of four tiers ranging in price from



Following a review of Naspers's investment priorities, MIH entered into a conditional agreement with ForthNet SA, a leading Greek telecommunications company, to sell NetMed. The transaction is expected to close later this year.

MOBILE TELEVISION

A new joint venture company, DMtv, was incorporated to roll out mobile television services on the African continent.

Licences were secured in several African countries.



During the year under review, commercial mobile television services were launched in Nigeria, Kenya and Namibia in cooperation with local operators. These allow consumers to receive a special television bouquet including international and local channels from each country on their mobile phones.

Commercial digital video broadband-handheld (DVB-H) licences have not yet been awarded in South Africa. In the interim and pending the awarding of these licences, a mobile TV trial service is being funded. Rights for the 2008 Beijing Olympics and the 2010 Fifa Soccer World Cup were acquired.



It currently focuses on sport and international entertainment programming.

Highlights of the year include fully interactive coverage of

Wimbledon, a comprehensive video-on-demand service supporting the Rugby

World Cup and the Chinese new year festival presented in conjunction with CCTV.

MEDIAZONE

This is a development project providing broadband video content to users in various countries.





Print media

The group has a 30% interest in Abril, the leading magazine publisher in Brazil with circulation market share of approximately 42% and an advertising share of 59%. Abril disposed of its pay-TV distribution service, TVA, during the period. Abril performed well on the back of its efficient delivery network and recruitment techniques.



New magazine titles were launched, including *Gloss*, an upmarket female magazine. A number of new internet initiatives were introduced, ranging from websites supporting the print brands to new-generation services.

Abril was one of the first corporate entities in Brazil to invest in the social area. Focusing on the improvement of elementary education, the Victor Civita Foundation sponsors a number of teacher and support projects.

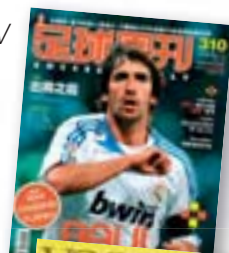
The Naspers group also has a 37% interest in the leading sports publisher in China, Titan Media. Titan specifically fosters the broad interest in soccer in China.

Beijing Media Corporation, in which the group has a small interest and which operates a leading local newspaper, had a more challenging year.

SOUTH AFRICA

Newspapers

Economic conditions in South Africa tightened, although solid financial performances were achieved all round.





Circulation growth was recorded for some of the younger titles, while circulation was steady for most of the mature products. The *Daily Sun's* circulation grew to more than 513 000 per day and readership increased to 4,75 million. It is the most widely read daily in South Africa. In the Western Cape, the daily tabloid, *Son*, grew circulation to 97 000.

The weekly review, *Soccer Laduuuuuma!*, recently set a circulation record of 321 000. *Sunday Sun* and *City Press*, both Sunday titles, showed steady growth. *City Press* this year also celebrated its 25th anniversary by launching several initiatives under the banner of *Your SA, Our Home, Our Efforts* campaign, which focuses on community values and environmental aspects.



A community magazine, *My Week*, was launched. Due to the slowdown in the market, a number of smaller titles were discontinued.

Media24's newspaper journalists again performed by winning a wide variety of awards.

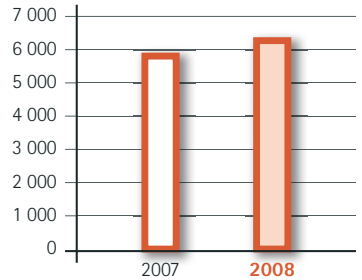
Magazines

It was not a good year for magazines, reflected by the slowdown in advertising support. Looking ahead, advertising budgets are more conservative.



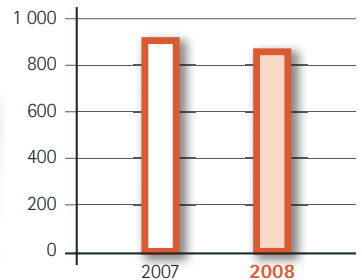
REVENUE

in rand millions



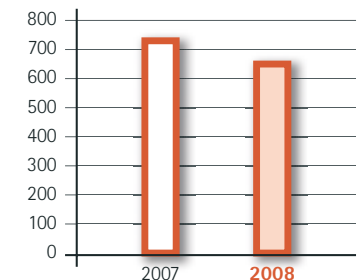
EBITDA

in rand millions



OPERATING PROFIT

before amortisation and other gains/losses
in rand millions





Consumers are under pressure with the result that circulation levels are subdued, even for established category leaders.

However, impressive circulation figures were recorded by *Drum* (over 105 000), *Move!* (to almost 131 000), *Cosmopolitan* (to 123 600) – in which we hold a 50% interest, *Real* (56 000) and *National Geographic Kids* (39 000). Newly launched titles include *Destiny*, *Sarie Kos*, *Huisgenoot Pops/You Pulse* and *Best Life*.

Media24's focus shifted from new releases to cultivating magazines launched in previous years. Titles without sufficient traction were discontinued.



Media24 magazines won various categories in the prestigious annual 2007 Pica Awards. This includes *Weg*, *Visi* and www.fin24.co.za (the magazine website).

Paarl Media

Paarl Media had a solid year with the two bigger operations, *Paarl Gravure* and *Paarl Web*, showing healthy growth. The new printing plant,



Paarl Web Gauteng, exceeded expectations and increased volumes, and commissioned an additional press. Capacity was also increased at *Paarl Web* and *Paarl Print*. *Paarl Print* secured contracts from other African countries, and *Paarl Labels* performed well. The



management team at Paarl Media was strengthened to deal with the steady growth of recent years.

However, the increasing price of paper and ink will constrain margins in future. Commercial printing volumes may come under pressure if customers, such as retailers, experience volume contractions.

General publishers, NB Publishers (including Tafelberg and Human Et Rousseau), also had a good year, publishing numerous award-winning books. This included the first full-colour illustrated South African history book in nearly two decades.

Sustainability and corporate social investment

In addition to its empowerment initiative, Welkom



Yizani, Media24 is committed to uplifting the lives of the communities in which it operates. It recognises the importance of its impact on the environment and the effective management of occupational health and safety risks, as well as the development of its employees.

131 thousand circulation recorded by *Move!*

Book publishing

This unit is now smaller following the disposal of Van Schaik Retail and Afribooks, but performed well.

Publishers and agents continued improvements from last year. School book publishers, Nasou Via Afrika (NVA) and Jonathan Ball Publishers, recorded solid performances.



Media24 produced its first official scorecard compliant with the South African department of trade and industry's Codes of Good Practice through an independent verification agency. Media24 is proud to have achieved full points for both the enterprise development and socio-economic development components. More details of the company's social investment initiatives can be obtained on the website (www.media24.com).



Technology

Irdeto's content security business achieved strong growth in both revenue and cash flow. Some 10,7 million smart cards and security chips were shipped during the period.



Regional market potential was recognised by opening new offices in Japan, Singapore, Dubai and



Moscow. The joint headquarters are in Amsterdam and Beijing.

Irdeto acquired the French middleware company IDWay. The group's customer care and billing business now forms part of Irdeto. A next-generation product was launched recently, as was an end-to-end solution, *Irdeto Digital TV SmartStart*.

Advanced service offerings were highlighted. Partnering with OpenTV and Pace, Irdeto delivered high-definition PVR to DigiTurk in Turkey and will add push video-on-demand services in 2008.

In line with its objective to diversify on its security foundation, Irdeto acquired American-based software security firm, Cloakware. This unit offers software protection products.

Broadband penetration now grows strongly in almost all markets. The group's unit Entriq is well positioned and has captured market share with its security and commerce products. To cover a greater part of the technology value chain, it acquired Dayport, which specialises in production workflow, encoding and syndication software for broadcasters and web publishers. The combined products facilitate all aspects from content creation to consumption.

