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▣ STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

for the year ended 31 March 2008

The annual financial statements of the group and the company are the responsibility of the directors of Naspers Limited. In discharging this responsibility, they rely on the management of the group to prepare the annual financial statements presented on pages 61 to 160 in accordance with International Financial Reporting Standards and the South African Companies Act. As such, the annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

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

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

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the annual financial statements. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 60.

The annual financial statements were approved by the board of directors on 20 June 2008 and are signed on its behalf by:


T Vosloo
Chairman

S J Z Pacak
Executive director

▣ CERTIFICATE BY THE COMPANY SECRETARY

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



G M Coetzee
Company secretary

20 June 2008

▣ INDEPENDENT AUDITOR'S REPORT

to the members of Naspers Limited

We have audited the annual financial statements and group annual financial statements of Naspers Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 31 March 2008, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 61 to 160.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

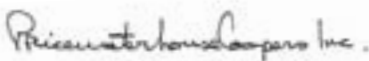
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing ("ISA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance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

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

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and of the group as of 31 March 2008, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS"), and in the manner required by the Companies Act of South Africa.



PricewaterhouseCoopers Inc.

Director: Brendan Deegan

Registered auditor

Cape Town, South Africa

20 June 2008

The directors present their annual report, which forms part of the audited annual financial statements of the company and the group for the year ended 31 March 2008.

NATURE OF BUSINESS

Naspers Limited was incorporated in 1915 under the laws of the Republic of South Africa. The principal activities of Naspers and its operating subsidiaries, joint ventures and associated companies (collectively "the group") are the operation of pay-television, internet and instant messaging subscriber platforms, 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, Greece, Cyprus, Brazil, Russia, China, India, Europe and the United States of America.

OPERATING REVIEW

Over the past year the group experienced growth, especially in the internet sector. Performance of the core operations was solid and the development of several business opportunities progressed. Group revenues grew 19% to R20,5 billion, largely driven by the pay-television and internet businesses.

A number of new investments were concluded during the year. The major investments were:

- the Tradus plc. e-commerce business in Europe for a consideration of R15,3 billion
- 40% interest in M-Net/SuperSport, the consideration being 21,6 million Naspers N ordinary shares and R250 million cash
- a 97% interest in Gadu-Gadu S.A., the leading instant messaging company in Poland for a cash consideration of R1,1 billion, and
- 100% of Cloakware Inc., a company providing software security solutions, for a cash consideration of R505 million.

In funding all these activities, the group incurred a net cash outflow in the year of R17,3 billion. The group raised a three-year revolving credit facility of \$1,4 billion to fund the Tradus acquisition. The balance sheet remains sound with a gearing ratio of 11%, excluding transponder leases.

The group has also invested heavily in developing new technologies and business opportunities. These developments are focused largely on broadband, the internet and mobile television. Total development spend of R1,1 billion was lower than anticipated, due to the slower roll-out of mobile television services, which are dependent on the issuance of commercial licences by regulatory authorities.

Looking ahead, our growth strategy remains focused on three legs: organically expanding existing businesses, developing new opportunities and seeking attractive investments. Geographically, our attention remains mostly on the emerging markets, as these still offer good opportunities for growth. The group has made some substantial investments over the past two years and these will be further developed. Our aim remains to deliver value to our shareholders over the medium and longer term.

Financial performance in the period ahead will be influenced by the timing of regulatory approvals for ventures such as mobile television and the development of internet opportunities. Such services, when launched, typically have an initial negative impact on both earnings and cash flows before they start contributing. In the pay-television segment, the level of competition is also expected to intensify.

In South Africa, we expect the slowdown in consumer spending to continue. This will have a dampening effect on advertising and circulation revenues. However, in the past pay television has proven resilient to the economic cycle. The macro-economic conditions in our other principal markets are expected to remain buoyant in the year ahead.

FINANCIAL REVIEW

The group reported revenue growth of 19% to R20,5 billion (2007: R17,2 billion). The star was the internet segment, which grew by 42%. The pay-television segment expanded by 22% largely driven by the growth in subscribers over the period. Operating profit before amortisation and other gains/losses grew by 15% to R4,2 billion (2007: R3,7 billion).

Net finance income for the period amounted to R1,0 billion compared to net finance costs of R338 million in the prior year. This includes interest income earned on net cash deposits of R602 million. As the capital raised in March 2007 was only deployed in the latter half of the current financial year, interest income in the year ahead will be lower.

In the recent past, the group acquired substantial minority stakes in businesses in emerging markets such as China, Brazil and Russia. Tencent, Abril and Mail.ru have all recorded pleasing growth, reflected in our share of earnings from equity-accounted associates growing by 93% to R654 million.

The impairment of equity-accounted investments relate mostly to our investment in Beijing Media Corporation Limited and Titan Media. Whilst positive about the future prospects of these investments, we believe it prudent to record an impairment charge.

The discontinued operations relate to the private education business, which was sold and also to the pay-television activities in Greece and Cyprus, where sale agreements have been concluded and which we hope to close later this year.

The net effect of the above is that headline earnings grew by 49% for the period to R3,8 billion.

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

SHARE CAPITAL

The authorised share capital at 31 March 2008 was:

- 1 250 000 A ordinary shares of R20 each, and
- 500 000 000 N ordinary shares of 2 cents each.

Naspers issued no new A ordinary shares during the 2008 financial year. During the year the group issued 21,6 million new Naspers N ordinary shares to partly fund the acquisition of a 40% interest in M-Net/SuperSport. The group issued 12,0 million N ordinary shares to the Naspers Share Incentive Trust, 281 000 N ordinary shares to the MIHH Share Incentive Trust, and 2,7 million N ordinary shares were issued to the MIH (BVI) Share Incentive Trust.

The issued share capital at 31 March 2008 was:

712 131 A ordinary shares of R20 each	R14 242 620
403 309 411 N ordinary shares of 2 cents each	R8 066 188

PROPERTY, PLANT AND EQUIPMENT

At 31 March 2008 the group's investment in property, plant and equipment amounted to R4,5 billion, compared with R4,1 billion last year. Details are reflected in note 4 of the consolidated annual financial statements.

Capital commitments at 31 March 2008 amounted to R642 million (2007: R887 million). Further capital expenditure to the amount of R782 million has been approved by the boards of directors of the various group companies, but has not been contracted for as of 31 March 2008.

DIVIDENDS

The board recommends that a dividend of 180 cents per N ordinary share be declared (2007: 156 cents) and 36 cents per A ordinary share (2007: 31 cents).

GROUP

Naspers Limited is not a subsidiary of any other company. The name, country of incorporation and effective financial percentage interest of the holding company in each of the Naspers group's principal subsidiaries are disclosed in note 7 to the consolidated annual financial statements. All subsidiaries, significant associated companies and joint ventures share the same financial year-end as the holding company, except for Tencent Holdings Limited, Abril S.A. and Port.ru Inc., which have a 31 December year-end. The holding company's interest in the aggregate amount of profit after tax earned by subsidiaries totalled R3,0 billion (2007: R1,8 billion) and its interest in the aggregate losses after tax amounted to Rnil (2007: Rnil).

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

DIRECTORS, SECRETARY AND AUDITOR

The directors' names and details are presented on pages 52 and 53, and the secretary's name and business and postal address are presented on page 55 of the annual report. Directors' shareholdings in the issued share capital of the company are disclosed in note 13 to the consolidated annual financial statements.

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

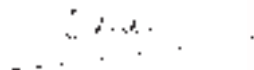
BORROWINGS

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

SUBSEQUENT EVENTS

The group announced on 2 June 2008 that it is initiating an auction process of MWEB, its internet service provider business.

Signed on behalf of the board:



T Vosloo
Chairman

20 June 2008

S J Z Pacak
Executive director

■ CONSOLIDATED BALANCE SHEETS

at 31 March 2008 and 31 March 2007

	Notes	31 March 2008 R'000	31 March 2007 R'000
ASSETS			
Non-current assets		41 822 107	16 015 189
Property, plant and equipment	4	4 540 574	4 088 749
Goodwill	5	20 766 565	904 351
Other intangible assets	6	3 416 253	646 675
Investments in associates	7	9 038 011	6 274 611
Investments and loans	7	3 469 350	3 388 620
Programme and film rights	8	—	204 002
Derivative financial instruments	37	125 385	2 017
Deferred taxation	9	465 969	506 164
Current assets		14 970 365	16 169 052
Inventory	10	696 451	720 174
Programme and film rights	8	750 958	714 481
Trade receivables	11	2 229 936	1 977 387
Other receivables	12	1 271 114	828 161
Related-party receivables	13	110 284	20 200
Investments and loans	7	2 000	2 000
Derivative financial instruments	37	307 092	61 502
Cash and deposits	35	7 572 764	11 845 147
Non-current assets held for sale	27	2 029 766	—
TOTAL ASSETS		56 792 472	32 184 241
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders		31 909 588	21 143 709
Share capital and premium	14	15 356 487	12 784 384
Other reserves	15	7 274 407	1 894 117
Retained earnings	16	9 278 694	6 465 208
Minority interest		1 237 724	426 848
TOTAL EQUITY		33 147 312	21 570 557
Non-current liabilities		13 052 703	3 085 544
Post-retirement medical liability	17	141 788	194 971
Long-term liabilities	18	11 800 270	2 385 894
Cash-settled share-based payment liability	39	114 413	120 239
Provisions	19	7 989	5 355
Derivative financial instruments	37	8 009	264 047
Deferred taxation	9	980 234	115 038
Current liabilities		10 592 457	7 528 140
Current portion of long-term debt	18	1 313 756	1 253 313
Provisions	19	81 811	59 096
Post-retirement medical liability	17	34 397	304
Trade payables		1 801 218	1 583 564
Accrued expenses and other current liabilities	20	4 230 786	3 769 326
Related-party payables	13	11 897	107 816
Taxation		354 337	381 201
Dividends payable		10 251	9 102
Derivative financial instruments	37	213 697	379
Bank overdrafts and call loans	35	882 891	364 039
Non-current liabilities held for sale	27	1 657 416	—
TOTAL EQUITY AND LIABILITIES		56 792 472	32 184 241

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

■ CONSOLIDATED INCOME STATEMENTS

for the years ended 31 March 2008 and 31 March 2007

	Notes	31 March 2008 R'000	31 March 2007 R'000
Revenue	22	20 518 408	17 218 713
Cost of providing services and sale of goods	23	(10 778 067)	(9 164 138)
Selling, general and administration expenses	23	(5 877 318)	(4 531 211)
Other gains/(losses) – net	24	14 549	(107 957)
Operating profit		3 877 572	3 415 407
Interest received	25	1 162 338	329 512
Interest paid	25	(323 626)	(219 377)
Other finance income/(cost) – net	25	166 371	(447 680)
Share of equity-accounted results	7	654 373	338 628
Impairment of equity-accounted investments	7	(278 667)	(175 648)
Profit on sale of investments		16 037	3 421
Profit before taxation		5 274 398	3 244 263
Taxation	26	(1 377 823)	(1 185 026)
Profit after taxation		3 896 575	2 059 237
Profit from discontinued operations	27	243 232	131 587
Loss arising on discontinuance of operations	27	(82 352)	–
Net profit for the year		4 057 455	2 190 824
Attributable to:			
Equity holders of the group		3 418 064	1 998 877
Minority interest		639 391	191 947
		4 057 455	2 190 824
Continuing and discontinued operations			
Earnings per N ordinary share (cents)			
Basic	28	967	676
Fully diluted	28	944	649
Headline earnings per N ordinary share (cents)			
Basic	28	1 076	866
Fully diluted	28	1 051	832
Dividend paid per A ordinary share (cents)		31	24
Dividend paid per N ordinary share (cents)		156	120
Proposed dividend per A ordinary share (cents)		36	31
Proposed dividend per N ordinary share (cents)		180	156

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

■ CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

for the years ended 31 March 2008 and 31 March 2007

	Share capital and premium		Foreign currency translation reserve
	A shares	N shares	R'000
	R'000	R'000	
Balance at 1 April 2006	14 243	5 547 077	(14 634)
Share capital movements	–	7 432 601	–
Treasury share movements	–	(209 537)	–
Share-based compensation movements	–	–	–
Foreign currency translation effects	–	–	1 222 514
Transactions with minorities and successive acquisitions	–	–	–
Cash flow hedges	–	–	–
– Net fair value gains, gross	–	–	–
– Net fair value gains, tax portion	–	–	–
– Derecognised and added to asset, gross	–	–	–
– Derecognised and added to asset, tax portion	–	–	–
Net profit for the year	–	–	–
Dividends	–	–	–
Other minority interest movements	–	–	–
Balance at 31 March 2007	14 243	12 770 141	1 207 880
Balance at 1 April 2007	14 243	12 770 141	1 207 880
Share capital movements	–	2 159 951	–
Treasury share movements	–	(2 180 048)	–
Share-based compensation movements	–	–	–
Foreign currency translation effects	–	–	3 512 897
Cash flow hedges	–	–	–
– Net fair value gains, gross	–	–	–
– Net fair value gains, tax portion	–	–	–
– Derecognised and added to asset, gross	–	–	–
– Derecognised and added to asset, tax portion	–	–	–
– Derecognised and reported in income, gross	–	–	–
– Derecognised and reported in income, tax portion	–	–	–
Transactions with minorities and successive acquisitions	–	–	–
Acquisition of M-Net and SuperSport	–	2 592 200	–
– tax movement on revaluation	–	–	–
Net profit for the year	–	–	–
Dividends	–	–	–
Transfer from other reserves to retained earnings	–	–	–
Balance at 31 March 2008	14 243	15 342 244	4 720 777

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

Hedging reserve R'000	Fair value reserve R'000	Existing control business combination reserve R'000	Share-based compensation reserve R'000	Retained earnings R'000	Minority interest R'000	Total R'000
(20 193)	173	(3 500 675)	191 182	4 815 430	171 547	7 204 150
–	–	–	–	–	–	7 432 601
–	–	–	–	–	–	(209 537)
–	–	–	146 426	–	–	146 426
–	–	–	–	–	9 337	1 231 851
–	–	3 845 895	–	–	129 438	3 975 333
23 429	–	–	–	–	390	23 819
23 453	–	–	–	–	300	23 753
(6 800)	–	–	–	–	(87)	(6 887)
9 079	–	–	–	–	245	9 324
(2 303)	–	–	–	–	(68)	(2 371)
–	–	–	–	1 998 877	191 947	2 190 824
–	–	–	–	(349 099)	(103 288)	(452 387)
–	–	–	–	–	27 477	27 477
3 236	173	345 220	337 608	6 465 208	426 848	21 570 557
3 236	173	345 220	337 608	6 465 208	426 848	21 570 557
–	–	–	–	–	–	2 159 951
–	–	–	–	–	–	(2 180 048)
–	–	–	143 965	–	11 074	155 039
–	–	–	–	–	16 049	3 528 946
185 426	–	–	–	–	32 317	217 743
266 953	–	–	–	–	44 751	311 704
(76 344)	–	–	–	–	(11 416)	(87 760)
(13 245)	–	–	–	–	(937)	(14 182)
3 773	–	–	–	–	248	4 021
6 037	–	–	–	–	(463)	5 574
(1 748)	–	–	–	–	134	(1 614)
–	–	(313 194)	–	–	326 257	13 063
–	2 074 930	(61 936)	–	–	69 532	4 674 726
–	(226 205)	–	–	–	–	(226 205)
–	–	–	–	3 418 064	639 391	4 057 455
–	–	–	–	(543 520)	(283 744)	(827 264)
–	–	64 407	–	(61 058)	–	3 349
188 662	1 848 898	34 497	481 573	9 278 694	1 237 724	33 147 312

■ CONSOLIDATED CASH FLOW STATEMENTS

for the years ended 31 March 2008 and 31 March 2007

	Notes	31 March 2008 R'000	31 March 2007 R'000
Cash flows from operating activities			
Cash from operations	29	5 403 369	4 745 345
Investment income received		889	3 682
Dividends received from equity-accounted companies		70 689	46 755
Cash generated from operating activities			
Cash generated from operating activities		5 474 947	4 795 782
Finance income received		891 591	311 450
Finance costs paid		(401 619)	(352 559)
Taxation paid		(1 554 165)	(1 232 093)
<i>Net cash from operating activities</i>		4 410 754	3 522 580
Cash flows from investment activities			
Property, plant and equipment acquired		(1 113 445)	(866 733)
Proceeds from sale of property, plant and equipment		40 089	66 010
Intangible assets acquired		(157 670)	(91 142)
Proceeds from sale of intangible assets		400	2 347
Acquisition of subsidiaries	30	(16 669 959)	(274 029)
Disposal of subsidiaries	31	97 719	10 211
Acquisition of joint ventures	32	(3 628)	(138 152)
Additional stake purchased in M-Net and SuperSport	33	60 678	–
Partial disposal of interest in subsidiaries	34	–	732 151
Additional investment in existing subsidiaries		(105 606)	(612 975)
Net investment in associates		(508 651)	(4 251 668)
Net cash movement in other investments and loans		28 606	29 831
<i>Net cash utilised in investing activities</i>		(18 331 467)	(5 394 149)
Cash flows from financing activities			
Proceeds from long-term loans raised		10 385 682	873 004
Repayments of long-term loans		(390 520)	(828 551)
Repayments of capitalised finance lease liabilities		(369 795)	(306 623)
Payments to finance share-based compensation shares		(174 427)	(287 973)
Proceeds from share issue		96 321	7 396 568
Contributions by minority shareholders		–	2 699
Preference dividends received		135 014	–
Dividends paid by subsidiaries		(282 896)	(94 282)
Dividend paid by holding company		(543 540)	(349 088)
Other		–	1 342
<i>Net cash from financing activities</i>		8 855 839	6 407 096
Net (decrease)/increase in cash and cash equivalents			
Net (decrease)/increase in cash and cash equivalents		(5 064 874)	4 535 527
Foreign exchange translation adjustments on cash and cash equivalents		908 149	534 816
Cash and cash equivalents at beginning of the year		11 481 108	6 410 765
Cash and cash equivalents classified as held for sale	27	(634 510)	–
Cash and cash equivalents at end of the year		6 689 873	11 481 108

The accompanying notes are an integral part of these annual consolidated 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, Greece, Cyprus, Brazil, Russia, China, Europe and the United States of America.

2. PRINCIPAL ACCOUNTING POLICIES

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

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

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

(a) Basis of consolidation

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

Subsidiaries

The consolidated annual financial statements include the results of Naspers Limited and its subsidiaries. Subsidiaries are those companies in which the group, directly or indirectly, has an interest of more than half of the voting rights, or otherwise has the power to exercise control over their operations. The existence and effect of potential voting rights that are currently exercisable or convertible without restriction are considered when assessing whether the group controls another entity. Subsidiaries are consolidated from the date that effective control is transferred to the group and are no longer consolidated from the date that effective control ceases. Similarly, the results of a subsidiary divested during an accounting period are included in the consolidated financial statements only to the date of disposal. For certain entities, the group has entered into contractual arrangements (such as nominee relationships and escrow arrangements), which allow the group, along with its direct interests in such entities, to control a majority of the voting rights or otherwise have power to exercise control over the operations of such entities. Because the group controls such entities in this manner they are considered to be subsidiaries and are therefore consolidated in the annual financial statements.

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

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

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(a) Basis of consolidation *(continued)*

Subsidiaries (continued)

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

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 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.

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

Associated companies

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

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

Joint ventures

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

(b) Investments

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

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Investments (continued)

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

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

The fair values of investments are based on quoted bid prices or amounts derived from cash flow models. Fair values for unlisted equity securities are estimated using applicable price/earnings or price/cash flow ratios refined to reflect the specific circumstances of the issuer. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment. When securities classified as available for sale are sold or impaired, the accumulated fair-value adjustments are included in the income statement as "profit/loss on sale of investments".

Investments are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the group has also transferred substantially all risks and rewards of ownership.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost, being the purchase cost plus any cost to prepare the assets for their intended use, less accumulated depreciation and any accumulated impairment losses. Cost includes transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchase costs. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful economic life. Land is not depreciated as it is deemed to have an indefinite life. Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following range of useful lives:

Buildings	5 – 50 years
Manufacturing equipment	3 – 25 years
Office equipment	1 – 20 years
Furniture	1 – 20 years
Computer equipment	1 – 10 years
Vehicles	2 – 10 years
Transmission equipment	3 – 20 years

Major leasehold improvements are amortised over the shorter of their respective lease periods and estimated useful economic life. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are not capitalised as part of the cost of those assets. All borrowing costs are expensed under the benchmark treatment, in the period in which they are incurred.

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

The carrying values of property, plant and equipment are reviewed periodically to assess whether or not the net recoverable amount has declined below the carrying amount. In the event of such impairment, the carrying amount is reduced and the reduction is charged as an expense against income.

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

2. PRINCIPAL ACCOUNTING POLICIES *(continued)***(d) Leased assets**

Leases of property, plant and equipment, except land, are classified as finance leases where, substantially all risks and rewards associated with ownership of an asset are transferred from the lessor to the group as lessee. Assets classified as finance leases are capitalised at the lower of the fair value of the leased asset and the estimated present value of the underlying minimum lease payments, with the related lease obligation recognised at the estimated present value of the minimum lease payments. Bank rates are used to calculate present values of minimum lease payments. Capitalised leased assets are depreciated over their estimated useful lives, limited to the duration of the lease agreement. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long or short-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases of assets under which substantially all the risks and rewards of ownership are effectively retained by the third-party lessor are classified as operating leases. Operating lease rentals (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(e) Goodwill and other intangible assets

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

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

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

Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Patents	5 years
Title rights	12 years
Brand names and trademarks	20 years
Software	11 years
Intellectual property rights	20 years
Subscriber base	11 years
Concession rights	3 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. These revaluations arise in business combinations which are achieved in stages and with the initial recognition of the acquiree's assets, liabilities and contingent liabilities by the acquirer. This does not signify that the group has elected to apply an accounting policy of revaluing these items after initial recognition.

(f) Programme and film rights

Purchased programme and film rights are stated at acquisition costs less accumulated amortisation. The group has certain programme and film rights liabilities that are classified as financial liabilities in terms of IAS 39, which requires that financial liabilities be measured at amortised cost using the effective interest method. Certain programme and film rights liabilities have settlement dates that are long term in nature; therefore these liabilities are recorded as non-current liabilities and have been discounted in terms of IAS 39. Licences are recorded as assets and liabilities for rights acquired, and obligations incurred under licence agreements when the licence period begins and the cost of each programme is known or reasonably determinable.

Sports rights are written off on initial broadcasting of the event whereas general entertainment and films are amortised either on a straight-line basis over the duration of the licence or based on broadcasts where the number of screenings are restricted. Amortisation of programme and film rights is included in the cost of providing services and sale of goods. The costs of in-house programmes are expensed as incurred.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(g) Impairment

Financial assets

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

Financial assets carried at amortised cost

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

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

Available-for-sale financial assets

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

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

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

Long-lived assets

The group evaluates the carrying value of assets with finite useful lives annually and when events and circumstances indicate that the carrying value may not be recoverable. Indicators of possible impairment include, but are not limited to: significant underperformance relative to expectations based on historical or projected future operating results; significant changes in the manner of use of the assets or the strategy for the group's overall business; significant negative industry or economic trends; a significant and sustained decline in an investment's share price or market capitalisation relative to its net asset value. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

An impairment loss is recognised in the income statement when the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties, or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

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

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(h) Development activities

Research and development costs

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

Software 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 programmes 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 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 weighed average is used. The cost of finished products and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes finance costs. Costs of inventories include the transfer from equity of any gains or losses on qualifying cash flow hedges relating to inventory purchases. Net realisable value is the estimate of the selling price, less the costs of completion and selling expenses. Provisions are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

(j) Trade receivables

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

(k) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash on hand, deposits held at call with banks and investments in money market instruments with maturities of three months or less at the date of purchase. Certain cash balances are restricted from immediate use according to terms with banks or other financial institutions. For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

(l) Borrowings

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

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(m) Provisions

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

The group recognises the estimated liability on all products still under warranty at the balance sheet date. The group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract. Restructuring provisions are recognised in the period in which the group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the group are not provided in advance.

(n) Taxation

Taxation rates

The normal South African company tax rate used for the year ending 31 March 2008 is 29% (2007: 29%). Deferred tax assets and liabilities for South African entities at 31 March 2008 have been calculated using the 28% (2007: 29%) rate, being the rate that the group expects to apply to the periods when the assets are realised or the liabilities are settled. Secondary tax on companies is calculated at 10% (2007: 12,5%), and capital gains tax is calculated at 50% of the company tax rate. International tax rates vary from jurisdiction to jurisdiction.

Deferred taxation

Deferred taxation is provided in full, using the balance sheet liability method, for all timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted, or where appropriate, substantially enacted tax rates are used to determine deferred taxation.

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

The principal timing differences arise from depreciation on property, plant and equipment, other intangibles, provisions and other current liabilities, income received in advance, 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 timing differences and unused tax losses can be utilised.

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

Secondary tax on companies ("STC")

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

(o) Foreign currencies

The consolidated financial statements are presented in 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. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

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

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(o) Foreign currencies *(continued)*

For translation of group companies' results

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

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as the foreign entity's assets and liabilities and are translated at the closing rate.

(p) Derivative financial instruments

The group uses derivative instruments to reduce exposure to fluctuations in foreign currency exchange rates and interest rates.

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

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

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

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

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

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

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

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

(p) **Derivative financial instruments** (continued)

Hedges of net investments in foreign entities are accounted for similarly to cash flow hedges. Where the hedging instrument is a derivative, any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement. However, where the hedging instrument is not a derivative, all foreign exchange gains and losses arising on translation are recognised in the income statement. Embedded derivatives are derivative instruments that are embedded in another contract or host contract. The group separates an embedded derivative from its host contract and accounts for it separately, when its economic characteristics are not clearly and closely related to those of the host contract. These separated embedded derivatives are classified as trading assets or liabilities and marked to market through the income statement, provided that the combined contract is not measured at fair value with changes through the income statement. The group classifies gains and losses on embedded derivative instruments as follows: while the asset related to the embedded derivative is recorded on the balance sheet, any fair-value adjustments are recorded as part of "finance cost – net". Once the embedded derivative is derecognised or realised, any foreign exchange gain or loss is recorded as part of "cost of providing services and goods sold" to match the cost of the item that was recognised in operating profit during that period.

(q) **Revenue recognition**

Product sales

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

Subscription fees

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

Circulation revenue

Circulation revenue is recognised 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 client, or where the customer is responsible for the transport of the customers' products, acceptance by the customer or its nominated transport company. Revenues from distribution services are recognised upon delivery of the product to the retailer and acceptance thereof.

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

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

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

Technology contracts and licensing

For contracts with multiple obligations (eg maintenance and other services), and for which vendor-specific objective evidence of fair value for the undelivered elements exists, revenue from product licences are recognised when delivery has occurred, collection of the receivables is probable, the fee is fixed or determinable and objective evidence exists to allocate the total fee to all delivered and undelivered elements of the arrangement. Generally, the group has vendor-specific objective evidence of the fair value of the maintenance element of software arrangements based on the renewal rates for maintenance in future years as specified in the contracts. In such cases, the maintenance revenue is deferred at the outset of the arrangement and is recognised rateably over the period during which the maintenance is to be provided. That period generally commences on the date that the software is delivered. Vendor-specific objective evidence of fair value for the service element is determined based on the price charged when those services are sold separately. The group recognises revenue allocated to maintenance and support fees, for ongoing customer support and product updates rateably over the period of the relevant contracts. Payments for maintenance and support fees are generally made in advance and are non-refundable. For revenue allocated to consulting services and for consulting services sold separately, the group recognises revenue as the related services are performed. The group enters into arrangements with network operators whereby application software is licensed to network operators in exchange for a percentage of the subscription revenue they earn from their customers. Where all of the software under the arrangement has been delivered, the revenue is recognised as the network operator reports to the group its revenue share, which is generally done on a quarterly basis. Under arrangements where the group has committed to deliver unspecified future applications, the revenue earned on the delivered applications is recognised on a subscription basis over the term of the arrangement.

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.

(r) **Other income**

Interest and dividends received on available-for-sale financial assets are included in investment income and not as part of the fair-value movement in equity. Interest is accrued on the effective yield method and dividends are recognised when the right to receive payment is established.

(s) **Employee benefits**

Retirement benefits

The group provides retirement benefits for its fulltime 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, using an accounting methodology similar to that for defined benefit pension plans. Independent qualified actuaries carry out annual valuations of these obligations. All actuarial gains and losses are recognised immediately in the income statement. The actuarial valuation method used to value the obligations is the projected unit credit method. Future benefits are projected using specific actuarial assumptions and the liability to in-service members is accrued over their expected working lifetime. These obligations are unfunded with the exception of the schemes of agreements entered into with employees from Media24 Limited and Via Afrika Limited.

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

(t) **Equity compensation benefits**

The group grants share options/share appreciation rights (SARs) to its employees under a number of equity compensation plans. In accordance with IFRS 2, the group has recognised an employee benefit expense in the income statement, representing the fair value of share options/SARs granted to the group's employees. A corresponding credit to equity has been raised for equity-settled plans, whereas a corresponding credit to liabilities has been raised for cash-settled plans. The fair value of the options/SARs at the date of grant under equity-settled plans is charged to income over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the group remeasures the fair value of the recognised liability at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

A share option scheme/SAR is considered equity-settled when the option/gain is settled by the issue of a Naspers N share. They are considered cash-settled when they are settled in cash or any other asset, ie not by the issue of a Naspers N share. Each share trust deed and SAR plan deed, as appropriate, indicates whether a plan is to be settled by the issue of Naspers shares or not.

(u) **Treasury shares**

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

(v) **Segment reporting**

The primary segmental reporting has been prepared based on the group's method of internal reporting, which disaggregates its business by service or product. The secondary segmental reporting has been prepared on a geographical basis. Intersegment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. These inter- and intragroup transactions are eliminated on consolidation.

(w) **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.

(x) **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 2008. These amendments and standards will therefore be implemented by the group during the financial years ending 31 March 2009 and 31 March 2010.

(i) Standards, amendments to standards and interpretations to existing standards effective in the year ended 31 March 2008:

- IFRS 7 "Financial Instruments: Disclosures" and the amendment to IAS 1 "Presentation of Financial Statements: Capital Disclosures". This new standard added certain new disclosures about financial instruments to those currently required by IAS 32 "Financial Instruments: Presentation", as well as disclosure on the level of the group's capital and how it manages its capital.
- IFRIC 8 "Scope of IFRS 2" requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued, in order to establish whether or not they fall within the scope of IFRS 2. This standard does not have any impact on the group's financial statements.
- IFRIC 9 "Reassessment of Embedded Derivatives" has been adopted by the group during the financial year ending 31 March 2008, and had no material effect on the group.
- IFRIC 11 "IFRS 2 – Group and Treasury Share Transactions". If a parent makes a grant of its shares to employees of a subsidiary, the transaction will be treated as an equity-settled scheme for group and subsidiary reporting. However, if a subsidiary makes the grant of its parent's shares to his employees, the subsidiary treats the transaction as a cash-settled share-based payment transaction, and the group as an equity-settled transaction. This IFRIC was issued on 2 November 2006, and is effective for annual periods starting on or after 1 March 2007. The IFRIC has been adopted by the group during the financial year ending 31 March 2008, and had no material effect.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

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

- SAICA Circular 8/2007 "Headline Earnings" was issued by the South African Institute of Chartered Accountants at the request of the JSE Limited. The circular defines the calculation of headline earnings and changed the structure of the presentation by disclosing the minority and tax effects separately. The group implemented the circular with the announcement of the interim results for the six months ended 30 September 2007. The effects and presentation for the full year ending 31 March 2008 is disclosed in note 28.
 - AC 503 "Accounting for Black Economic Empowerment ("BEE") Transactions" has been adopted by the group during the financial year ending 31 March 2008, and had no material effect on the group.
- (ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not earlier been adopted by the group:
- IFRIC 12 "Service Concession Arrangements" was issued on 30 November 2006. Service concession arrangements are arrangements whereby a government or other body grants contracts for the supply of public services. The objective of this IFRIC is to clarify how certain aspects of service concession arrangements should be treated. The group will adopt this IFRIC during its financial year ending 31 March 2009, and is currently evaluating the effects of these amendments.
 - IFRIC 13 "Customer Loyalty Programmes" was issued on 28 June 2007, and addresses accounting by entities that grant loyalty award credits to customers who buy goods or services. The group will adopt this interpretation in its financial year ending 31 March 2010, and is currently evaluating the effects.
 - IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" was issued on 4 July 2007 and addresses the interaction between a minimum funding requirement and the limit placed by paragraph 58 of IAS 19 on the measurement of the defined benefit asset or liability. The group will adopt this interpretation in its financial year ending 31 March 2009, and is currently evaluating the effects.
 - The amendments to IAS 1 "Presentation of Financial Statements" were issued on 6 September 2007. The main changes from the previous version are the introduction of the "statement of comprehensive income", "statement of financial position" and "statement of cash flows" (currently the income statement and statement of changes in equity, the balance sheet and cash flow statement). The group will adopt these amendments in its financial year ending 31 March 2010, and is currently evaluating the effects.
 - The amendments to IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements" were issued on 10 January 2008, and has 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 will adopt these amendments in its financial year ending 31 March 2010, and is currently evaluating the effects.
 - The amendment to IFRS 2 "Share-based Payment" was issued on 17 January 2008 to clarify the terms "vesting conditions" and "cancellations". The group will adopt these amendments in its financial year ending 31 March 2010, and is currently evaluating the effects.
 - The amendments to IAS 32 and IAS 1 "Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation" were issued on 14 February 2008, and the amendments are relevant to entities that have issued financial instruments that are (i) puttable financial instruments, or (ii) instruments, or components of instruments, that impose an obligation on the entity to deliver a pro rata share of the net assets of the entity only on liquidation to another party. The group will adopt these amendments in its financial year ending 31 March 2010, and is currently evaluating the effects.
 - IFRS 8 "Operating Segments" requires a management approach to reporting on financial performance of operating segments, but needs to be reconciled to IFRS amounts reported. IFRS 8 was published on 30 November 2006 and is only effective for the group from its 31 March 2010 year-end. The group is currently evaluating the effects.
 - On 29 March 2007 a revised IAS 23 "Borrowing Costs" was issued. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. An entity is, therefore, required to capitalise borrowing costs as part of the cost of such assets. The revised standard applies to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009. The group will adopt these amendments in its financial year ending 31 March 2009, and is currently evaluating the effects of these amendments.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES

Financial year ended 31 March 2008

In March 2008 the group acquired 100% of the issued share capital of Tradus plc., a company providing online consumer trading platforms and related internet services, for a consideration of R15,3 billion, including transaction costs of R74 million. The purchase consideration was settled through debt financing of R11,3 billion with the balance settled in cash. The group is currently finalising the purchase price allocation and has recorded the purchase consideration, based upon a preliminary appraisal, as follows: net tangible assets (R491 million), intangible assets (R461 million) and the remaining balance to goodwill.

In November 2007 the group finalised its acquisition of a 40% interest in Electronic Media Network Limited ("M-Net") and SuperSport International Holdings Limited ("SuperSport") as announced in November 2006. The total consideration was settled through the issuance of 21 601 667 Naspers N ordinary shares and R250 million in cash. The fair value of the shares issued was R180 per share on 30 November 2007. The group has recorded the purchase consideration, based upon an appraisal, as follows: net tangible assets (R369 million), intangible assets (R528 million) and the remaining balance to goodwill. The group proportionately consolidated 60,12% of the results for M-Net and SuperSport for the eight months to 30 November 2007 and 100% of the results from 1 December 2007 to 31 March 2008.

In December 2007 the group acquired 97% of the issued share capital of Gadu-Gadu S.A., the leading instant messaging platform in Poland, for a cash consideration of R1,1 billion, including transaction costs of R29 million. The group has recorded the purchase consideration, based upon an appraisal, as follows: net tangible assets (R191 million), intangible assets (R224 million) and the remaining balance to goodwill.

In December 2007 the group acquired 100% of the issued share capital of Cloakware Inc., a US company providing software security solutions, for a cash consideration of R505 million. The group has recorded the purchase consideration, based upon an appraisal, as follows: net tangible liabilities (R204 million), intangible assets (R485 million) and the remaining balance to goodwill.

In October 2007 the group acquired an 87,8% interest in AFSAT Communications Limited for a cash consideration of R323 million, including a contingent consideration for a second (6,1% interest) and third (6,1% interest) tranche, which will be settled on 30 September 2008 and 31 March 2009 respectively. Any differences in the contingent consideration will be recorded as an adjustment to goodwill. The group is currently finalising the purchase price allocation and has recorded the purchase consideration, based upon a preliminary appraisal, as follows: net tangible assets (R13 million), intangible assets (R100 million) and the remaining balance to goodwill.

In February 2008 the group acquired 100% of the issued share capital of Dayport, a US company dealing with video publishing, content, workflow and syndication solutions, for a cash consideration of R227 million. The group has recorded the purchase consideration, based upon an appraisal, as follows: intangible assets (R81 million) and the remaining balance to goodwill.

In October 2007 the group acquired an additional 2,6% interest in mail.ru for a cash consideration of R175 million bringing the group's total shareholding in mail.ru to 32,6%. The group has recorded the purchase consideration, based upon an appraisal, as follows: net tangible assets (R8 million), intangible assets (R33 million) and the remaining balance to goodwill.

In June 2007 the group acquired 100% of the issued share capital of IDWay S.A.S., a company that develops and markets middleware for digital TV set-top boxes, for a cash consideration of R105 million. The group has recorded the purchase consideration, based upon an appraisal, as follows: net tangible liabilities (R17 million), intangible assets (R78 million) and the remaining balance to goodwill. The revenues and profits recorded from the acquisitions were not material to the group's consolidated results for the year.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES *(continued)*

Financial year ended 31 March 2007

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

In May 2006 the group acquired a 30% interest in Abril S.A., a leading Brazilian media company, for a cash consideration of R2,6 billion. The total purchase consideration was allocated, based upon an appraisal, as follows: net assets (R517 million) and the remaining balance to goodwill.

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

In August 2006 the group acquired a 20% interest in Titan for a cash consideration of approximately R114 million. The total purchase consideration was allocated, based upon an appraisal, as follows: net assets (R109 million) and the remaining balance to goodwill. It is anticipated that an additional shareholding for approximately US\$13,5 million will be acquired in Titan, increasing the group's investment to 37%. This amount has been reflected as a commitment.

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

During December 2006 MultiChoice Africa (Proprietary) Limited ("MCA") launched the Phuthuma Nathi and Phuthuma Nathi 2 empowerment schemes, together offering eligible black persons and groups an equity interest of 22,5% in MCA's pay-television and internet businesses. The group sold the 22,5% interest for R3,38 billion to Phuthuma Nathi Investments Limited ("Phuthuma Nathi"), which now holds ordinary shares in the issued share capital of MultiChoice South Africa Holdings (Proprietary) Limited, the holding company of MCA. The total purchase price was paid with R675 million cash, and the issuance of R2,7 billion preference shares to the group.

During December 2006 the group acquired a 30% interest in mail.ru, a leading provider of internet and communication services to the global Russian-speaking community, for a cash consideration of approximately R1,2 billion. The group has recorded the purchase consideration, based upon an appraisal, as follows: intangible assets (R252 million) and the remaining balance to goodwill.

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2008 R'000	31 March 2007 R'000
4. PROPERTY, PLANT AND EQUIPMENT		
Land and buildings – owned	1 040 469	780 701
Cost price	1 191 541	921 127
Accumulated depreciation	151 072	140 426
Land and buildings – leased	82 897	100 721
Cost price	110 374	123 719
Accumulated depreciation	27 477	22 998
Manufacturing equipment – owned	1 129 395	985 818
Cost price	1 748 916	1 509 064
Accumulated depreciation	619 521	523 246
Manufacturing equipment – leased	57 098	62 535
Cost price	148 632	148 225
Accumulated depreciation	91 534	85 690
Transmission equipment – owned	314 728	203 895
Cost price	557 169	457 800
Accumulated depreciation	242 441	253 905
Transmission equipment – leased	783 220	1 097 934
Cost price	2 329 012	3 191 169
Accumulated depreciation	1 545 792	2 093 235
Vehicles, computer and office equipment – owned	880 520	676 132
Cost price	1 899 196	1 797 842
Accumulated depreciation	1 018 676	1 121 710
Vehicles, computers and office equipment – leased	5 527	13 828
Cost price	7 335	17 556
Accumulated depreciation	1 808	3 728
Subtotal	4 293 854	3 921 564
Work-in-progress	246 720	167 185
Net book value	4 540 574	4 088 749
Total cost price	8 238 895	8 333 687
Total accumulated depreciation	3 698 321	4 244 938
Net book value	4 540 574	4 088 749

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

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

	Land and buildings R'000	Manu- facturing equipment R'000	Transmission equipment R'000	Vehicles, computers and office equipment R'000	Total 2008 R'000	Total 2007 R'000
Cost						
Opening balance	1 044 846	1 657 289	3 648 969	1 815 398	8 166 502	7 178 961
Joint venture activities	—	—	—	—	—	18 313
Foreign currency translation effects	28 228	410	566 977	193 438	789 053	610 994
Reclassification	201	—	—	(201)	—	—
Additional stake purchased in M-Net and SuperSport	40 947	—	104 649	64 244	209 840	—
Transferred to non-current assets held-for-sale	(55 866)	—	(1 587 506)	(361 396)	(2 004 768)	—
Acquisition of subsidiaries	2 322	3 687	9 160	135 212	150 381	42 820
Disposal of subsidiaries	(45 242)	—	—	(182 407)	(227 649)	(42 422)
Acquisitions	290 645	261 362	180 608	369 683	1 102 298	880 607
Disposals/scrappings	(4 166)	(25 200)	(36 676)	(127 440)	(193 482)	(522 771)
Closing balance	1 301 915	1 897 548	2 886 181	1 906 531	7 992 175	8 166 502
Work-in-progress 31 March					246 720	167 185
Total cost					8 238 895	8 333 687
Accumulated depreciation						
Opening balance	163 424	608 936	2 347 140	1 125 438	4 244 938	3 571 736
Joint venture activities	—	—	—	—	—	4 207
Foreign currency translation effects	11 404	240	468 952	128 882	609 478	399 196
Reclassifications	334	11	—	(345)	—	—
Impairment	—	—	18 899	—	18 899	66 854
Additional stake purchased in M-Net and SuperSport	3 991	—	51 726	25 897	81 614	—
Transferred to non-current assets held-for-sale	(25 281)	—	(1 383 321)	(272 825)	(1 681 427)	—
Acquisition of subsidiaries	—	—	—	801	801	26 260
Disposal of subsidiaries	(8 623)	—	—	(149 866)	(158 489)	(34 182)
Depreciation	34 181	120 392	319 434	267 986	741 993	670 811
Disposals/scrappings	(881)	(18 524)	(34 597)	(105 484)	(159 486)	(459 944)
Closing balance	178 549	711 055	1 788 233	1 020 484	3 698 321	4 244 938
Cost	1 301 915	1 897 548	2 886 181	1 906 531	7 992 175	8 166 502
Accumulated depreciation	178 549	711 055	1 788 233	1 020 484	3 698 321	4 244 938
Net book value	1 123 366	1 186 493	1 097 948	886 047	4 293 854	3 921 564
Work-in-progress 31 March					246 720	167 185
Total net book value					4 540 574	4 088 749

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 a decrease in depreciation of R0,5 million (2007: increase of R15,7 million).

During the financial year ended 31 March 2008 the group recognised an impairment of property, plant and equipment with a net book value of R18,9 million (2007: R66,9 million). The impairment loss has been included in "Other gains/(losses) – net" in the income statement. The recoverable amount has been determined based on a value-in-use calculation. The impairment resulted from the recoverable amount of the assets being lower than the carrying value thereof.

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

4. PROPERTY, PLANT AND EQUIPMENT (continued)

The group has pledged property, plant and equipment with a carrying value of R804,3 million at 31 March 2008 (2007: R951,3 million) as security against certain term loans and overdrafts with banks.

Registers containing additional information on land and buildings are available for inspection at the registered offices of the respective group companies. The directors are of the opinion that the recoverable amount of each class of property exceeds the carrying amount at which it is included in the balance sheet.

	31 March 2008 R'000	31 March 2007 R'000
5. GOODWILL		
Cost		
Opening balance	1 015 884	866 755
Foreign currency translation effects	927 552	21 363
Additional stake purchased in M-Net and SuperSport	3 241 018	–
Acquisition of subsidiaries	15 770 959	22 960
Acquisition of joint ventures	2 154	104 371
Acquisitions	3 128	435
Transferred to non-current assets held-for-sale	(70 216)	–
Closing balance	20 890 479	1 015 884
Accumulated impairment		
Opening balance	111 533	77 020
Impairment	12 381	34 513
Closing balance	123 914	111 533
Net book value	20 766 565	904 351

The group recognised impairment losses on goodwill of R12,4 million (2007: R34,5 million) during the financial year ended 31 March 2008, due to the fact that the recoverable amounts of certain cash-generating units were less than their carrying value. The impairment charges have been included in "Other gains/(losses) – net" in the income statement. The impairment charge in 2007 includes R27,6 million that is included in the discontinued operations' results. The recoverable amounts have been based on value-in-use calculations.

The changes in the carrying amount of goodwill on a segmental basis for the years ended 31 March 2008 and 31 March 2007 are as follows:

	Electronic media			Print media			Total R'000
	Pay television R'000	Internet R'000	Technology R'000	Newspapers, magazines and printing R'000	Books R'000	Education R'000	
Net book value 1 April 2006							
Opening balance	370 258	250 902	53 887	77 063	10 056	27 569	789 735
Foreign currency translation effects	11 482	–	9 881	–	–	–	21 363
Impairment	–	–	–	–	(6 944)	(27 569)	(34 513)
Acquisition of subsidiaries	–	2 131	–	10 971	9 858	–	22 960
Acquisitions	–	–	–	–	435	–	435
Acquisition of joint ventures	–	90 262	–	14 109	–	–	104 371
Closing balance 31 March 2007	381 740	343 295	63 768	102 143	13 405	–	904 351

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

5. GOODWILL (continued)

	Electronic media			Print media		Total R'000
	Pay television R'000	Internet R'000	Technology R'000	Newspapers, magazines and printing R'000	Books R'000	
Net book value 1 April 2007						
Opening balance	381 740	343 295	63 768	102 143	13 405	904 351
Foreign currency translation effects	16 348	836 690	74 463	51	—	927 552
Additional stake purchased in M-Net and SuperSport	3 241 018	—	—	—	—	3 241 018
Acquisition of subsidiaries	54 439	15 261 271	420 552	30 235	4 462	15 770 959
Acquisition of interest in joint ventures	—	—	—	2 154	—	2 154
Acquisitions	—	3 128	—	—	—	3 128
Transferred to non-current assets held-for-sale	(70 216)	—	—	—	—	(70 216)
Impairment	—	(2 596)	—	(9 785)	—	(12 381)
Closing balance 31 March 2008	3 623 329	16 441 788	558 783	124 798	17 867	20 766 565

Impairment testing of goodwill

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

	Net book value of goodwill R'000	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.	14 825 334	Value in use	8,1% – 14,8%	1,0% – 7,1%
Electronic Media Network Limited and SuperSport International Holdings Limited	3 568 887	Value in use	19,4%	4,0%
Gadu-Gadu S.A.	897 626	Value in use	9,7%	5,5%
Cloakware Inc.	269 655	Value in use	12,7%	1,5%
M-Web Holdings (Proprietary) Limited	252 015	Value in use	19,4%	4,0%
AFSAT Communications Limited	247 922	Value in use	23,0%	4,0%
Dayport Inc.	158 461	Value in use	22,5%	4,0%
Moonfish Media OÜ	126 614	Value in use	15,0%	3,0%
MXit Lifestyle (Proprietary) Limited	90 262	Value in use	20,2%	4,0%
Irdeto Access B.V.	71 115	Value in use	12,0%	2,5%
IDWay S.A.S.	59 551	Value in use	12,0%	2,5%
Smart Village (Proprietary) Limited	54 439	Value in use	22,0%	5,0%
Paarl Media Holdings (Proprietary) Limited	34 669	Value in use	13,5%	4,0%
Strika Entertainment (Proprietary) Limited	28 898	Value in use	13,5%	4,0%
Boland Koerante (Eiendoms) Beperk	23 581	Value in use	12,0%	5,0%
The Natal Witness Printing and Publishing Company (Proprietary) Limited	14 370	Value in use	13,5%	4,0%
Alienroc Bemarking en Opleiding (Eiendoms) Beperk	9 859	Value in use	12,0%	5,3%
Democratic Media Holdings (Proprietary) Limited	9 616	Value in use	12,0%	4,0%
Various other units	23 691	Value in use	Various	Various
	20 766 565			

6. OTHER INTANGIBLE ASSETS

	31 March 2007				
	Intellectual property rights and patents	Subscriber base	Brand names and title rights	Software	Total 2007
	R'000	R'000	R'000	R'000	R'000
Cost					
Opening balance 1 April 2006	145 383	227 727	209 494	140 185	722 789
Acquisition of interest in joint ventures	33 196	483	3 560	1 220	38 459
Foreign currency translation effects	24 132	72 672	3	108	96 915
Acquisition of subsidiaries	8 094	234 768	18 094	2 726	263 682
Disposal of subsidiaries	–	–	–	(896)	(896)
Acquisitions	1 530	3 907	2 707	70 431	78 575
Reclassifications	6 129	(42 007)	8 655	27 223	–
Disposals	–	–	(845)	(28 794)	(29 639)
Work-in-progress	3 530	–	3	9 361	12 894
Closing balance 31 March 2007	221 994	497 550	241 671	221 564	1 182 779
Accumulated amortisation					
Opening balance 1 April 2006	93 080	54 586	153 648	52 026	353 340
Foreign currency translation effects	23 580	3 157	3	3	26 743
Impairment	–	–	200	2 932	3 132
Acquisition of subsidiaries	4 905	–	327	2 381	7 613
Disposal of subsidiaries	–	–	–	(862)	(862)
Reclassifications	12 785	(38 081)	8 419	16 877	–
Disposals	–	–	(707)	(26 052)	(26 759)
Amortisation	18 752	99 453	12 344	42 348	172 897
Closing balance 31 March 2007	153 102	119 115	174 234	89 653	536 104
Net book value	68 892	378 435	67 437	131 911	646 675

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

6. OTHER INTANGIBLE ASSETS (continued)

31 March 2008

	Intellectual property rights and patents R'000	Subscriber base R'000	Brand names and title rights R'000	Concession rights R'000	Software R'000	Total 2008 R'000
Cost						
Opening balance 1 April 2007	221 994	497 550	241 671	—	221 564	1 182 779
Acquisition of interest in joint ventures	—	—	2 075	—	—	2 075
Foreign currency translation effects	95 482	108 889	67 873	1 394	3 786	277 424
Additional stake purchased in M-Net and SuperSport	—	216 100	1 098 084	—	11 836	1 326 020
Transferred to non-current assets held-for-sale	(57 661)	—	—	—	—	(57 661)
Acquisition of subsidiaries	360 031	634 376	243 802	9 598	215 139	1 462 946
Disposal of subsidiaries	(1 500)	—	—	—	(33 649)	(35 149)
Acquisitions	5 018	9 200	—	—	57 631	71 849
Reclassifications	78 311	(80 184)	—	—	1 873	—
Disposals	(467)	(7 981)	(1 743)	—	(13 256)	(23 447)
Closing balance 31 March 2008	701 208	1 377 950	1 651 762	10 992	464 924	4 206 836
Work-in-progress 31 March 2008						81 805
Total cost						4 288 641
Accumulated amortisation						
Opening balance 1 April 2007	153 102	119 115	174 234	—	89 653	536 104
Foreign currency translation effects	21 389	12 786	2 649	—	2 343	39 167
Impairment	90	—	5 222	—	2 523	7 835
Additional stake purchased in M-Net and SuperSport	—	—	3 599	—	3 580	7 179
Transferred to non-current assets held-for-sale	(49 374)	—	—	—	—	(49 374)
Acquisition of subsidiaries	—	—	—	—	85	85
Disposal of subsidiaries	(708)	—	—	—	(22 133)	(22 841)
Reclassifications	34	358	(650)	—	258	—
Disposals	(467)	(7 447)	(852)	—	(14 679)	(23 445)
Amortisation on continuing operations	39 065	235 748	45 904	309	53 947	374 973
Amortisation on discontinuing operations	1 044	—	—	—	1 661	2 705
Closing balance 31 March 2008	164 175	360 560	230 106	309	117 238	872 388
Net book value	537 033	1 017 390	1 421 656	10 683	347 686	3 416 253

The group recognised impairment losses on other intangible assets of R7,8 million (2007: R3,1 million) during the financial year ended 31 March 2008 due to the fact that the recoverable amounts of certain cash-generating units were less than their carrying values. The impairment charges have been included in "Other gains/(losses) – net" on the income statement. The recoverable amounts have been based on value-in-use calculations with discount rates comparable to those used in assessing the impairment of goodwill.

In terms of IAS 8 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 a decrease in amortisation of R2,3 million (2007: decrease of R1,9 million).

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2008 R'000	31 March 2007 R'000
7. INVESTMENTS AND LOANS		
Investments in associates		
Listed	2 281 974	1 543 017
Unlisted	6 756 037	4 731 594
Total investments in associates	9 038 011	6 274 611
Investments and loans		
Loans to related parties		
Unlisted	64 558	22 206
At fair value through profit and loss investments		
Unlisted	—	33 942
Loans and receivables		
Unlisted	3 406 792	3 334 472
Total investments and loans	3 471 350	3 390 620
Investments classified on balance sheet		
Non-current	3 469 350	3 388 620
Current	2 000	2 000
	3 471 350	3 390 620

The market value of the group's listed investments at 31 March 2008 amounted to R29,3 billion (2007: R15,1 billion). Tencent Holdings Limited contributed R29,2 billion (2007: R15 billion) and Beijing Media Corporation Limited R83,9 million (2007: R160,0 million). The valuation of total unlisted investments and loans, as approved by the directors of the respective group companies, amounted to R10,2 billion (2007: R8,1 billion).

During the financial year ended 31 March 2007, Naspers launched a broad-based BEE ownership initiative, which included a public offer of ordinary shares to qualifying black persons and black groups in the issued share capital of Welkom Yizani Investments Limited ("Welkom Yizani"), which holds ordinary shares in Media24 Holdings (Proprietary) Limited. In parallel, Phuthuma Nathi Investments Limited ("Phuthuma Nathi") holds ordinary shares in MultiChoice South Africa Holdings (Proprietary) Limited. BEE participants funded 20% of the transaction with cash and the remaining 80% was funded through the issuance of preference shares to Naspers Limited and MIH Holdings Limited. These preference shares are variable, cumulative, redeemable preference shares and are classified as loans and receivables. The carrying value for Welkom Yizani is R641,2 million (2007: R599,6 million) and R2,9 billion (2007: R2,8 billion) for Phuthuma Nathi at 31 March 2008. Preference dividends are calculated at a rate of 75% of the prime interest rate. During the year ended 31 March 2008, the Phuthuma Nathi shareholders' interest diluted from 22,5% to 20% as a result of the group's additional stake that was acquired in M-Net and SuperSport.

■ 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
	2008 %	2007 %				
LISTED COMPANIES						
MultiChoice (Cyprus) Public Company Limited	30,8	30,8	Subscription television	Cyprus	CYP	I
Gadu-Gadu S.A.	97,0	—	Instant-messaging services	Poland	PLN	I
UNLISTED COMPANIES						
Media24 Holdings (Proprietary) Limited	85,0	85,0	Print media company	South Africa	ZAR	D
Paarl Media Holdings (Proprietary) Limited	80,5	78,3	Printing	South Africa	ZAR	I
Touchline Media (Proprietary) Limited	85,0	85,0	Publishing of magazines	South Africa	ZAR	I
Boland Koerante (Eiendoms) Beperk	63,8	63,8	Publishing of newspapers	South Africa	ZAR	I
Via Afrika Limited	85,0	85,0	Publishing of books	South Africa	ZAR	I
Educor Holdings Limited	—	85,0	Private education	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	77,5	Subscription television	South Africa	ZAR	I
M-Web Holdings (Proprietary) Limited	80,0	77,5	Internet service provider	South Africa	ZAR	I
				British Virgin Islands		
MIH (Mauritius) Limited	100,0	100,0	Investment holding	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
NetMed NV	87,5	87,5	Investment holding	The Netherlands	EUR	I
NetMed Hellas SA	87,5	87,5	Subscription television	Greece	EUR	I
MultiChoice Hellas SA	35,0	35,0	Subscription television	Greece	EUR	I
Entriq Inc.	100,0	100,0	Technology development	USA	USD	I
Irdeto Access B.V.	100,0	100,0	Technology development	The Netherlands	USD	I
M-Web (Thailand) Limited	100,0	100,0	Internet service provider	Thailand	THB	I
MultiChoice Holdings (Cyprus) Limited	60,4	60,4	Investment holding	Cyprus	CYP	I
Electronic Media Network Limited ⁽¹⁾	80,0	—	Pay-TV content provider	South Africa	ZAR	I
SuperSport International Holdings Limited ⁽¹⁾	80,0	—	Pay-TV content provider	South Africa	ZAR	I
			Internet e-commerce			
Tradus plc.	100,0	—	platform provider	United Kingdom	GBP	I

D – Direct interest

I – Combined direct and indirect effective interest

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

(1) – In November 2007 the group acquired the remaining shares of M-Net and SuperSport (which have been accounted for as joint ventures). These investments are accounted for as subsidiaries from 1 December 2007.

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.

■ 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	D or I
	2008 %	2007 %				
UNLISTED COMPANIES						
Electronic Media Network Limited ⁽¹⁾	—	60,1	Pay-TV content provider	South Africa	ZAR	I
SuperSport International Holdings Limited ⁽¹⁾	—	60,1	Pay-TV content provider	South Africa	ZAR	I
MultiChoice Supplies (Proprietary) Limited	40,0	38,8	Set-top box rentals	South Africa	ZAR	I
Myriad International Programming Services B.V.	80,0	80,0	Programme and film rights	The Netherlands	EUR	I
The Natal Witness Printing and Publishing Company (Proprietary) Limited	42,5	42,5	Publishing and printing of newspapers	South Africa	ZAR	I
MXit Lifestyle (Proprietary) Limited	24,4	23,6	Instant-messaging services	South Africa	ZAR	I

D – Direct interest

I – Combined direct and indirect effective interest

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

(1) – In November 2007 the group acquired the remaining shares of M-Net and SuperSport (which have been accounted for as joint ventures). These investments are accounted for as subsidiaries from 1 December 2007.

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 balance sheets and income statements of the joint ventures as per their financial statements:

	31 March 2008 R'000	31 March 2007 R'000
Balance sheet information		
Non-current assets	261 223	402 472
Current assets	217 149	1 265 357
<i>Total assets</i>	478 372	1 667 829
Non-current liabilities	98 649	77 053
Current liabilities	398 251	869 385
Total liabilities	496 900	946 438
Total shareholders' equity	(18 528)	721 391
<i>Total equity and liabilities</i>	478 372	1 667 829
Income statement information		
Revenue	3 571 257	2 727 357
Net profit	584 491	481 783

Note – The balance sheet information for the year ending 31 March 2008 excludes M-Net and SuperSport, and the income statement information includes 60,12% of the operating results of M-Net and SuperSport for the eight-month period to 30 November 2007.

The group's interest in the joint ventures' capital commitments and contingent liabilities at 31 March 2008 amounted to R47,7 million (2007: R96,0 million) and R28,7 million (2007: R17,4 million) respectively.

■ 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
	2008 %	2007 %				
LISTED COMPANIES						
Tencent Holdings Limited	35,2	35,5	Instant-messaging services	China	CNY	I
Beijing Media Corporation Limited	9,9	9,9	Print media advertising and print-related services	China	HKD	I
UNLISTED COMPANIES						
Abril S.A.	30,0	30,0	Print media, pay TV and educational books	Brazil	BRL	I
Port.ru Inc. (mail.ru)	32,6	30,0	Internet-related services	USA	USD	I
MIH Tixa (BVI) Limited	25,0	25,0	Internet-related services	China	CNY	I
MFD Mobiles FD GmbH	37,5	–	Mobile TV business	Germany	EUR	I
Nimbuzz B.V.	25,0	–	Internet-related services	The Netherlands	EUR	I
ACL Wireless Limited	30,0	–	Internet-related services	India	INR	I
Free State Cheetahs (Proprietary) Limited	24,5	14,7	Rugby operations	South Africa	ZAR	I
Natal Sharks (Proprietary) Limited	40,0	24,0	Rugby operations	South Africa	ZAR	I
Hunan Titan Culture Exchange Company Limited	37,4	20,2	Print media	China	CNY	I

I – Combined direct and indirect effective interest

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

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 2008 R'000	31 March 2007 R'000
7. INVESTMENTS AND LOANS (continued)		
Investments in associated companies		
Opening balance	6 274 611	1 222 332
Associated companies acquired – gross consideration	559 660	4 538 392
Net assets acquired	137 052	(971 833)
Goodwill and intangibles recognised	456 625	6 375 448
Deferred taxation recognised	(37 318)	(871 545)
Other	3 301	6 322
Associated companies sold	(21 790)	(181)
Share of current year other reserve movements	–	46 960
Share of equity-accounted results	1 913 101	420 248
Net income before amortisation	1 107 856	451 396
Net loss before amortisation	(58 716)	(7 719)
Amortisation/impairment at associate company	(217)	(6 785)
Profit from discontinued operations	567 569	31 128
Profit arising on discontinuance of operations	582 097	–
Taxation	(285 488)	(47 772)
Equity-accounted results due to purchase accounting	(1 234 304)	(81 620)
Amortisation of other intangible assets	(350 312)	(128 311)
Realisation of other intangible assets on disposal of discontinued operation	(920 586)	–
Realisation of goodwill on disposal of discontinued operation	(397 678)	–
Realisation of deferred taxation	434 272	46 691
Impairment of equity-accounted investments	(278 667)	(175 648)
Dividends received	(92 915)	(48 716)
Foreign currency translation adjustments	1 942 740	399 434
Dilution loss	(24 425)	(46 590)
Closing balance	9 038 011	6 274 611

The group recognised R654,4 million (2007: R338,6 million) as its share of equity-accounted results in the income statement. The group recorded impairment losses on investments in associated companies of R278,7 million (2007: R175,6 million) during the financial year ended 31 March 2008, due to the fact that the recoverable amounts of certain investments in associated companies were less than their carrying values. The impairment charges have been included in "Impairment of equity-accounted investments" on the income statement. Included in the total impairment charge is an impairment of the listed Beijing Media Corporation Limited of R112,4 million (2007: R149,9 million) which was based on the lowest traded share prices in the three-month period before year-end. 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.

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

	31 March 2008 R'000	31 March 2007 R'000
7. INVESTMENTS AND LOANS <i>(continued)</i>		
Additional associate disclosure		
The following are the combined summarised balance sheets and income statements of the associated companies as per their annual financial statements:		
Balance sheet		
Non-current assets	6 528 363	4 415 938
Current assets	15 696 531	8 499 390
<i>Total assets</i>	22 224 894	12 915 328
Non-current liabilities	6 823 991	4 696 679
Current liabilities	7 164 239	6 392 730
Total liabilities	13 988 230	11 089 409
Total shareholders' equity	8 236 664	1 825 919
<i>Total equity and liabilities</i>	22 224 894	12 915 328
Income statement		
Revenue	14 793 718	9 007 891
Operating profit	3 272 695	1 934 567
Net profit	5 950 021	1 276 781

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

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

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

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

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

Name of entity	Effective percentage interest	Country of incorporation
Beijing Media Corporation Limited	9,9	China

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

		31 March 2008 R'000	31 March 2007 R'000
7. INVESTMENTS AND LOANS (continued)			
Loans to related parties	Notes		
Uppercase Media (Proprietary) Limited	[a]	20 637	10 264
Mobile 3.0 GmbH	[a]	8 487	–
MFD Mobiles FD GmbH	[a]	7 972	–
Natal Witness Printing and Publishing Company (Proprietary) Limited	[a]	5 000	5 000
Ndalo Media (Proprietary) Limited	[a]	5 608	–
Digital Mobile Television (Proprietary) Limited	[a]	10 000	–
Various other related parties	[a]	6 854	6 942
<i>Total loans to related parties</i>		64 558	22 206
At fair value through profit and loss investments			
Sanlam Alternative Income Fund		–	33 942
<i>Total at fair value through profit and loss investments</i>		–	33 942
Loans and receivables			
Thebe Scitech (Proprietary) Limited		9 000	11 000
Welkom Yizani preference shares		641 280	599 600
Phuthuma Nathi preference shares		2 911 994	2 752 705
Endowment policy for medical liability		45 482	34 763
Other		–	4 709
<i>Total loans and receivables</i>		3 607 756	3 402 777
Short-term accrued dividends on preference shares		(200 964)	(68 305)
<i>Total loans and receivables excluding accrued dividends on preference shares</i>		3 406 792	3 334 472
Total investments and loans		3 471 350	3 390 620
[a] The nature of these related-party relationships are that of joint ventures and associates.			
8. PROGRAMME AND FILM RIGHTS			
Cost price			
– programme rights		369 456	1 757 702
– film rights		389 276	1 231 948
		758 732	2 989 650
Accumulated amortisation			
– programme rights		(7 774)	(987 516)
– film rights		–	(1 083 651)
		(7 774)	(2 071 167)
Net book value			
– programme rights		361 682	770 186
– film rights		389 276	148 297
		750 958	918 483
Classified on the balance sheet as follows:			
– non-current assets		–	204 002
– current assets		750 958	714 481
		750 958	918 483

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

9. DEFERRED TAXATION

	31 March 2008 R'000	31 March 2007 R'000
Opening balance	391 126	335 072
Acquisition of subsidiaries and joint ventures	(357 818)	(13 281)
Disposal of subsidiaries and joint ventures	(1 266)	(3 536)
Accounted for in income statement	86 055	33 769
Accounted for against reserves	(311 558)	(9 258)
Additional stake purchased in M-Net and SuperSport	(162 216)	–
Transferred to held-for-sale	(149 007)	–
Foreign currency translation effects	(9 581)	48 360
Closing balance	(514 265)	391 126

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

	1 April 2007 R'000	Charged to income R'000	Charged to equity R'000
Deferred taxation assets			
Property, plant and equipment	32 231	5 491	–
Intangible assets	30 962	1 940	–
Receivables and other current assets	58 349	32 913	–
Provisions and other current liabilities	287 094	(17 209)	–
Capitalised finance leases	223 381	(94 679)	–
Programme and film rights	38 010	6 603	–
Income received in advance	128 789	13 241	–
Tax losses carried forward	961 332	(80 508)	–
STC credits	580 754	(177 164)	–
Share-based compensation	10 683	80 976	–
Capital gains tax credits on capital losses	–	90 487	–
Other	(1 197)	4 116	(2 889)
	2 350 388	(133 793)	(2 889)
Valuation allowance	1 434 210	(105 753)	–
	916 178	(28 040)	(2 889)
Deferred taxation liabilities			
Property, plant and equipment	244 737	39 163	–
Intangible assets	53 008	(67 820)	226 205
Receivables and other current assets	60 437	(21 757)	–
Provisions and other current liabilities	3 152	(487)	–
Capitalised finance leases	134 912	(87 390)	–
Derivative assets	8 775	34 037	–
Hedging reserve	7 253	–	82 464
Programme and film rights	3 541	(3 354)	–
Other	9 237	(6 487)	–
	525 052	(114 095)	308 669
Net deferred taxation	391 126	86 055	(311 558)

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

Acquisition of subsidiaries and joint ventures	Disposal of subsidiaries and joint ventures	Foreign exchange adjustments	Transferred to held-for-sale	Additional stake purchased in M-Net and SuperSport	31 March 2008
R'000	R'000	R'000	R'000	R'000	R'000
3	(30 333)	(413)	9 198	228	16 405
(10 849)	(8 069)	(123)	2 678	241	16 780
3 869	(149)	16 926	(91 586)	120	20 442
298	(10 925)	16 044	(48 029)	21 622	248 895
—	(1 911)	1 391	(13 233)	—	114 949
—	—	11 293	(52 805)	—	3 101
—	(1 596)	11 510	(54 556)	59	97 447
88 994	(58 807)	132 427	(43 411)	36	1 000 063
—	—	—	—	—	403 590
—	—	—	—	—	91 659
—	—	—	—	—	90 487
851	—	1 442	—	2 264	4 587
83 166	(111 790)	190 497	(291 744)	24 570	2 108 405
68 793	(110 522)	118 479	(143 265)	—	1 261 942
14 373	(1 268)	72 018	(148 479)	24 570	846 463
588	—	2 049	(73)	2 838	289 302
336 954	—	52 778	601	151 955	753 681
(69)	(2)	(12)	—	994	39 591
—	—	—	—	—	2 665
—	—	—	—	—	47 522
—	—	—	—	—	42 812
34 718	—	207	—	4 682	129 324
—	—	—	—	26 317	26 504
—	—	26 577	—	—	29 327
372 191	(2)	81 599	528	186 786	1 360 728
(357 818)	(1 266)	(9 581)	(149 007)	(162 216)	(514 265)

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

9. DEFERRED TAXATION *(continued)*

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

	South Africa R'000	Rest of Africa R'000	Thailand R'000	Europe R'000	USA R'000	Other R'000	Total R'000
Valuation allowance	523 316	29 752	20 598	24 790	527 588	135 898	1 261 942

The group has tax losses carried forward of approximately R2 926,0 million (2007: R2 687,7 million). A summary of the tax losses carried forward at 31 March 2008 by tax jurisdiction and the expected expiry dates are set out below:

	South Africa R'000	Rest of Africa R'000	Thailand R'000	Europe R'000	USA R'000	Other R'000	Total R'000
Expires in year one	–	–	11 527	–	–	596	12 123
Expires in year two	–	8 886	8 725	–	–	7 563	25 174
Expires in year three	–	8 449	7	–	–	8 544	17 000
Expires in year four	–	3 289	7	43 367	–	–	46 663
Expires in year five	–	–	332	–	–	–	332
Expires after year five	853 619	13 290	–	53 704	1 519 785	384 305	2 824 703
	853 619	33 914	20 598	97 071	1 519 785	401 008	2 925 995

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

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

	31 March 2008 R'000	31 March 2007 R'000
Classification on balance sheet		
Deferred tax assets	465 969	506 164
Deferred tax liabilities	(980 234)	(115 038)
Net deferred tax (liabilities)/assets	(514 265)	391 126

The group charged deferred income tax of R85,4 million (2007: R9,3 million) to equity as a result of changes in the fair value of derivative financial instruments where the forecast transaction or commitment has not resulted in an asset or liability. An amount of R226,2 million (2007: Rnil) was also charged to equity as a result of the fair value adjustment made to intangible assets with the additional stake purchased in M-Net and SuperSport.

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

	31 March 2008 R'000	31 March 2007 R'000
10. INVENTORY		
Carrying value		
Raw materials	262 372	206 077
Finished products, trading inventory and consumables	271 257	325 769
Work-in-progress	32 661	32 430
Decoders, internet and associated components	256 138	302 140
Gross inventory	822 428	866 416
Provision for slow-moving and obsolete inventories	(125 977)	(146 242)
Net inventory	696 451	720 174

The total provision charged to write inventory down to net realisable value in the income statement amounted to R62,9 million (2007: R61,6 million), and reversals of these provisions amounted to R14,5 million (2007: R13,0 million).

11. TRADE RECEIVABLES		
Carrying value		
Trade accounts receivable, gross	2 390 622	2 263 114
Less: Provision for impairment of receivables	(160 686)	(285 727)
	2 229 936	1 977 387

Included in trade receivables is R1 201,0 million at 31 March 2008 (2007: R1 189,6 million), pre-billed to customers, which has been included in deferred income (see note 20). The group has pledged accounts receivable with a carrying value of R6,4 million at 31 March 2008 (2007: R7,3 million) as security against certain term loans and overdrafts with banks. Trade receivables of Media24 Newspapers to the value of R15,0 million (2007: R16,4 million) have been ceded in respect of finance structure loans. The movement in the allowance account for impairment of trade receivables during the year was as follows:

Provision for impairment of receivables		
Opening balance	(285 727)	(211 078)
Additional provisions charged to income statement	(121 553)	(86 957)
Provisions reversed to income statement	28 086	23 749
Provisions utilised	14 002	10 810
Additional stake purchased in M-Net and SuperSport	(3 970)	–
Acquisition of subsidiaries	–	(6 935)
Disposal of subsidiaries	117 231	7 487
Transferred to non-current assets held-for-sale	128 207	–
Foreign currency translation effect	(37 975)	(22 601)
Other	1 013	(202)
Closing balance	(160 686)	(285 727)

■ 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 reporting segments, is presented below:

	31 March 2008					Total
	Neither past due, nor impaired	30 days and older	60 days and older	90 days and older	120 days and older	
Pay television	546 305	233 771	18 685	8 788	52 854	860 403
Provision	–	(36 996)	(6 452)	(3 533)	(14 117)	(61 098)
Total	546 305	196 775	12 233	5 255	38 737	799 305
Internet	215 764	37 054	11 744	6 246	14 129	284 937
Provision	–	(24 103)	(5 153)	(4 785)	(9 520)	(43 561)
Total	215 764	12 951	6 591	1 461	4 609	241 376
Technology	104 412	23 866	8 629	25 318	65 492	227 717
Provision	–	–	–	(2 179)	(23 007)	(25 186)
Total	104 412	23 866	8 629	23 139	42 485	202 531
Newspapers, magazines and printing	613 361	164 524	41 181	18 555	46 462	884 083
Provision	–	(739)	(575)	(1 809)	(24 495)	(27 618)
Total	613 361	163 785	40 606	16 746	21 967	856 465
Books	81 771	10 667	27 423	5 661	7 960	133 482
Provision	–	(9)	(274)	(348)	(2 592)	(3 223)
Total	81 771	10 658	27 149	5 313	5 368	130 259
Education	–	–	–	–	–	–
Provision	–	–	–	–	–	–
Total	–	–	–	–	–	–
Total	1 561 613	469 882	107 662	64 568	186 897	2 390 622
Provision	–	(61 847)	(12 454)	(12 654)	(73 731)	(160 686)
TOTAL	1 561 613	408 035	95 208	51 914	113 166	2 229 936

▣ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

11. TRADE RECEIVABLES (continued)

	31 March 2007					Total
	Neither past due, nor impaired	30 days and older	60 days and older	90 days and older	120 days and older	
Pay television	495 635	67 093	30 912	53 856	111 331	758 827
Provision	-	(18 812)	(10 833)	(12 840)	(97 008)	(139 493)
Total	495 635	48 281	20 079	41 016	14 323	619 334
Internet	51 864	9 745	5 275	2 899	9 345	79 128
Provision	-	(8 529)	(2 892)	(1 677)	(8 956)	(22 054)
Total	51 864	1 216	2 383	1 222	389	57 074
Technology	48 264	31 177	28 176	6 567	57 817	172 001
Provision	-	-	-	(782)	(16 957)	(17 739)
Total	48 264	31 177	28 176	5 785	40 860	154 262
Newspapers, magazines and printing	490 833	159 018	29 728	22 083	22 865	724 527
Provision	-	(2 523)	(205)	(6 105)	(4 206)	(13 039)
Total	490 833	156 495	29 523	15 978	18 659	711 488
Books	93 830	42 699	27 510	16 225	28 377	208 641
Provision	-	(27)	(1 044)	(684)	(4 104)	(5 859)
Total	93 830	42 672	26 466	15 541	24 273	202 782
Education	187 462	21 883	11 485	8 667	90 493	319 990
Provision	(8 425)	(10 860)	(2 748)	(2 870)	(62 640)	(87 543)
Total	179 037	11 023	8 737	5 797	27 853	232 447
Total	1 367 888	331 615	133 086	110 297	320 228	2 263 114
Provision	(8 425)	(40 751)	(17 722)	(24 958)	(193 871)	(285 727)
TOTAL	1 359 463	290 864	115 364	85 339	126 357	1 977 387

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2008 R'000	31 March 2007 R'000
12. OTHER RECEIVABLES		
Prepayments and accrued income	644 201	429 558
Receivables from minority shareholders	16 207	3 086
Staff debtors	10 932	13 301
VAT and related taxes receivable	71 371	42 528
Preference dividend accrual	200 964	68 305
Other receivables	327 439	271 383
	1 271 114	828 161

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:

	Notes		
Sale of goods and services to related parties			
Electronic Media Network Limited	[a]	35 930	46 416
SuperSport International Holdings Limited	[a]	3 027	3 925
Jane Raphaely & Associates (Proprietary) Limited	[b]	16 884	14 219
New Media Publishers (Proprietary) Limited	[b]	62 051	47 345
Rodale & Touchline Publishers (Proprietary) Limited	[b]	17 358	14 984
Shape SA (Proprietary) Limited	[b]	5 568	4 989
8 Ink Publishing (Proprietary) Limited	[b]	8 135	8 142
Uppercase Media (Proprietary) Limited	[b]	23 819	25 725
East African Magazines (Proprietary) Limited	[b]	4 551	2 295
Digital Mobile Television (Proprietary) Limited	[c]	6 989	—
The Hometrader (Eastern Cape) (Proprietary) Limited	[b]	10 136	8 768
Various other related parties	[b]	13 562	3 240
		208 010	180 048

Notes

- [a] Sale of goods and services to M-Net and SuperSport for the period accounted for as joint ventures.
 [b] Media24 Limited 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.
 [c] Sale of transmission equipment and site rentals by MultiChoice Subscriber Management Services (Proprietary) Limited to Digital Mobile Television (Proprietary) Limited.

Purchase of goods and services

Electronic Media Network Limited and SuperSport International Holdings Limited	[a]	1 899 749	2 488 907
New Media Publishers (Proprietary) Limited	[b]	5 050	6 419
Natal Witness Printing & Publishing Company (Proprietary) Limited	[b]	8 989	6 657
Lumiere Productions AE	[c]	—	49 892
Various other	[b]	1 792	383
		1 915 580	2 552 258

Notes

- [a] Channel and programming rights purchased by MultiChoice Africa (Proprietary) Limited from M-Net and SuperSport for the period accounted for as joint ventures.
 [b] Media24 Limited 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.
 [c] Technical support for MultiChoice Holdings (Cyprus) Limited's channels. Lumiere Productions AE is a shareholder in NetMed NV.

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 wholly owned subsidiary 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.

MultiChoice Nigeria Limited ("MCN")

The group has a loan of R30,4 million (2007: R33,9 million) with MCN's minority shareholders, which bears interest at 10,12%. An impairment provision of R30,4 million (2007: R33,9 million) was raised against the outstanding balance as this was not deemed recoverable.

Antenna TV ("Antenna")

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

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

	Notes	31 March 2008 R'000	31 March 2007 R'000
Receivables			
Digital Mobile Television (Proprietary) Limited	[c]	83 595	—
Jane Raphaely Et Associates (Proprietary) Limited	[b]	4 010	2 540
New Media Publishers (Proprietary) Limited	[b]	13 535	10 728
Various other related parties		9 144	6 932
		110 284	20 200
Payables			
Electronic Media Network Limited	[a]	—	92 261
SuperSport International Holdings Limited	[a]	—	3 278
Rodale Et Touchline Publishers (Proprietary) Limited	[b]	2 146	1 912
Uppercase Media (Proprietary) Limited	[b]	2 674	4 039
Various other related parties		7 077	6 326
		11 897	107 816

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

Notes

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

[b] Media24 Limited purchases goods and services from a number of its related parties mainly for the printing and distribution of magazines and newspapers. The nature of these related-party relationships are all that of joint ventures and associates.

[c] Sale of transmission equipment and site rentals by MultiChoice Subscriber Management Services (Proprietary) Limited to Digital Mobile Television (Proprietary) Limited.

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

	31 March	31 March
	2008	2007
	R'000	R'000

13. RELATED-PARTY TRANSACTIONS AND BALANCES (continued)

Directors' emoluments

Executive directors:

Remuneration received by executive directors for other services paid by subsidiary companies totalled R1,1 million (2007: Rnil).

Non-executive directors:

Fees for services as directors	4 483	3 944
Fees for services as directors of subsidiary companies	3 617	2 908

	8 100	6 852
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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
2008				
S J Z Pacak	2 342	2 400	235	4 977
	2 342	2 400	235	4 977
2007				
J P Bekker	–	–	–	–
S J Z Pacak	2 139	2 400	214	4 753
	2 139	2 400	214	4 753

Non-executive directors	Committee ¹			Committee ¹		
	Directors' fees R'000	and trustee ² fees R'000	Total 2008 R'000	Directors' fees R'000	and trustee ² fees R'000	Total 2007 R'000
T Vosloo ^{3,4,5}	2 846	–	2 846	2 629	–	2 629
J J M van Zyl ^{3,5}	796	543	1 339	759	455	1 214
L N Jonker	270	–	270	225	–	225
N P van Heerden ⁴	312	–	312	225	–	225
B J van der Ross	270	–	270	225	19	244
G J Gerwel ^{3,6}	926	95	1 021	670	75	745
H S S Willemse	270	–	270	225	15	240
F du Plessis	270	409	679	225	365	590
T M F Phaswana ³	435	–	435	275	–	275
R C C Jaftha ³	435	223	658	275	190	465
	6 830	1 270	8 100	5 733	1 119	6 852

Notes on non-executive directors' remuneration

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

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

Note 3: Directors' fees include fees for services as directors of Media24 Limited.

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

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

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

13. RELATED-PARTY TRANSACTIONS AND BALANCES (continued)

Director's interest in scheme shares of the Naspers Share Incentive Scheme

The executive directors of Naspers are allowed to participate in the Naspers Share Incentive Scheme. Details in respect of the executive director's participation in scheme shares not yet released as at 31 March 2008, are as follows:

Name	Purchase date	Number of N shares	Purchase price	Release period
S J Z Pacak	09/09/2004	66 667	R50,00	09/09/2007 – 09/09/2009
	07/08/2006	150 000	R114,52	07/08/2009 – 07/08/2011

Note: The chief executive, Mr J P Bekker, appointed on 1 April 2008, does not earn any remuneration from the group, in particular no salary, bonus, car scheme, medical or pension contributions of any nature whatsoever are payable. The chief executive's contract is for a five-year period starting on 1 April 2008. No compensation will apply to termination.

The sole benefit to Mr Bekker consists of an offer made on the day before assuming duty, ie on 31 March 2008, of an option in terms of the rules of the Naspers Limited Share Trust to acquire 11 687 808 Naspers N ordinary shares, which, as before, equals 3% of the company's outstanding shares.

The purchase price was set at the closing price of a Naspers N ordinary share on 31 March 2008, ie R141,00, but increases by anticipated inflation over the course of the release periods of the three tranches. Inflation expectations were calculated by the Bureau for Economic Research of Stellenbosch University.

The offer is divided into three tranches and vesting will take place over a five-year period. The first tranche will release at the end of year three at a purchase price per share of R167,23, the second a year later at a purchase price per share of R176,11 and the last at the end of the fifth year at a purchase price per share of R185,56. Mr Bekker has accepted the offer. The nature of his interest is a direct, beneficial interest.

Director's interest in MIH Holdings Share Incentive Scheme

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

Participants exchanged their rights to MIH Holdings shares for Naspers N ordinary shares. On 18 July 2007, 36 901 released Naspers N ordinary shares were sold by S J Z Pacak upon payment of the amount of an average price of R14,06 per Naspers N ordinary share (the original average offer price based on the listed market price of Naspers Limited N ordinary shares on the date of the offer) due to the MIH Holdings Share Trust, at an average selling price of R181,04 per Naspers N ordinary share.

At 31 March 2008 a total of nil (2007: 36 901) Naspers N ordinary shares has been allocated to S J Z Pacak.

Director's interest in MIH (BVI) Limited Share Incentive Scheme

On 12 March 2008 300 000 Naspers N ordinary shares were offered as an option to and accepted by S J Z Pacak. The market price of a Naspers N ordinary share at close of business on 12 March 2008 was R138,87 per share. At 31 March 2008 a total of 384 000 (2007: 84 000) Naspers N ordinary shares were allocated to S J Z Pacak with vesting periods until 12 March 2013.

Directors' interests in Naspers shares

The directors of Naspers have the following interests in Naspers A ordinary shares on 31 March 2008:

Name	31 March 2008 Naspers A ordinary shares				31 March 2007 Naspers A ordinary shares			
	Beneficial		Non- beneficial	Total	Beneficial		Non- beneficial	Total
	Direct	Indirect			Direct	Indirect		
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 2008 or 31 March 2007.

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

13. RELATED-PARTY TRANSACTIONS AND BALANCES (continued)

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

Name	31 March 2008			31 March 2007		
	Naspers N ordinary shares			Naspers N ordinary shares		
	Beneficial			Beneficial		
	Direct	Indirect	Total	Direct	Indirect	Total
T Vosloo	25 000	250 000	275 000	25 000	250 000	275 000
S J Z Pacak	59 510	600 881	660 391	94 510	370 233	464 743
J J M van Zyl	50 361	173 793	224 154	50 361	173 793	224 154
L N Jonker ¹	1 000	65 000	66 000	1 000	65 000	66 000
N P van Heerden	—	2 600	2 600	—	1 300	1 300
B J van der Ross	—	—	—	—	—	—
G J Gerwel	—	—	—	—	—	—
H S S Willemse	—	—	—	—	—	—
F du Plessis	—	—	—	—	—	—
T M F Phaswana	3 530	—	3 530	3 530	—	3 530
R C C Jafta	—	—	—	—	—	—
	139 401	1 092 274	1 231 675	174 401	860 326	1 034 727

Note 1: L N Jonker's indirect shares were reclassified from non-beneficial to beneficial. The comparatives have been adjusted accordingly.

The amended JSE Listings Requirements do not require the disclosure of non-beneficial shareholdings. The prior year's disclosure has been amended accordingly.

Subsequent to the year-end, with effect from 1 April 2008, Mr J P Bekker was appointed as a director. At the time of issuing the annual report, he had the following interest in Naspers N ordinary shares: beneficially nil (directly) and 4 688 691 (indirectly). As at 31 March 2007 he had an indirect interest of 6 480 212 Naspers N ordinary shares.

There have been no changes to these interests (save for the note re Mr J P Bekker above) between the financial year-end and 30 June 2008.

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 R153,7 million (2007: R122,0 million), comprising short-term employee benefits of R91,8 million (2007: R64,0 million), post-employment benefits of R5,4 million (2007: R5,2 million) and a share-based payment charge of R56,5 million (2007: R47,7 million). The aggregate number of share options granted to the executive directors and key management during the 2008 financial year and the number of shares allocated to the executive directors and key management at 31 March 2008 respectively are:

For shares listed on a recognised stock exchange as follows: 2 489 161 (2007: 354 093) Naspers Limited N ordinary shares were allocated during the 2008 financial year and an aggregate of 6 802 438 (2007: 12 450 784) N ordinary shares were allocated as at 31 March 2008.

For shares in unlisted companies as follows: nil (2007: nil) Media24 Limited ordinary shares were allocated during 2008 and an aggregate of 42 768 (2007: 300 681) ordinary shares were allocated as at 31 March 2008; nil (2007: nil) Via Afrika Limited ordinary shares were allocated during 2008 and nil (2007: 192 780) ordinary shares were allocated as at 31 March 2008; nil (2007: nil) Irdeto Access B.V. ordinary shares were allocated during 2008 and an aggregate of 200 000 (2007: 207 500) ordinary shares were allocated as at 31 March 2008; nil (2007: nil) Paarl Media Holdings (Proprietary) Limited ordinary shares were allocated during 2008 and 135 000 (2007: 135 000) ordinary shares were allocated as at 31 March 2008; 606 (2007: 756) MIH QQ (BVI) Limited ordinary shares were allocated during 2008 and an aggregate of 22 205 (2007: 22 256) shares were allocated as at 31 March 2008; nil (2007: nil)

Entriq (Mauritius) Limited shares were allocated during 2008 and an aggregate of 2 100 000 (2007: 2 100 000) shares were allocated as at 31 March 2008; nil (2007: 310 000) MediaZone Holdings B.V. shares were allocated during 2008 and an aggregate of 310 000 (2007: 310 000) shares were allocated as at 31 March 2008; 499 694 (2007: nil) MIH India (Mauritius) Limited shares were allocated during 2008 and an aggregate of 499 694 (2007: nil) shares were allocated as at 31 March 2008; 169 755 (2007: nil) MIH Russia Internet B.V. shares were allocated during 2008 and an aggregate of 169 755 (2007: nil) shares were allocated as at 31 March 2008.

For share appreciation rights (SARs) in unlisted companies as follows: 99 404 (2007: 60 606) Media24 SARs were allocated during 2008 and an aggregate of 910 510 (2007: 811 106) SARs were allocated as at 31 March 2008; 230 064 (2007: 25 082) MCA SARs were allocated during 2008 and an aggregate of 935 258 (2007: 705 194) SARs were allocated as at 31 March 2008; nil (2007: 238 215) M-Net/SuperSport SARs were allocated during 2008 and an aggregate of 1 434 900 (2007: 1 434 900) SARs were allocated as at 31 March 2008; 263 005 (2007: 688 668) NetMed NV SARs were allocated during 2008 and an aggregate of 951 673 (2007: 688 668) SARs were allocated as at 31 March 2008; 4 215 (2007: 121 700) MIH Brazil SARs were allocated during 2008 and an aggregate of 122 415 (2007: 118 200) SARs were allocated as at 31 March 2008.

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 2008 R'000	31 March 2007 R'000
14. SHARE CAPITAL AND PREMIUM		
Authorised		
1 250 000 A ordinary shares of R20 each	25 000	25 000
500 000 000 N ordinary shares of 2 cents each	10 000	10 000
	35 000	35 000
Issued		
712 131 A ordinary shares of R20 each (2007: 712 131)	14 243	14 243
403 309 411 N ordinary shares of 2 cents each (2007: 366 688 936)	8 066	7 334
	22 309	21 577
Share premium	18 461 868	13 710 449
	18 484 177	13 732 026
Less: 32 751 381 N ordinary shares held as treasury shares (2007: 22 057 036 N ordinary shares)	(3 127 690)	(947 642)
	15 356 487	12 784 384

Treasury shares

The group holds a total of 32 751 381 N ordinary shares (2007: 22 057 036), or 8,1% of the gross number in issue (2007: 6,0%) at 31 March 2008 as treasury shares. Equity compensation plans hold 28 042 110 of the N ordinary shares (2007: 17 347 765) and the remaining 4 709 271 N ordinary shares (2007: 4 709 271) are held by various group companies.

Voting and dividend rights

The A ordinary shareholders are entitled to 1 000 votes per share and may receive nominal dividends as determined from time to time by the board of directors, but always limited to one fifth of the dividend to which N ordinary shareholders are entitled. The A ordinary shareholders do not have a right to receive a dividend when dividends are declared to N ordinary shareholders, although a dividend to A ordinary shareholders could be proposed by the board. In respect of all other rights, the A ordinary shares rank *pari passu* with the N ordinary shares of the company.

Naspers Beleggings Beperk holds 350 000 A ordinary shares (2007: 350 000) and Keeromstraat 30 Beleggings Beperk holds 219 344 A ordinary shares (2007: 219 344) of the total 712 131 A ordinary shares in issue at the year-end. As a result of the voting rights attached to these shares, the companies have significant influence over the group. The companies are controlled by certain directors of Naspers. Wheatfields 221 (Proprietary) Limited controls 133 350 (2007: 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 96 690 589 N ordinary shares in the company, subject to the provisions of section 221 of the Companies Act, 1973, and the JSE Listings Requirements.

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

	2008 Number of N shares	2007 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	366 688 936	315 113 700
Shares issued for cash	—	45 600 000
Shares issued to the Welkom Trust share scheme	—	5 605 236
Shares issued for additional stake purchased in M-Net and SuperSport	21 601 667	—
Shares issued to share incentive trusts	15 018 808	370 000
Shares in issue at 31 March	403 309 411	366 688 936
Movement in N ordinary shares held as treasury shares during the year		
Shares held as treasury shares at 1 April	22 057 036	24 558 886
Shares issued to share incentive trusts	15 018 808	370 000
Shares acquired through additional stake purchased in M-Net and SuperSport	179 391	—
Shares acquired by participants from equity compensation plans	(4 503 854)	(2 871 850)
Shares held as treasury shares at 31 March	32 751 381	22 057 036
Net number of N ordinary shares in issue at 31 March	370 558 030	344 631 900
	31 March 2008 R'000	31 March 2007 R'000
Share premium		
Balance at 1 April	13 710 449	6 278 880
Share premium on share issues	4 752 305	7 657 226
Share issue expenses	(886)	(225 657)
Balance at 31 March	18 461 868	13 710 449

Refer to note 39 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 balance sheet and cash-generating capacity to utilise debt to finance its property, plant and equipment refurbishment and certain acquisitions.

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 equity or 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.

During the year ended 31 March 2008 the group raised R11,3 billion through an offshore syndicated loan in order to partly fund the acquisition of Tradus plc. The debt facility is held by MIH B.V. and has been drawn in US dollar and euro. During the year ended 31 March 2007 the group placed 45,6 million new Naspers N ordinary shares in the market and raised a net R7,2 billion. This capital was used in the current financial year to fund investments made by the group as part of its international strategy.

14. SHARE CAPITAL AND PREMIUM (continued)

As of 31 March 2008 Naspers had total debt (including finance leases and programme and film broadcasting rights) of R13,1 billion (2007: R3,6 billion) and total cash of R7,3 billion (2007: R11,5 billion). The net debt to equity ratio was 18% (2007: negative 37%) at 31 March 2008. The group excludes satellite transponder leases and programme and film broadcasting rights from total debt when evaluating and managing capital. These items are considered to be operating expenses. The adjusted total debt (excluding transponder leases and programme and film broadcasting rights) was R11,0 billion (2007: R1,2 billion) and the adjusted net debt-equity ratio was 11% (2007: negative 49%).

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

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.

	31 March 2008 R'000	31 March 2007 R'000
15. OTHER RESERVES		
Other reserves on the balance sheet comprise:		
Fair value reserve	1 848 898	173
Hedging reserve	188 662	3 236
Foreign currency translation reserve	4 720 777	1 207 880
Existing control business combination reserve	34 497	345 220
Share-based compensation reserve	481 573	337 608
	7 274 407	1 894 117

Refer to note 27 for the amount of reserves from discontinued operations that are included in the group's reserves as presented above.

The fair-value reserve relates to unrealised profits and losses arising from changes in the fair value of investments classified as available for sale. The 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. During the year ended 31 March 2008 shares were issued to acquire an additional stake in M-Net and SuperSport. The difference between the fair value and the book value of the shares that were issued, amounted to R1,3 billion and was allocated to the fair-value reserve. Intangible assets were also revalued due to valuation differences that arose on this business combination, and the difference of R780 million was also allocated to the fair-value reserve.

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

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

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

16. RETAINED EARNINGS

Any future dividends declared from the distributable reserves of the company or its subsidiaries, which are not wholly owned subsidiaries of the company and are incorporated in South Africa, may be subject to secondary taxation on companies ("STC") at a rate of 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 2008 amounted to R4,0 billion (2007: R4,6 billion). The group has raised a valuation allowance against deferred tax assets of R320,2 million relating to unutilised STC credits at 31 March 2008 (2007: R476,2 million) 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 180 cents (2007: 156 cents) per N ordinary share and 36 cents (2007: 31 cents) per A ordinary share be paid to shareholders on 8 September 2008. If approved by the shareholders of the company at its annual general meeting, the company will pay a total dividend of R726,2 million based on the number of shares in issue at 31 March 2008. The company has enough STC credits carried forward to cover such a dividend. The utilisation of these STC credits will, however, lead to the realisation of a deferred tax asset of R72,6 million that will be charged to the income statement during the 2009 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 R45,5 million at 31 March 2008 (2007: R34,8 million) and has been included under "Loans and receivables". At 31 March 2008 the group had a liability of R34,3 million (2007: R41,2 million) relating to these future contributions.

Key assumptions and valuation method

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

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

Valuation date	31 March 2008	31 March 2007
Discount rate	8,50% pa	7,75% pa
Healthcare cost inflation	7,50% pa	7,25% pa
Expected retirement age	60	60
Membership discontinued at retirement	0%	0%

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

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

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2008 R'000	31 March 2007 R'000
17. POST-RETIREMENT LIABILITIES (continued)		
17.1 Medical liability (continued)		
Post-retirement medical liability		
Opening balance	195 275	161 629
Additional provisions charged to income statement	919	13 403
Provisions reversed to income statement	(7 392)	(630)
Provisions charged to other accounts	(2 830)	24 441
Provisions utilised	(3 821)	(3 554)
Disposal of subsidiaries	(5 966)	–
Foreign currency translation effect	–	(14)
	176 185	195 275
Less: Short-term portion	(34 397)	(304)
Closing balance	141 788	194 971

The closing balance of the above post-retirement medical liability includes the Media24 Limited plan liability of R141,7 million (2007: R149,6 million) and the R34,4 million (2007: R41,2 million) liability in respect of the agreement with certain employees of Media24 Limited and Via Afrika Limited. Further disclosure of the Media24 Limited plan liability is presented below:

	31 March				
	2008 R'000	2007 R'000	2006 R'000	2005 R'000	2004 R'000
Trend information					
Present value of obligations	141 720	149 570	139 411	121 227	124 149
Experience adjustments:					
In respect of present value of obligations – actuarial gain/(loss)	3 963	5 547	(3 808)	10 039	(24)

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		
	7,5%	(1%)	+1%
Accrued liability 31 March 2008 (R'000)	141 720	123 537	164 279
% change	–	(12,8%)	+15,9%
Current service cost + interest cost 2008/9 (R'000)	13 208	11 328	15 579
% change	–	(14,2%)	+17,9%

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 R232,3 million (2007: R180,9 million) was recognised as an expense in relation to the group's retirement funds.

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

				31 March 2008 R'000	31 March 2007 R'000
18. LONG-TERM LIABILITIES					
Interest-bearing: Capitalised finance leases				1 112 473	1 447 638
Total liabilities				1 438 837	1 811 364
Less: Current portion				(326 364)	(363 726)
Interest-bearing: Loans and other				10 628 803	748 324
Total liabilities				10 897 461	990 794
Less: Current portion				(268 658)	(242 470)
Non-interest-bearing: Programme and film rights				—	170 457
Total liabilities				706 306	785 688
Less: Current portion				(706 306)	(615 231)
Non-interest-bearing: Loans and other				58 994	19 475
Total liabilities				71 424	51 361
Less: Current portion				(12 430)	(31 886)
Net long-term liabilities				11 800 270	2 385 894
Interest-bearing: Capitalised finance leases					
	Currency	Year of	Weighted	31 March	31 March
Type of lease	of year-end	final	average	2008	2007
	balance	repayment	year-end	R'000	R'000
			interest rate		
Buildings	ZAR	2008	10,5%	—	127 731
	ZAR	2010	14,0%	9 092	12 075
	ZAR	2012	17,0%	48 421	51 345
				57 513	191 151
Manufacturing equipment	ZAR	2010	10,9%	380	4 691
Transmission equipment and satellites	EUR	Various	9,1%	343 462	306 716
	EUR	2008	9,6%	—	262 357
	USD	2008	6,5%	—	53 685
	USD	2011	8,0%	648 957	594 796
	EUR	2011	4,4%	94 252	97 599
	EUR	2013	3,5%	74 178	66 706
	USD	2013	4,1%	213 940	226 411
				1 374 789	1 608 270
Vehicles, computers and office equipment	ZAR	Various	Various	6 155	7 252
Total capitalised finance leases				1 438 837	1 811 364

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

					31 March 2008 R'000	31 March 2007 R'000
18. LONG-TERM LIABILITIES (continued)						
Interest-bearing: Capitalised finance leases (continued)						
Minimum instalments						
Payable within year one					433 418	483 164
Payable within year two					440 882	470 682
Payable within year three					416 532	406 135
Payable within year four					343 193	338 885
Payable within year five					96 132	286 035
Payable after year five					—	349 129
					1 730 157	2 334 030
Future finance costs on finance leases					(291 320)	(522 666)
Present value of finance lease liabilities					1 438 837	1 811 364
Present value						
Payable within year one					326 364	363 726
Payable within year two					365 325	387 716
Payable within year three					368 944	344 402
Payable within year four					284 400	301 270
Payable within year five					93 804	266 636
Payable after year five					—	147 614
Present value of finance lease liabilities					1 438 837	1 811 364
Interest-bearing: Loans and other						
Loan	Asset secured	Currency of year- end balance	Year of final repayment	Weighted average year-end interest rate	31 March 2008 R'000	31 March 2007 R'000
Secured						
Bond finance: Nedbank Limited	Land	ZAR	2008	10,4%	—	5 218
Term loan: Euro Bank	Working capital	EUR	2008	5,3%	—	38 862
Term loan: Alpha Bank	Working capital	EUR	2008	5,4%	—	194 312
Instalment sale: WesBank Limited	Machinery	ZAR	2011	9,5%	15 309	17 039
Syndication of banks	Guarantees	USD	2011	4,5%	6 030 244	—
Syndication of banks	Guarantees	EUR	2011	6,1%	4 247 327	—
Term loan: Standard Bank	Buildings	ZAR	2012	12,3%	1 845	1 536
Instalment sale: WesBank Limited	Machinery	ZAR	Various	11,5%	1 154	285
Unsecured						
Loan: Thebe Investment Corporation		ZAR	2008	4,8%	—	11 500
Term loan: Absa Bank Limited		ZAR	2009	15,5%	195 264	195 274
Term loan: Nedbank Limited		ZAR	2009	11,2%	143 882	209 603
Term loan: Rand Merchant Bank, CommerzBank and Standard Bank		ZAR	2009	8,8%	58 469	130 729
Term loan: Kredo		EUR	2010	6,1%	4 382	—
Term loan: CommerzBank		ZAR	2011	10,4%	258 944	314 531
Term loan: Technology Partnership Canada		CAD	2011	18,0%	12 007	—
Term loan: Standard Bank		ZAR	2011	12,8%	77 272	—
Term loan: Nedbank Limited		ZAR	2012	14,7%	45 984	44 534
Preference share investments		ZAR	2012	14,7%	(21 126)	(18 686)
Loans from minority shareholders		ZAR	Various	Various	18 292	12 983
Right to subscription shares		ZAR	Various	15,6%	(201 546)	(172 825)
Other loans		Various	Various	Various	9 758	5 899
					10 897 461	990 794

■ 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 repayment	31 March 2008 R'000	31 March 2007 R'000
Unsecured				
Programme and film rights liabilities	EUR and USD	Various	706 306	785 688
			706 306	785 688
Non-interest-bearing: Loans and other				
Loans and liabilities				
Smart Village (Proprietary) Limited	ZAR	2012	33 926	–
Loans from minority shareholders	Various	Various	15 631	33 919
Furzedown Holdings Limited	ZAR	–	12 024	–
Other	Various	Various	9 843	17 442
			71 424	51 361
Total long-term liabilities				
<i>Repayment terms of long-term liabilities (excluding capitalised finance leases)</i>				
– payable within year one			987 392	889 587
– payable within year two			204 666	367 376
– payable within year three			10 387 492	159 435
– payable within year four			81 792	68 944
– payable within year five			1 894	79 145
– payable after year five			11 955	263 356
			11 675 191	1 827 843
<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			573 730	385 870
– Loans at fixed rates: more than 12 months			1 193 579	2 125 269
– Interest-free loans			777 730	837 049
– Loans linked to variable rates			10 568 989	291 019
			13 114 028	3 639 207

19. PROVISIONS

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

	Additional stake purchased in M-Net and SuperSport		Additional provisions raised	Unutilised provisions reversed to income	Provisions utilised	Acquisition of subsidiary	Disposal of subsidiary	Foreign currency translation	31 March 2008	Less short-term portion	Long-term portion
	1 April 2007	R'000									
Group											
Warranties	4 776	–	7 069	–	(4 720)	–	–	163	7 288	(7 288)	–
Pending litigation	24 126	2 536	2 378	(10 574)	–	–	(571)	937	18 832	(14 375)	4 457
Reorganisation	–	–	–	–	(975)	9 015	–	104	8 144	(8 144)	–
Onerous contracts	1 443	–	431	–	(322)	–	(1 242)	–	310	(310)	–
Ad valorem duties	23 100	–	–	–	–	–	–	–	23 100	(23 100)	–
Restructuring provision	1 317	–	–	–	(35)	–	–	344	1 626	(1 626)	–
Decommissioning costs	6 776	–	362	–	(474)	–	–	2 120	8 784	(8 784)	–
Loyalty provision	–	–	–	–	(659)	14 489	–	2 985	16 815	(13 283)	3 532
Other	2 913	1 730	685	(106)	(321)	–	–	–	4 901	(4 901)	–
	64 451	4 266	10 925	(10 680)	(7 506)	23 504	(1 813)	6 653	89 800	(81 811)	7 989
	Unutilised provisions reversed to income		Additional provisions raised	Unutilised provisions reversed to income	Credited/charged to other accounts	Provisions utilised	Foreign currency translation	31 March 2007	Less short-term portion	Long-term portion	
	1 April 2006	R'000									R'000
Group											
Warranties			3 003	968	(1)	–	(41)	847	4 776	(4 776)	–
Pending litigation			24 548	3 370	(8 623)	–	(622)	(376)	18 297	(14 383)	3 914
Onerous contracts			11 440	1 242	(5 719)	–	(5 520)	–	1 443	(201)	1 242
Ad valorem duties			23 100	–	–	–	–	–	23 100	(23 100)	–
Restructuring provision			–	1 317	–	–	–	–	1 317	(1 317)	–
Decommissioning costs			3 548	2 536	(284)	(15)	–	991	6 776	(6 776)	–
Other			2 410	6 332	(19)	–	–	19	8 742	(8 543)	199
			68 049	15 765	(14 646)	(15)	(6 183)	1 481	64 451	(59 096)	5 355

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

19. PROVISIONS *(continued)*

Further details describing the provisions at 31 March 2008 are included below:

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

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

The provision for onerous contracts relates to obligations that the group has in terms of lease agreements, but the premises have been vacated. The group is liable for the rent under these contracts. The obligation will be settled over the remaining lease periods until 2009.

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 reorganisation provision relates to the relocation of the Tradus plc. London office to Switzerland, which is in progress as at 31 March 2008. The provision includes the retrenchment cost for staff members who are not relocating and is expected to be utilised in the financial year ending 31 March 2009.

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 loyalty provision relates to a points rewards system operated by Tradus plc. for both buyers and sellers who make use of its Allegro website. The points can be exchanged for rewards and are valued, taking into account the points balance outstanding and the historic redemption trend.

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

	31 March 2008 R'000	31 March 2007 R'000
20. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES		
Deferred income	1 201 032	1 189 626
Accrued expenses	1 621 896	1 462 295
Amounts owing in respect of investments acquired	125 606	46 040
Taxes and social security	686 903	402 609
Bonus accrual	188 343	151 834
Accrual for leave	121 667	119 729
Other personnel accruals	76 154	50 737
Cash-settled share-based payment liability (short term)	12 086	31 963
Other current liabilities	197 099	314 493
	4 230 786	3 769 326

21. COMMITMENTS AND CONTINGENCIES

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

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2008 amounted to R641,8 million (2007: R887,3 million).

(b) Programme and film rights

At 31 March 2008 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 R5 265,0 million (2007: R2 024,3 million). The total programme and film rights commitments on 31 March 2008 included R461,1 million that relate to NetMed.

(c) Set-top boxes

At 31 March 2008 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 R297,1 million (2007: R198,1 million). The total set-top box commitments on 31 March 2008 included R0,8 million that relate to NetMed.

(d) Other commitments

At 31 March 2008 the group had entered into contracts for the receipt of various services. These service contracts are for the receipt of advertising, security, cleaning, computer support services and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amounted to R338,3 million (2007: R261,5 million). The total other commitments on 31 March 2008 included R31,0 million that relate to NetMed. During the year ended 31 March 2007 the group entered into a leasing contract for a new transponder. The commitment outstanding as at 31 March 2008 is R1 830,7 million (2007: R1 636,9 million).

	31 March 2008 R'000	31 March 2007 R'000
21. COMMITMENTS AND CONTINGENCIES (continued)		
(e) Operating lease commitments		
The group has the following operating lease liabilities at 31 March 2008 and 2007:		
Minimum operating lease payments:		
Payable in year one	267 584	163 761
Payable in year two	164 068	109 577
Payable in year three	105 638	82 997
Payable in year four	74 361	39 655
Payable in year five	53 708	20 786
Payable after five years	161 402	53 175
	826 761	469 951

The total operating lease commitments on 31 March 2008 included R24,7 million that relate to NetMed. 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.

(f) Litigation claims

PaySmart Africa (Proprietary) Limited ("PaySmart")

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

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

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

Lumiere TV Public Company Limited ("LTV")

In February 2006 NetMed NV ("NetMed") became aware of the fact that LTV, its co-shareholder in MultiChoice Holdings (Cyprus) Limited ("Holdings") (which, in turn, owns the majority of the shares in a listed entity, MultiChoice (Cyprus) Public Company Limited ("MCC")), had entered into arrangements with CYTA (the Cyprus Telecommunications Authority), which NetMed believed were in conflict with LTV's contractual obligations to NetMed, Holdings, MCC and certain of NetMed's affiliates. These obligations flowed from a shareholders' agreement dated 23 June 2000 between NetMed, LTV and Holdings ("the shareholders' agreement"), a channel distribution agreement of 21 June 2004 between MCC and LTV and a programme supply agreement dated 1 January 2004 between LTV and affiliates of NetMed. A settlement agreement was signed on 16 February 2008, pursuant to which the parties agreed that the shareholders' agreement was terminated, effective 16 June 2006. In addition, MCH and LTV entered into a new channel distribution agreement on 16 February 2008.

Electronic Media Network Limited ("M-Net")

Akani Egoli (Proprietary) Limited had instituted action against M-Net and Combined Artistic Productions in the High Court of South Africa for damages of R10,6 million allegedly suffered by the plaintiff as a result of an alleged defamation in a television broadcast. On 15 February 2006 the defendants filed their plea and pleadings are now closed. Recently a new claim for R40 million, 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 to R4,1 million. It is expected that the plaintiffs will apply to consolidate the claims. The defendants filed a plea to the second claim in April 2008.

21. COMMITMENTS AND CONTINGENCIES *(continued)*

(f) Litigation claims *(continued)*

MultiChoice South Africa ("MCSA")

MCSA instituted legal proceedings against the South African Revenue Service ("SARS") in relation to the ad valorem tariff determination on decoders, which SARS made in 2004. The proceedings were defended by SARS, but in late 2006 the dispute was referred to the Customs Appeal Committee. MCSA's appeal to this body was not successful and the dispute will now go to court. The court hearing is scheduled for 21 August 2008. A provision of R23,1 million has been raised and is included in the total provision in note 19.

Caxton and CTP Publishers and Printers Limited ("Caxton")

On 13 March 2008 Caxton launched an application to review and set aside the decision of Icasa to award MCSA a commercial subscription broadcasting licence. The application was served on six respondents, namely Icasa, MCSA, M-Net, Naspers, Media24 and the minister of communications. The application is based on:

- a foreigner, directly or indirectly, exercising control over Naspers and, in turn, over MCSA and/or M-Net or has voting shares/ paid up capital exceeding 20%, in contravention of the Electronic Communications Act ("ECA");
- Naspers and/or MCSA and/or M-Net, directly or indirectly, exercising control over more than one commercial television broadcasting service licence in contravention of the ECA; and
- Naspers, through Media24, being in a position to control a newspaper and through MCSA and/or M-Net, being in a position to control a commercial broadcasting licence in an area where the newspapers controlled by Naspers have an average ABC circulation of 20% of the total readership in the area, and the licence area of the commercial broadcasting service licence of MCSA and M-Net overlapping substantially with the circulation area of the newspapers, in contravention of the ECA.

Gadu-Gadu S.A. ("Gadu-Gadu")

On 19 May 2008 Gadu-Gadu was served with a claim for US\$22,2 million filed against it by Eyeball Networks Inc. ("Eyeball"). 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 on 6 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. Gadu-Gadu will defend the claim.

MultiChoice Africa

MultiChoice Africa is pursuing a claim against four former employees who defrauded the company through manipulating the IBS Billing System and collecting subscriptions for their own account – the amount claimed is approximately R11,0 million. Bank accounts of the defendants in the United Kingdom and Jersey have been frozen. The matter is proceeding and is expected to be heard in court in 2008.

Zietsman Patent Infringement

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

Taxation matters

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

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

MultiChoice Uganda Limited ("MUL") lodged an application against the Uganda Revenue Authority before the Tax Appeals Tribunal with respect to an assessment of over US\$4,5 million raised on MUL's dollar-based costs. The Tribunal found in MUL's favour, but the Revenue Authority has appealed the ruling to the commercial court and the matter is pending.

MultiChoice Botswana (Proprietary) Limited ("MCB") is resisting a reassessment of tax by the Botswana Unified Revenue Service in an amount of US\$8,7 million. The matter was heard on 19 July 2007 and the Appeal Court ruled in MCB's favour.

The tax matter is now being settled.

21. COMMITMENTS AND CONTINGENCIES (continued)

(g) Guarantees

At 31 March 2008 the group had provided guarantees of R162,3 million (2007: R10,0 million) mainly in respect of bank guarantees for sports rights, office rental, services and other contracts. The group has guaranteed the foreign revolving credit facility of R11,3 billion (€700 million) in MIH B.V. that was used to partly fund the acquisition of Tradus plc.

(h) Assets pledged as security

The group pledged property, plant and equipment, investments, cash and cash equivalents and accounts receivable with a net carrying value of R3 861,9 million at 31 March 2008 (2007: R3 687,6 million) to a number of banks as security for certain bank overdrafts and term loans listed in note 18 to the value of R1 457,1 million (2007: R2 068,6 million). Included in the above amount, R21,6 million (2007: R23,3 million) relates to financial instruments.

MultiChoice Africa Limited ("MAL") entered into a revolving facility agreement with Absa Bank. This agreement entitles MAL access to a guaranteed facility of US\$111 million (2007: US\$125 million). MIH QQ has pledged such number of Tencent Holdings Limited ordinary par value shares with a market value of US\$375 million as security pursuant to this agreement. This facility bears interest at the London Interbank Offered Rate ("LIBOR") +2% per annum.

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

	31 March 2008 R'000	31 March 2007 R'000
22. REVENUE		
Revenue – continuing operations		
Subscription revenue	10 426 554	8 540 982
Hardware sales	703 568	664 770
Technology revenue	1 063 205	853 648
Circulation revenue	1 057 697	982 664
Advertising revenue	3 369 343	2 908 095
Distribution revenue	214 116	163 628
Printing revenue	1 167 392	958 677
Book publishing and book sales revenue	871 044	1 046 938
e-Commerce revenue	683 357	425 545
Contract publishing	141 085	73 804
Decoder maintenance	136 385	73 609
Reconnection fees	35 712	26 076
Other revenue	648 950	500 277
	20 518 408	17 218 713
Revenue – discontinuing operations		
Educor Holdings Limited	267 086	502 000
NetMed NV	2 055 633	1 787 368
	2 322 719	2 289 368
Other revenues include revenues from backhaul charges, sub-licence fees and financing service fees.		
Barter revenue		
Amount of barter revenue included in total revenue	70 753	55 466

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

	31 March 2008 R'000	31 March 2007 R'000
23. EXPENSES BY NATURE		
Operating profit includes the following items:		
Depreciation classification		
Cost of providing services and sale of goods	448 076	412 824
Selling, general and administration expenses	214 044	137 752
Profit from discontinued operations	79 873	120 235
	741 993	670 811
Amortisation classification		
Cost of providing services and sale of goods	92 544	77 121
Selling, general and administration expenses	282 428	92 535
Profit from discontinued operations	2 706	3 241
	377 678	172 897
Operating leases		
Buildings	151 650	116 957
Satellite and transponders	63 087	–
Other equipment	30 294	23 384
	245 031	140 341
Auditor's remuneration		
Audit fees	32 738	26 063
Audit fees – prior year underprovision	2 938	–
Audit-related fees	5 699	16 242
Tax fees	4 232	5 029
All other fees	2 704	8 464
	48 311	55 798
Foreign exchange profits/(losses)		
On capitalisation of forward exchange contracts in hedging transactions	9 461	(89)
Other	403	(1 658)
	9 864	(1 747)
Staff costs		
As at 31 March 2008 the group had 13 812 (2007: 15 133) permanent employees. The total cost of employment of all employees, including directors, was as follows:		
Salaries, wages and bonuses	3 384 312	2 736 816
Retirement benefit costs (defined contribution plan)	232 291	180 873
Medical aid fund contributions	193 589	180 245
Post-retirement benefits	(7 629)	11 214
Training costs	52 903	37 116
Share-based compensation charges	184 134	190 671
Total staff costs	4 039 600	3 336 935
Fees paid to non-employees for administration, management and technical services	221 377	164 216
Advertising expenses	597 496	530 368
Programme and film rights directly expensed	2 780 966	2 398 350

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2008 R'000	31 March 2007 R'000
24. OTHER GAINS/(LOSSES) – NET		
Dividends – unlisted investments	1 274	3 488
Profit on sale of assets	3 743	8 727
Fair value adjustment for shareholders' liabilities	(32 929)	(34 681)
Impairment losses	(48 498)	(85 900)
Impairment of goodwill and other intangible assets	(20 215)	(10 075)
Impairment of property, plant and equipment and other assets	(27 501)	(77 625)
Reversal of impairment of property, plant and equipment and other assets	–	1 800
Other impairments	(782)	–
Compensation received from third parties for property, plant and equipment impaired, lost or stolen	4 081	409
Gain on loan settlement	86 878	–
Other gains/(losses) – net	14 549	(107 957)
25. FINANCE COSTS – NET		
Interest paid		
Loans and overdrafts	224 445	143 969
Finance lease equipment	100 093	122 553
Other	32 645	1 032
	357 183	267 554
Preference dividends and rights	(33 557)	(48 177)
	323 626	219 377
Interest received		
Preference dividends	(335 983)	(69 614)
Loans and bank accounts	(826 355)	(259 898)
	(1 162 338)	(329 512)
Net (profit)/loss from foreign exchange translation		
On translation of assets and liabilities	(225 295)	269 823
On translation of transponder leases	135 113	120 051
On translation of loans	(522)	(11 756)
	(90 704)	378 118
Net (profit)/loss from fair value adjustments on derivative financial instruments		
On translation of forward exchange contracts	(49 653)	(93 269)
On accounting for embedded derivatives	(26 014)	162 831
	(75 667)	69 562
Other finance costs – net	(166 371)	447 680
Total finance costs – net	(1 005 083)	337 545

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

	31 March 2008 R'000	31 March 2007 R'000
26. TAXATION		
Normal taxation		
South Africa	1 276 243	1 027 232
Current year	1 264 464	999 133
Prior year	11 779	28 099
Foreign taxation	272 877	195 801
Current year	273 356	194 641
Prior year	(479)	1 160
Secondary taxation on companies	10 724	34 361
Income taxation for the year	1 559 844	1 257 394
Deferred taxation	(182 021)	(72 368)
Current year	(133 292)	(36 905)
Change in rate	(2 453)	(107)
Prior year	(29 429)	(28 284)
Foreign	(16 847)	(7 072)
Total tax per income statement	1 377 823	1 185 026
Reconciliation of taxation		
Taxation at statutory rates	1 529 576	963 261
Adjusted for:		
Non-deductible expenses	125 939	254 186
Non-taxable income	(111 107)	(22 755)
Unprovided timing differences	302 722	32 381
Assessed losses (utilised)/increased	(112 514)	163 571
Initial recognition of prior year taxes	16 355	(1 066)
Other taxes	121 477	68 981
Changes in taxation rates	(2 487)	(1 034)
Tax attributable to associate income	(187 242)	(98 118)
Tax adjustment for foreign tax rates	(304 896)	(174 381)
Taxation provided in income statement	1 377 823	1 185 026

27. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

On 10 October 2007 the group publicly announced that it had entered into an agreement in terms of which it would sell its interest in Educor Holdings Limited to ICESA Education Services and the transaction was concluded early in January 2008. The group retained certain assets, including the Milpark Business School and its investment in the independent school group Curro, which was subsequently sold after year-end in unrelated transactions. The results of these operations were previously included in the education segment of the group. Selected financial information relating to these operations:

	31 March 2008 R'000	31 March 2007 R'000
Educor Holdings Limited		
Revenue	267 086	502 000
Cost of providing services and sale of goods	(199 599)	(252 544)
Selling, general and administration expenses	(207 261)	(318 543)
Other gains/(losses) – net	5 254	(28 281)
Operating loss	(134 520)	(97 368)
Finance costs – net	(9 481)	(9 332)
(Loss)/profit on sale of investments	(2 730)	20 417
Loss before taxation	(146 731)	(86 283)
Taxation	(5 755)	(1 680)
Loss after taxation	(152 486)	(87 963)
Loss arising on discontinuance of operations	(82 352)	–
Loss for the year	(234 838)	(87 963)
Attributable to:		
Equity holders of the group	(208 580)	(88 518)
Minority interest	(26 258)	555
	(234 838)	(87 963)
Cash flow information		
Amounts of net cash flow relating to the discontinued operations:		
Operating activities	(199 708)	(60 068)
Investing activities	44 331	(27 973)
Financing activities	27 515	102 148
Net cash (outflow)/inflow	(127 862)	14 107
Non-current assets classified as held for sale		
Property, plant and equipment	19 609	–
Non-current liabilities classified as held for sale		
Tax payable	293	–

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

27. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE *(continued)*

On 31 October 2007 the group publicly announced that it had initiated a formal process to sell its Greek and Cypriot pay-television operations ("NetMed"). On 14 April 2008 the group announced that it had entered into a conditional sale agreement for the disposal of NetMed to ForthNet SA, a leading Greek telecommunication company. The results of these operations were previously included in the pay-television segment of the group.

	31 March 2008 R'000	31 March 2007 R'000
Netmed NV and NetMed Hellas SA		
Revenue	2 055 633	1 787 368
Cost of providing services and sale of goods	(1 304 682)	(1 244 288)
Selling, general and administration expenses	(248 142)	(338 236)
Other gains – net	218	107 797
Operating profit	503 027	312 641
Finance costs – net	3 207	(29 295)
Profit before taxation	506 234	283 346
Taxation	(110 516)	(63 796)
Profit for the year	395 718	219 550
Attributable to:		
Equity holders of the group	390 379	226 519
Minority interest	5 339	(6 969)
	395 718	219 550
Cash flow information		
Amounts of net cash flow relating to the discontinued operations:		
Operating activities	463 966	181 641
Investing activities	(2 032)	(10 386)
Financing activities	(134 312)	(78 001)
Net cash inflow	327 622	93 254
Non-current assets classified as held for sale		
Property, plant and equipment	303 732	–
Goodwill	70 216	–
Other intangibles	8 287	–
Deferred tax	149 007	–
Inventory	115 093	–
Programme and film rights – short term	326 355	–
Accounts receivable	253 852	–
Other receivables	110 405	–
Embedded derivative asset	24 525	–
Cash and deposits	648 685	–
	2 010 157	–
Non-current liabilities classified as held for sale		
Long-term liabilities	336 620	–
Current portion of long-term debt	349 293	–
Accounts payable	181 296	–
Accrued expenses and other current liabilities	721 130	–
Tax payable	54 609	–
Bank overdrafts	14 175	–
	1 657 123	–
Reserves of NetMed (included in the group's total reserves):		
Retained earnings	330 227	–
Foreign currency translation reserve	7 247	–
	337 474	–

28. EARNINGS PER SHARE

	31 March							
	2008				2007			
	Gross R'000	Taxation R'000	Minority interest R'000	Net R'000	Gross R'000	Taxation R'000	Minority interest R'000	Net R'000
Earnings								
Net profit attributable to shareholders				3 418 064				1 998 877
Headline adjustments								
Adjustments for:	409 298	(414 020)	3 645	(1 077)	264 381	(709)	6 668	270 340
Reversal of impairment charge	–	–	–	–	(1 278)	–	–	(1 278)
Net disposal of investments and businesses	511 596	(429 141)	1 508	83 963	274 462	–	4 934	279 396
Gain on loan settlement	(86 877)	12 597	–	(74 280)	–	–	–	–
Profit on sale of assets	(15 421)	2 524	2 137	(10 760)	(8 803)	(709)	1 734	(7 778)
Impairments:	396 379	(71 701)	(5 605)	319 073	295 524	(2 950)	(2 300)	290 274
Impairment of fixed assets	22 774	(1 098)	(894)	20 782	71 460	(2 070)	(347)	69 043
Impairment of associates	348 494	(69 047)	(780)	278 667	175 648	–	–	175 648
Impairment of other assets	12 730	(1 556)	(2 463)	8 711	13 903	(880)	(1 953)	11 070
Impairment of goodwill	12 381	–	(1 468)	10 913	34 513	–	–	34 513
Loss arising on discontinuance of operations	82 352	–	(12 353)	69 999	–	–	–	–
Headline earnings				3 806 059				2 559 491
Headline profit from discontinued operations	(240 708)	–	(17 534)	(258 242)	(139 020)	1 535	(19 345)	(156 830)
Headline earnings from continuing operations				3 547 817				2 402 661
				2008 Number of N shares				2007 Number of N shares
Number of N ordinary shares in issue at year-end				370 558 030				344 631 900
New share issue				(14 558 932)				(46 403 713)
Adjusted for movement in shares held by share trusts				(2 376 690)				(2 471 849)
Weighted average number of N ordinary shares in issue during the year				353 622 408				295 756 338
Adjusted for effect of future share-based compensation payments				8 484 028				12 090 704
Diluted weighted average number of N ordinary shares in issue during the year				362 106 436				307 847 042
Continuing operations								
Earnings per N ordinary share (cents)								
Basic				893				627
Fully diluted				872				601
Headline earnings per N ordinary share (cents)								
Basic				1 003				813
Fully diluted				980				781
Discontinued operations								
Earnings per N ordinary share (cents)								
Basic				74				49
Fully diluted				72				48
Headline earnings per N ordinary share (cents)								
Basic				73				53
Fully diluted				71				51

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

	31 March 2008 R'000	31 March 2007 R'000
29. CASH FROM OPERATIONS		
Profit before tax per income statement	5 274 398	3 244 263
Profit before tax from discontinued operations	359 503	197 063
	5 633 901	3 441 326
Adjustments:		
– Non-cash and other	(133 940)	1 311 770
Profit on sale of property, plant and equipment	(9 215)	(8 515)
Depreciation and amortisation	1 119 670	843 710
Share-based compensation expenses	184 134	199 509
Net finance cost	(998 809)	376 172
Share of equity-accounted results	(654 373)	(338 628)
Impairment of equity-accounted investments	278 667	175 648
Profit on sale of investments	(13 307)	(23 838)
Gain on loan settlement	(86 877)	–
Other	46 170	87 712
– Working capital	(96 592)	(7 751)
Cash movement in trade and other receivables	(388 437)	(687 461)
Cash movement in payables, provisions and accruals	463 524	802 740
Cash payments for programme and film rights	(85 404)	65 564
Cash movement in inventories	(86 275)	(188 594)
Cash from operations	5 403 369	4 745 345
30. ACQUISITION OF SUBSIDIARIES		
Fair value of assets and liabilities acquired:		
Property, plant and equipment	149 580	16 560
Investments and loans	5 160	35 857
Intangible assets	1 462 861	256 069
Net current assets/(liabilities)	768 574	(1 542)
Deferred taxation	(357 217)	(4 996)
Long-term liabilities	(46 251)	(2 598)
Contingent liabilities	(19 930)	–
	1 962 777	299 350
Minority interest	(15 682)	(3 735)
Goodwill	15 770 959	22 960
Purchase consideration	17 718 054	318 575
Amount to be settled in future	(99 633)	–
Cash in subsidiaries acquired	(948 462)	(44 546)
Net cash outflow from acquisition of subsidiaries	16 669 959	274 029

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2008 R'000	31 March 2007 R'000
31. DISPOSAL OF SUBSIDIARIES		
Book value of assets and liabilities:		
Property, plant and equipment	69 160	8 240
Goodwill and intangible assets	12 742	438
Investments and loans	3 994	27
Net current assets	270 978	14 004
Deferred taxation	1 266	(3 536)
Long-term liabilities	(132 993)	(6 497)
	225 147	12 676
Minority interest	(6 640)	(2 963)
(Loss)/profit on sale	(73 855)	38 238
Selling price	144 652	47 951
Cash in subsidiaries disposed of	(46 933)	(37 740)
Net cash inflow from disposal of subsidiaries	97 719	10 211
32. ACQUISITION OF JOINT VENTURES		
Fair value of assets and liabilities acquired:		
Property, plant and equipment	–	14 105
Intangible assets	2 075	38 459
Net current assets	–	2 383
Deferred taxation	(601)	(8 284)
	1 474	46 663
Goodwill	2 154	104 371
Purchase consideration	3 628	151 034
Contingent consideration	–	(7 703)
Cash paid in respect of joint ventures acquired	3 628	143 331
Cash in joint ventures acquired	–	(5 179)
Net cash outflow from acquisition of joint ventures	3 628	138 152
33. ADDITIONAL STAKE PURCHASED IN M-NET AND SUPERSPORT		
Fair value of assets and liabilities:		
Property, plant and equipment	128 226	–
Investments and loans	68 507	–
Intangible assets	528 924	–
Net current assets	337 565	–
Deferred taxation	(162 216)	–
Long-term liabilities	(3 724)	–
	897 282	–
Goodwill	3 241 018	–
Purchase consideration	4 138 300	–
Amount settled via share issue	(3 888 300)	–
Cash paid in respect of stake purchased	250 000	–
Cash in subsidiaries acquired	(310 678)	–
Net cash inflow from acquisition of M-Net and SuperSport	(60 678)	–

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2008 R'000	31 March 2007 R'000
34. PARTIAL DISPOSAL OF INTEREST IN SUBSIDIARIES		
Selling price	—	4 105 000
Preference shares received as settlement	—	(3 284 000)
Costs incurred with sale	—	(73 302)
Amounts receivable	—	(15 547)
Net cash inflow on partial disposal of interest in subsidiaries	—	732 151
35. CASH AND CASH EQUIVALENTS		
Cash and deposits	7 572 764	11 845 147
Bank overdrafts and call loans	(882 891)	(364 039)
	6 689 873	11 481 108
Restricted cash		
The following cash balances are restricted from immediate use according to agreements with banks and other financial institutions:		
Europe	2 549	9 715
Thailand	1 034	673
USA	12 482	11 323
Total restricted cash	16 065	21 711

36. BUSINESS AND GEOGRAPHICAL SEGMENTS

Primary reporting format – business segments

The group has determined that its primary reporting format for segments is based on its method of internal reporting that disaggregates its businesses by service or product. The group's reportable business segments are electronic media, print media and corporate services. Electronic media is further disaggregated into pay television, internet and technology. The print media segment is further disaggregated into newspapers, magazines and printing, and books. The group's business is conducted in the following main business segments:

Electronic media

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

Print media

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

Corporate services – represents the group's holding company and head office infrastructure.

The accounting policies applied by the reportable segments are consistent with the accounting policies applied in the consolidated financial statements, as described in note 2.

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

36. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

	Electronic media			Print media					Elimi- ^(a) nations R'000	Consoli- dated total R'000
	Pay television R'000	Internet R'000	Technology R'000	Newspapers, magazines and printing R'000	Books R'000	Education R'000	Corporate services R'000			
March 2008										
Revenue										
External	11 541 693	1 623 933	1 080 499	5 355 886	916 397	–	–	–	20 518 408	
Intersegmental	142 200	18 002	219 623	139 636	9 093	–	132 256	(660 810)	–	
Total revenue	11 683 893	1 641 935	1 300 122	5 495 522	925 490	–	132 256	(660 810)	20 518 408	
Cost of providing services and sale of goods	(5 812 883)	(902 537)	(349 827)	(3 631 061)	(499 704)	–	(105 445)	523 390	(10 778 067)	
Selling, general and administration expenses	(2 086 804)	(973 761)	(1 201 635)	(1 322 660)	(360 399)	–	(69 479)	137 420	(5 877 318)	
Other gains/(losses) – net	61 147	(245)	1 136	(50 778)	3 257	–	32	–	14 549	
Operating profit/(loss)	3 845 353	(234 608)	(250 204)	491 023	68 644	–	(42 636)	–	3 877 572	
Finance costs – net	723 275	145 956	83 920	(349 159)	14 790	–	386 301	–	1 005 083	
Share of equity-accounted results	125 968	566 292	–	15 503	(53 390)	–	–	–	654 373	
Impairment of equity-accounted investments	–	(61 099)	–	(217 568)	–	–	–	–	(278 667)	
Profit on sale of investments	1 224	2 848	–	–	11 965	–	–	–	16 037	
Profit/(loss) before taxation	4 695 820	419 389	(166 284)	(60 201)	42 009	–	343 665	–	5 274 398	
Taxation	(1 174 087)	(39 648)	2 625	(135 474)	(64)	–	(31 175)	–	(1 377 823)	
Net profit/(loss) from continuing operations	3 521 733	379 741	(163 659)	(195 675)	41 945	–	312 490	–	3 896 575	
Profit/(loss) from discontinued operations	395 718	–	–	–	–	(152 486)	–	–	243 232	
Loss arising on discontinuance of operations	–	–	–	–	–	(82 352)	–	–	(82 352)	
Net profit/(loss)	3 917 451	379 741	(163 659)	(195 675)	41 945	(234 838)	312 490	–	4 057 455	
Attributable to:										
Equity holders of the group	3 374 580	364 250	(163 659)	(276 491)	16 336	(208 580)	311 628	–	3 418 064	
Minority interest	542 871	15 491	–	80 816	25 609	(26 258)	862	–	639 391	
	3 917 451	379 741	(163 659)	(195 675)	41 945	(234 838)	312 490	–	4 057 455	
Segment assets ^(b)	36 443 165	34 865 696	6 398 038	8 708 520	444 873	–	21 933 891	(52 467 680)	56 326 503	
Investments in associates	366 894	4 383 034	15 649	4 354 288	(81 854)	–	–	–	9 038 011	
Segment liabilities ^(b)	26 572 207	32 207 910	7 008 562	8 748 272	69 290	–	135 565	(52 431 217)	22 310 589	
Capital expenditure	507 660	167 728	40 540	463 531	14 711	9 947	1 361	–	1 205 478	
Amortisation of programme and film rights*	1 542 031	–	–	–	–	–	–	–	1 542 031	
Depreciation of property, plant and equipment#	331 440	77 883	42 577	200 978	7 482	–	1 760	–	662 120	
Amortisation of intangible assets#	156 139	92 182	83 302	32 983	9 489	–	877	–	374 972	
Impairment of tangible assets, excluding associates	19 681	101	–	8 501	–	–	–	–	28 283	
Impairment of intangible assets	–	5 118	–	15 097	–	–	–	–	20 215	

* Included in operating profit

Excludes discontinued operations

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

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

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

36. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

	Electronic media			Print media				Elimi- ^(a) nations R'000	Consoli- dated total R'000
	Pay television R'000	Internet R'000	Technology R'000	Newspapers, magazines and printing R'000	Books R'000	Education R'000	Corporate services R'000		
March 2007									
Revenue									
External	9 426 923	1 143 073	865 354	4 822 768	983 304	–	–	(22 709)	17 218 713
Intersegmental	–	24 444	157 141	93 925	7 402	–	115 824	(398 736)	–
Total revenue	9 426 923	1 167 517	1 022 495	4 916 693	990 706	–	115 824	(421 445)	17 218 713
Cost of providing services and sale of goods	(4 731 765)	(629 610)	(291 878)	(3 097 933)	(563 679)	–	(103 609)	254 336	(9 164 138)
Selling, general and administration expenses	(1 490 286)	(627 653)	(958 186)	(1 225 974)	(324 579)	–	(71 642)	167 109	(4 531 211)
Other (losses)/gains – net	(58 269)	(12 665)	1 356	(31 511)	(6 896)	–	28	–	(107 957)
Operating profit/(loss)	3 146 603	(102 411)	(226 213)	561 275	95 552	–	(59 399)	–	3 415 407
Finance costs – net	(175 334)	81 258	7 670	(284 240)	20 949	–	12 152	–	(337 545)
Share of equity-accounted results	(15 407)	332 819	–	28 889	(7 673)	–	–	–	338 628
Impairment of equity-accounted investments	–	(25 778)	–	(149 870)	–	–	–	–	(175 648)
Profit/(loss) on sale of investments	–	–	–	41 434	34 603	–	346	(72 962)	3 421
Profit/(loss) before taxation	2 955 862	285 888	(218 543)	197 488	143 431	–	(46 901)	(72 962)	3 244 263
Taxation	(941 318)	(8 296)	(12 271)	(185 324)	(71 067)	–	33 250	–	(1 185 026)
Net profit/(loss) from continuing operations	2 014 544	277 592	(230 814)	12 164	72 364	–	(13 651)	(72 962)	2 059 237
Profit/(loss) from discontinued operations	219 550	–	–	–	–	(87 963)	–	–	131 587
Net profit/(loss)	2 234 094	277 592	(230 814)	12 164	72 364	(87 963)	(13 651)	(72 962)	2 190 824
Attributable to:									
Equity holders of the group	2 105 551	256 938	(230 814)	(16 477)	59 366	(88 518)	(14 207)	(72 962)	1 998 877
Minority interest	128 543	20 654	–	28 641	12 998	555	556	–	191 947
	2 234 094	277 592	(230 814)	12 164	72 364	(87 963)	(13 651)	(72 962)	2 190 824
Segment assets ^(b)	15 867 051	8 186 380	2 574 026	7 212 211	568 094	491 849	17 950 805	(21 172 333)	31 678 077
Investments in associates	136 283	2 611 062	20 024	3 495 036	(5 189)	17 395	–	–	6 274 611
Segment liabilities ^(b)	13 471 936	7 188 654	3 261 930	6 285 866	153 396	838 988	86 948	(21 170 273)	10 117 445
Capital expenditure	288 762	138 128	50 275	493 518	20 176	25 316	2 072	(5 200)	1 013 047
Amortisation of programme and film rights*	909 422	–	1 334	–	–	–	–	–	910 756
Depreciation of property, plant and equipment#	285 989	48 992	37 257	168 086	8 636	–	1 616	–	550 576
Amortisation of intangible assets#	13 052	59 847	60 211	25 983	8 154	–	2 409	–	169 656
Impairment of tangible assets, excluding associates	52 624	12 604	–	12 328	69	–	–	–	77 625
Impairment of intangible assets	–	2 932	–	200	6 943	–	–	–	10 075
Reversal of impairment of tangible assets	1 800	–	–	–	–	–	–	–	1 800

* Included in operating profit

Excludes discontinued operations

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

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

36. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Secondary reporting format – geographical segments

The group operates in five main geographical areas:

Africa – The group derives revenues from television platform services, print media activities, internet services, technology products and services and book publishing. The activities in the Republic of South Africa are the most significant in this segment and therefore South Africa has been presented separately.

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

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

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

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

	Africa						Elimi- nations ^(a)	Consoli- dated total
	South Africa	Rest of Africa	USA	Asia	Europe	Other		
	R'000	R'000	R'000	R'000	R'000	R'000		
March 2008								
External revenue	15 864 446	3 343 921	122 979	247 410	618 388	321 264	—	20 518 408
Segment assets ^(b)	48 594 449	4 170 665	1 815 740	1 341 981	51 527 198	4 833 936	(55 957 516)	56 326 503
Capital expenditure	924 008	136 357	26 293	8 257	68 024	42 539	—	1 205 478
March 2007								
External revenue	13 709 806	2 588 764	84 836	168 210	20 709	646 388	—	17 218 713
Segment assets ^(b)	32 674 492	2 635 141	191 439	970 915	13 831 245	1 444 689	(20 069 844)	31 678 077
Capital expenditure	782 072	66 920	38 087	46 721	47 041	32 206	—	1 013 047

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

(b) Excludes deferred tax assets.

37. FINANCIAL RISK MANAGEMENT

Financial risk factors

The group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the financial performance of the group. The group uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge certain risk exposures. The group does not speculate with, or engage in the trading of financial instruments. The group had no significant price risk for the year ending 31 March 2008 and 31 March 2007.

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

Foreign exchange risk

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

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

37. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk (continued)

The group has classified its forward exchange contracts relating to forecast transactions and firm commitments as cash flow and fair-value hedges, and states them at fair value. The transactions relate mainly to programming costs, transponder lease instalments and the acquisition of inventory items. A cumulative after-tax gain of R188,7 million (2007: R3,2 million gain) has been deferred in a hedging reserve at 31 March 2008. This amount is expected to realise as a gain over the next two years. The fair value of all forward exchange contracts designated as cash flow hedges at 31 March 2008 was a net asset of R377,9 million (2007: net asset of R48,9 million), comprising assets of R377,9 million (2007: R51,9 million) and liabilities of Rnil (2007: R3,0 million), that were recognised as derivative financial instruments. The fair value of all forward exchange contracts designated as fair value hedges at 31 March 2008 was an asset of R2,7 million (2007: asset of R0,6 million).

During the year ended 31 March 2008 the group recognised losses on fair value hedges of R1,2 million (2007: R3,5 million gain) and a R4,2 million gain (2007: R5,7 million loss) 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 Rnil (2007: R2,3 million gain). As at 31 March 2008 the group had no hedges of net investments in foreign operations.

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 2008:

Total outstanding FECs at 31 March 2008:							
	AUD	CHF	EUR	GBP	HKD	SGD	USD
Maturing within one year:	'000	'000	'000	'000	'000	'000	'000
Pay television	–	–	1 214	–	–	–	159 402
Internet	–	–	–	66	–	–	175
Newspapers and magazines	–	–	2 378	–	–	–	150
Printing	–	82	29 859	–	–	–	6 600
Books	28	–	130	2 066	541	175	1 165
	28	82	33 581	2 132	541	175	167 492
Rand value (R'000)	190	640	345 609	32 495	564	910	1 266 972
Average exchange rate	6,90	7,85	10,29	15,24	1,04	5,20	7,56
	EUR	USD					
Maturing within one to two years:	'000	'000					
Pay television	–	147 377					
Printing	248	–					
	248	147 377					
Rand value (R'000)	3 028	1 180 516					
Average exchange rate	12,23	8,01					
Total outstanding FECs at 31 March 2007:							
	AUD	EUR	GBP	HKD	SGD	USD	
Maturing within one year:	'000	'000	'000	'000	'000	'000	'000
Pay television	–	730	–	–	–	–	81 643
Internet	–	–	13	–	–	–	–
Newspapers and magazines	–	–	–	–	–	–	75
Printing	–	28 879	–	–	–	–	430
Books	61	22	3 165	1 504	461	–	3 726
	61	29 631	3 178	1 504	461	–	85 874
Rand value (R'000)	366	281 275	45 642	1 445	2 368	–	593 363
Average exchange rate	6,00	9,49	14,36	0,96	5,13	–	6,91
	EUR	USD					USD
Maturing within one to two years:	'000	'000	Maturing after two years:				'000
Pay television	730	86 635	Pay television				6 795
Rand value (R'000)	7 613	667 106	Rand value (R'000)				53 597
Average exchange rate	10,43	7,70	Average exchange rate				7,89

37. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk (continued)

The group regularly enters into long-term US dollar-based contracts that relate to the purchase of film and television programme content. During the year ended 31 March 2007 an IFRS interpretation in South Africa concluded that the US dollar is currently "commonly used" by South African entities in the import and export environment. Accordingly, the group re-assessed its contracts under these changed circumstances and has ceased to separate these embedded derivatives as from 1 April 2006. This has resulted in the derecognition of US dollar embedded derivative assets in the 2007 financial year. The fair value of embedded derivative instruments, mainly relating to programming contracts with content providers, at 31 March 2008, was R26,0 million (2007: R11,0 million) that were recognised as derivative financial assets.

Where the group has surplus funds offshore, the treasury policy is to spread the funds between US dollar and euro to limit the effect of foreign exchange rate fluctuations and to achieve the highest level of interest income. As at 31 March 2008 the group had a net cash balance of R7,3 billion (2007: R11,5 billion), of which R2,5 billion (2007: R3,4 billion) was held in South Africa. The R4,8 billion (2007: R8,1 billion) held offshore was largely denominated in US dollar and euro.

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 British pound is the most significant.

The sensitivity analysis below details the group's sensitivity to a 10% decrease (2007: 15% decrease) in the rand against the US dollar, Euro and British pound, as well as a 10% decrease (2007: 10% decrease) of the US dollar against the euro. These percentages represent management's best estimate of the possible changes in the foreign exchange rates at the respective year-ends. 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.

A 10% decrease (2007: 15% decrease) of the rand against the US dollar, euro and British pound, and a 10% decrease (2007: 10% decrease) of the US dollar against the euro, would result in an after-tax profit of R660,3 million (2007: R544,1 million profit). Other equity would increase by R208,6 million (2007: R105,3 million increase).

Foreign exchange rates

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

Currency (1FC = ZAR)	31 March 2008		31 March 2007	
	Average rate	Closing rate	Average rate	Closing rate
US dollar	7,1558	8,1363	7,0889	7,2749
Euro	10,2618	12,8584	9,1703	9,7154
Thai baht	0,2284	0,2584	0,1949	0,2242
Chinese yuan renminbi	0,9660	1,1603	0,8991	0,9406
Brazilian real	3,9105	4,6615	3,3144	3,5424
British pound	14,3972	16,1577	13,5269	14,3193

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.

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

37. FINANCIAL RISK MANAGEMENT *(continued)*

Foreign exchange risk *(continued)*

	31 March 2008		31 March 2007	
	Assets R'000	Liabilities R'000	Assets R'000	Liabilities R'000
Derivative financial instruments				
Current portion				
Foreign exchange contracts	306 157	—	50 492	379
Embedded derivatives	—	—	11 010	—
Shareholders' liability ⁽¹⁾	—	213 697	—	—
Interest rate swaps	935	—	—	—
	307 092	213 697	61 502	379
Non-current portion				
Foreign exchange contracts	99 371	—	2 017	2 616
Embedded derivatives	26 014	—	—	—
Shareholders' liability ⁽¹⁾	—	8 009	—	261 431
	125 385	8 009	2 017	264 047
Total	432 477	221 706	63 519	264 426

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

	31 March 2008		31 March 2007	
	Foreign currency amount '000	R'000	Foreign currency amount '000	R'000
Uncovered foreign liabilities				
The group had the following uncovered foreign liabilities:				
US dollar	257 458	2 087 980	119 456	876 832
British pound	3 098	50 213	949	13 497
Euro	79 716	1 023 423	51 305	501 233
Australian dollar	1 571	11 674	471	2 796
Cyprian pound	—	—	365	6 095
South Korean won	297 156	2 441	187 639	1 446
Other	241 204	56 426	3 956	4 208

37. FINANCIAL RISK MANAGEMENT (continued)

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. The credit risk relating to these investments is considered to be low.

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 and 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 2008 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, which carry the same credit risk as disclosed under the preference share investment above.

Cash and deposits

The group is exposed to certain concentrations of credit risk relating to its cash and current investments. It places its cash and current investments mainly with major banking groups and high-quality institutions that have high credit ratings. The group's treasury policy is designed to limit exposure to any one institution and invests its excess cash in low-risk investment accounts. As at 31 March 2008 the group held the majority of its cash and deposits with local and international banks with an 'A' credit rating or higher. The counterparties that are used by the group are evaluated on a continuous basis.

The maximum amount of credit risk that the group is exposed to is R25,8 billion (2007: R17,7 billion), and has been calculated as follows:

	31 March 2008 R'000	31 March 2007 R'000
Investments and loans	3 425 868	3 390 620
Receivables and loans	2 863 806	2 346 561
Derivative financial instruments	432 477	63 518
Cash and deposits	7 572 764	11 845 147
Financial guarantees	11 471 887	10 948
	25 766 802	17 656 794

Property and Loan Application Network (Proprietary) Limited ("Property24") has a revenue share agreement in place whereby it shares long-term returns on mortgage leads supplied through its portal business to Absa. The revenue share is calculated on liquid mortgages, which currently totals R5,9 billion, and thus incorporates a portion of risk. Every 0,1% change in the risk profile will impact revenue by R5,9 million. Media24 Limited has given no guarantee or undertaking, in any way, to fund Property24.

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 2008 and 31 March 2007:

	31 March 2008 R'000	31 March 2007 R'000
On call	1 078 396	1 482 090
Expiring within one year	118 029	18 439
Expiring beyond one year	904 030	909 664
	2 100 455	2 410 193

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

37. 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 2008	Carrying value R'000	Contractual cash flows R'000	0 – 12 months R'000	1 – 5 years R'000	5 years + R'000
Non-derivative financial liabilities					
– Interest-bearing: Capitalised finance leases	(1 438 837)	(1 730 157)	(433 418)	(1 296 739)	–
– Interest-bearing: Loans and other	(10 897 461)	(12 751 492)	(848 172)	(11 891 631)	(11 689)
– Non-interest-bearing: Programme and film rights	(706 306)	(706 306)	(706 306)	–	–
– Non-interest-bearing: Loans and other	(71 424)	(71 424)	(12 877)	(53 547)	(5 000)
– Trade payables	(1 801 218)	(1 801 218)	(1 801 218)	–	–
– Accrued expenses and other current liabilities	(1 814 237)	(1 814 157)	(1 814 157)	–	–
– Related-party payables	(11 897)	(11 897)	(11 897)	–	–
– Dividends payable	(10 251)	(10 251)	(10 251)	–	–
– Bank overdrafts	(882 891)	(882 891)	(882 891)	–	–
Derivative financial assets/(liabilities)					
– Forward exchange contracts	405 528	(2 830 924)	(1 647 380)	(1 183 544)	–
– Embedded derivatives	26 014	26 014	–	2 084	23 930
– Shareholders' liabilities	(221 706)	(243 554)	(232 930)	(5 232)	(5 392)
– Interest rate swaps	935	935	204	525	206

31 March 2007	Carrying value R'000	Contractual cash flows R'000	0 – 12 months R'000	1 – 5 years R'000	5 years + R'000
Non-derivative financial liabilities					
– Interest-bearing: Capitalised finance leases	(1 811 364)	(2 334 030)	(483 164)	(1 501 737)	(349 129)
– Interest-bearing: Loans and other	(985 879)	(1 140 373)	(304 484)	(598 799)	(237 090)
– Non-interest-bearing: Programme and film rights	(785 688)	(785 688)	(615 231)	(170 457)	–
– Non-interest-bearing: Loans and other	(51 361)	(51 361)	(31 271)	(389)	(19 701)
– Trade payables	(1 583 564)	(1 583 564)	(1 583 564)	–	–
– Accrued expenses and other current liabilities	(1 822 829)	(1 822 829)	(1 822 829)	–	–
– Related-party payables	(107 816)	(107 816)	(107 816)	–	–
– Dividends payable	(9 102)	(9 102)	(9 102)	–	–
– Bank overdrafts	(364 039)	(364 039)	(364 039)	–	–
Derivative financial assets/(liabilities)					
– Forward exchange contracts	49 513	(1 652 775)	(924 459)	(728 316)	–
– Embedded derivatives	11 010	11 010	821	4 851	5 338
– Shareholders' liabilities	(261 431)	(280 046)	(87 945)	(192 101)	–

37. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

As part of the process of managing the group's fixed and floating borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the group uses derivative instruments, such as interest rate swap agreements, purely for hedging purposes. 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 2008 the group had one swap in place. The fair value thereof was R0,9 million (2007: Rnil) and the loan amount was R100 million. The rate of the loan is the average of the previous three months' JIBAR plus 1,4%, and the rate of the swap is the average of the previous three months' JIBAR capped at 10,25% for 2008, 10,5% for 2009 and 10,25% for 2010.

The interest rate profile of long-term liabilities as at 31 March 2008 and 31 March 2007 was as follows:

	Interest-free R'000	Floating R'000	Fixed: 0 – 12 months R'000	Fixed: More than 12 months R'000	Total R'000
Loans at 31 March 2008	777 730	10 568 989	573 730	1 193 579	13 114 028
Loans at 31 March 2007	837 049	291 019	385 870	2 125 269	3 639 207

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 balance sheet date 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: decreases by 100 basis points (2007: increases by 100 basis points)
- American and European repo rates: decreases by 75 and 50 basis points respectively (2007: increases by 25 basis points each).

If interest rates change 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 2008 would increase by R14,9 million (2007: increase by R77,5 million).

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

38. 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	Fair value	Net gains and (losses) recognised in profit and loss	Total interest income	Total interest expense	Impairment
31 March 2008	R'000	R'000	R'000	R'000	R'000	R'000
Assets						
Investments and loans	3 425 868	3 425 868	–	340 522	–	4 727
Loans and receivables	3 352 310	3 352 310	–	335 983	–	–
Originated loans	9 000	9 000	–	1 045	–	–
Related-party loans	64 558	64 558	–	3 494	–	4 727
Receivables and loans	2 863 806	2 863 806	67 433	6 927	–	65 813
Accounts receivable	2 229 936	2 229 936	10 989	2 456	–	72 288
Other receivables	523 586	523 586	–	4 471	–	(6 475)
Related-party receivables	110 284	110 284	56 444	–	–	–
Derivative financial instruments	432 477	432 477	87 537	–	–	–
Foreign exchange contracts	405 528	405 528	61 523	–	–	–
Embedded derivatives	26 014	26 014	26 014	–	–	–
Interest rate swaps	935	935	–	–	–	–
Cash and deposits	7 572 764	7 572 764	239 170	812 716	–	–
Total	14 294 915	14 294 915	394 140	1 160 165	–	70 540
Liabilities						
Long-term liabilities	11 800 270	11 798 031	(125 002)	–	150 680	–
Interest-bearing: Capitalised finance leases	1 112 473	1 112 473	(135 113)	–	85 906	–
Interest-bearing: Loans and other	10 628 803	10 626 564	10 111	–	64 774	–
Non-interest-bearing: Loans and other	58 994	58 994	–	–	–	–
Short-term payables and loans	4 951 361	4 949 835	(80 728)	–	78 088	–
Interest-bearing: Capitalised finance leases	326 364	326 364	–	–	25 202	–
Interest-bearing: Loans and other	268 658	267 132	–	–	30 153	–
Non-interest-bearing: Programme and film rights	706 306	706 306	(19 216)	–	14 007	–
Non-interest-bearing: Loans and other	12 430	12 430	–	–	–	–
Trade payables	1 801 218	1 801 218	(61 512)	–	126	–
Accrued expenses and other current liabilities	1 814 237	1 814 237	–	–	8 449	–
Related-party payables	11 897	11 897	–	–	151	–
Dividends payable	10 251	10 251	–	–	–	–
Derivatives – shareholders' liabilities	221 706	221 706	(36 433)	–	15 857	–
Bank overdrafts	882 891	882 891	–	–	89 989	–
Total	17 856 228	17 852 463	(242 163)	–	334 614	–

38. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

31 March 2007	Carrying value R'000	Fair value R'000	Net gains and (losses) recognised in profit and loss R'000	Total interest income R'000	Total interest expense R'000	Impairment R'000
Assets						
Investments and loans	3 355 857	3 355 857	1 913	71 597	–	10 771
At fair value through profit and loss investments	33 942	33 942	1 913	–	–	–
Loans and receivables	3 284 000	3 284 000	–	68 305	–	–
Originated loans	15 709	15 709	–	1 725	–	–
Related-party loans	22 206	22 206	–	1 567	–	10 771
Receivables and loans	2 346 561	2 346 561	(177 006)	4 977	–	48 932
Accounts receivable	1 977 387	1 977 387	–	255	–	48 932
Other receivables	348 974	348 974	–	4 722	–	–
Related-party receivables	20 200	20 200	(177 006)	–	–	–
Derivative financial instruments	63 518	63 518	(26 377)	–	–	–
Foreign exchange contracts	52 508	52 508	84 860	–	–	–
Embedded derivatives	11 010	11 010	(111 237)	–	–	–
Cash and deposits	11 845 147	11 845 147	(63 584)	279 922	–	–
Total	17 611 083	17 611 083	(265 054)	356 496	–	59 703
Liabilities						
Long-term liabilities	2 380 977	2 373 718	(110 423)	–	184 271	–
Interest-bearing: Capitalised finance leases	1 447 636	1 447 636	(120 051)	–	122 985	–
Interest-bearing: Loans and other	743 409	736 150	9 628	–	61 286	–
Non-interest-bearing: Programme and film rights	170 457	170 457	–	–	–	–
Non-interest-bearing: Loans and other	19 475	19 475	–	–	–	–
Short-term payables and loans	4 776 624	4 780 567	(11 745)	–	57 298	–
Interest-bearing: Capitalised finance leases	363 726	363 726	–	–	30 901	–
Interest-bearing: Loans and other	242 470	246 413	–	–	19 989	–
Non-interest-bearing: Programme and film rights	615 231	615 231	–	–	–	–
Non-interest-bearing: Loans and other	31 886	31 886	–	–	–	–
Trade payables	1 583 564	1 583 564	(11 745)	–	92	–
Accrued expenses and other current liabilities	1 822 829	1 822 829	–	–	5 511	–
Related-party payables	107 816	107 816	–	–	805	–
Dividends payable	9 102	9 102	–	–	–	–
Derivative financial instruments	264 426	264 426	(34 922)	–	18 615	–
Foreign exchange contracts	2 995	2 995	2 234	–	–	–
Shareholders' liabilities	261 431	261 431	(37 156)	–	18 615	–
Bank overdrafts	364 039	364 039	–	–	55 240	–
Total	7 786 066	7 782 750	(157 090)	–	315 423	–

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 deposits, bank overdrafts, receivables and payables are deemed to reflect fair value due to the short maturities of these instruments. The fair values of forward exchange contracts and embedded derivative instruments are based on quoted market prices. The fair values of interest-bearing loans are calculated based on discounted expected future principal and interest cash flows.

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

39. EQUITY COMPENSATION BENEFITS

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

	Date of incorporation	Maximum awards permissible (note 4)	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 (BVI)	25 March 1999	note 1	*	10 years	Equity-settled
Irdeto Access	14 October 1999	10%	*	5 years and 105 days	note 3
MIH China (BVI) (formerly MIH QQ (BVI))	23 February 2003	note 2	**	10 years	Equity-settled
2005 MIH China (BVI) (formerly 2005 MIH QQ (BVI))	30 September 2005	note 2	**	5 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	10%	***	10 years	Equity-settled
MIH Russia Internet B.V.	4 June 2007	10%	***	10 years	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	60% equity-settled 40% cash-settled
NetMed NV	1 November 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	10%	*	5 years and 14 days	Equity-settled

Note 1 – These share trusts issue Naspers N ordinary shares. Collectively they may issue no more than 11% of the total number of issued N ordinary shares.

Note 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 QQ Limited ordinary shares in issue.

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

Note 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.

Vesting period:

* One third vests after years 3, 4 and 5

** One quarter vests after years 1, 2, 3 and 4

*** One fifth vests after years 1, 2, 3, 4 and 5

39. 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.

MIH Holdings Limited

In terms of a section 311 scheme of arrangement, Naspers Limited offered on 4 March 2004 one Naspers N ordinary share to all the minority shareholders of MIH Holdings Limited, including the MIH Holdings plan, for every 2,25 MIH Holdings shares that it held. All the MIH Holdings shares were exchanged for Naspers N ordinary shares on 20 December 2002. Subsequent offers are of Naspers N ordinary shares. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are cancelled by mutual agreement between the employer and employee.

MIH (BVI) Limited

As part of the merger between MIH Limited and MIH (BVI) Limited, Naspers offered on 23 December 2002 3,5 Naspers N ordinary shares for each MIH Limited share held by minority shareholders, including the MIH Limited plan. The MIH Limited plan was converted into the MIH (BVI) Limited plan at which time all its MIH Limited shares were exchanged for Naspers N ordinary shares and Naspers American Depository Securities ("ADSs"). Subsequent offers are of Naspers N ordinary shares.

M-Net and SuperSport

In terms of a section 311 scheme of arrangement, Naspers Limited offered on 4 March 2004 one Naspers N ordinary share to all the minority shareholders of M-Net and SuperSport, including the M-Net and SuperSport plans, for every 4,5 M-Net/SuperSport linked unit that it held, or R8,50 per M-Net/SuperSport linked unit. The linked units were exchanged for 574 726 (M-Net) and 525 228 (SuperSport) Naspers N ordinary shares during April 2004.

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

39. EQUITY COMPENSATION BENEFITS *(continued)*

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

31 March 2008	Naspers	Media24	Paarl Media	Via Afrika	MIH Holdings	MIH (BVI) (US\$)
Shares						
Outstanding at 1 April	9 624 261	3 506 974	1 658 001	2 698 439	1 465 838	534 741
Granted	12 076 112	–	–	–	356 235	–
Exercised	(3 530 505)	(1 601 801)	(555 866)	(2 335 767)	(417 033)	(143 186)
Forfeited	(9 288)	(35 636)	(90 334)	(281 082)	(95 567)	(27 630)
Outstanding at 31 March	18 160 580	1 869 537	1 011 801	81 590	1 309 473	363 925
Available to be implemented at 31 March	5 662 300	1 463 056	401 797	81 590	460 074	317 915
Weighted average exercise price						
	(rand)	(rand)	(rand)	(rand)	(rand)	(US\$)
Outstanding at 1 April	29,06	7,66	9,02	5,00	52,18	2,76
Granted	175,23	–	–	–	157,73	–
Exercised	27,53	6,88	5,64	5,00	25,64	2,95
Forfeited	25,59	9,13	11,50	5,00	82,28	3,16
Outstanding at 31 March	126,56	8,21	10,48	5,00	87,10	2,72
Available to be implemented at 31 March	26,47	7,08	8,93	5,00	26,14	2,64
Weighted average share price of options taken up during the year						
Shares	3 530 505	1 601 801	555 866	2 335 767	417 033	143 186
Weighted average share price	174,79	28,32	23,31	10,09	157,97	23,44
31 March 2007						
	Naspers	Media24	Paarl Media	Via Afrika	MIH Holdings	MIH (BVI) (US\$)
Shares						
Outstanding at 1 April	9 822 737	4 564 656	2 764 069	3 396 791	2 049 983	900 912
Granted	205 155	–	–	–	187 814	–
Exercised	(378 847)	(891 830)	(1 106 068)	(249 910)	(664 718)	(345 285)
Forfeited	(24 784)	(165 852)	–	(448 442)	(107 241)	(20 886)
Outstanding at 31 March	9 624 261	3 506 974	1 658 001	2 698 439	1 465 838	534 741
Available to be implemented at 31 March	7 206 219	2 733 601	230 901	–	461 751	309 281
Weighted average exercise price						
	(rand)	(rand)	(rand)	(rand)	(rand)	(US\$)
Outstanding at 1 April	27,06	7,50	7,23	5,00	36,77	2,61
Granted	115,17	–	–	–	123,73	–
Exercised	24,19	10,74	4,86	5,00	24,71	2,52
Forfeited	24,61	7,96	–	5,00	53,20	2,00
Outstanding at 31 March	29,06	7,66	9,02	5,00	52,18	2,76
Available to be implemented at 31 March	26,54	6,73	4,80	–	23,60	2,58
Weighted average share price of options taken up during the year						
Shares	378 847	891 830	1 106 068	249 910	664 718	345 285
Weighted average share price	131,81	26,76	20,51	7,92	163,63	22,63

39. EQUITY COMPENSATION BENEFITS (continued)

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

31 March 2008	MIH (BVI) (rand)	Irdeto Access B.V.	MIH China (BVI)	2005 MIH China (BVI)	Entriq
Shares					
Outstanding at 1 April	5 329 602	941 783	10 627	26 484	6 190 500
Granted	2 785 050	–	–	1 392	–
Exercised	(303 080)	(150 773)	(1 250)	(2 292)	–
Forfeited	(88 861)	(104 483)	–	(3)	(1 238 600)
Expired	–	(26 536)	–	–	–
Outstanding at 31 March	7 722 711	659 991	9 377	25 581	4 951 900
Available to be implemented at 31 March	2 954 530	124 604	9 377	8 875	3 985 325
Weighted average exercise price					
	(rand)	(US\$)	(US\$)	(US\$)	(US\$)
Outstanding at 1 April	49,38	7,77	203,20	661,30	0,65
Granted	154,91	–	–	2 668,01	–
Exercised	31,20	7,74	34,00	629,16	–
Forfeited	47,12	8,01	–	1 434,92	0,65
Expired	–	13,13	–	–	–
Outstanding at 31 March	88,18	7,52	225,76	773,29	0,65
Available to be implemented at 31 March	24,00	6,71	225,76	645,07	0,65
Weighted average share price of options taken up during the year					
Shares	303 080	150 773	1 250	2 292	–
Weighted average share price	163,52	15,03	4 044,82	3 273,55	–
31 March 2007					
	MIH (BVI) (rand)	Irdeto Access B.V.	MIH China (BVI)	2005 MIH China (BVI)	Entriq
Shares					
Outstanding at 1 April	6 431 776	859 205	25 024	28 497	5 401 000
Granted	291 759	150 186	–	1 534	973 200
Exercised	(1 338 881)	–	(14 397)	(3 547)	–
Forfeited	(55 052)	(67 608)	–	–	(183 700)
Outstanding at 31 March	5 329 602	941 783	10 627	26 484	6 190 500
Available to be implemented at 31 March	1 671 119	122 282	8 718	3 573	4 019 425
Weighted average exercise price					
	(rand)	(US\$)	(US\$)	(US\$)	(US\$)
Outstanding at 1 April	39,55	7,47	127,53	613,69	0,65
Granted	128,50	9,90	–	1 434,92	0,65
Exercised	19,74	–	71,68	613,31	–
Forfeited	41,72	8,67	–	–	0,65
Outstanding at 31 March	49,38	7,77	203,20	661,30	0,65
Available to be implemented at 31 March	20,48	9,04	167,03	614,04	0,65
Weighted average share price of options taken up during the year					
Shares	1 338 881	–	14 397	3 547	–
Weighted average share price	154,89	–	1 774,12	1 597,14	–

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

39. EQUITY COMPENSATION BENEFITS *(continued)*

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

31 March 2008	MediaZone	M-Net	SuperSport	MIH India	MIH Russia
Shares					
Outstanding at 1 April	1 043 500	171 411	218 964	–	–
Granted	–	–	–	8 649 255	245 207
Exercised	–	(52 362)	(66 577)	–	–
Forfeited	(131 500)	(531)	(811)	(1 200 302)	–
Outstanding at 31 March	912 000	118 518	151 576	7 448 953	245 207
Available to be implemented at 31 March	228 000	113 487	146 978	1 270 490	–
Weighted average exercise price					
	(US\$)	(rand)	(rand)	(US\$)	(euro)
Outstanding at 1 April	0,82	8,46	34,12	–	–
Granted	–	–	–	0,54	12,64
Exercised	–	8,72	34,58	–	–
Forfeited	0,82	8,72	29,78	0,54	–
Outstanding at 31 March	0,82	8,34	33,94	0,54	12,64
Available to be implemented at 31 March	0,82	8,31	33,37	0,54	–
Weighted average share price of options taken up during the year					
Shares	–	52 362	66 577	–	–
Weighted average share price	–	144,51	146,42	–	–
31 March 2007					
	MediaZone	M-Net	SuperSport	MIH India	MIH Russia
Shares					
Outstanding at 1 April	–	281 983	360 268	–	–
Granted	1 043 500	–	–	–	–
Exercised	–	(104 246)	(133 038)	–	–
Forfeited	–	(6 326)	(8 266)	–	–
Outstanding at 31 March	1 043 500	171 411	218 964	–	–
Available to be implemented at 31 March	–	72 939	95 183	–	–
Weighted average exercise price					
	(US\$)	(rand)	(rand)	(US\$)	(euro)
Outstanding at 1 April	–	8,72	33,83	–	–
Granted	0,82	–	–	–	–
Exercised	–	9,13	33,35	–	–
Forfeited	–	8,94	34,26	–	–
Outstanding at 31 March	0,82	8,46	34,12	–	–
Available to be implemented at 31 March	–	8,16	31,72	–	–
Weighted average share price of options taken up during the year					
Shares	–	104 246	133 038	–	–
Weighted average share price	–	165,38	166,13	–	–

39. EQUITY COMPENSATION BENEFITS (continued)

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

31 March 2008	Media24	MultiChoice Africa	M-Net/ SuperSport	NetMed	MIH Brazil	Irdeto Access
SARs						
Outstanding at 1 April	11 755 315	7 583 432	8 934 220	4 234 215	126 950	–
Granted	1 837 888	2 717 069	–	1 614 781	9 273	325 779
Exercised	(953 125)	(68 942)	(21 396)	(2 647)	–	–
Forfeited	(1 215 492)	(365 163)	(319 079)	(120 966)	–	(2 734)
Outstanding at 31 March	11 424 586	9 866 396	8 593 745	5 725 383	136 223	323 045
Available to be implemented at 31 March	–	–	–	–	–	–
Weighted average exercise price						
	(rand)	(rand)	(rand)	(euro)	(US\$)	(US\$)
Outstanding at 1 April	21,65	28,76	9,20	0,94	42,17	–
Granted	25,09	58,21	–	1,43	42,17	15,20
Exercised	21,97	26,10	9,38	0,92	–	–
Forfeited	22,25	37,60	9,33	0,93	–	15,20
Outstanding at 31 March	22,41	36,54	9,19	1,08	42,17	15,20
Available to be implemented at 31 March	–	–	–	–	–	–
Weighted average share price of SARs taken up during the year						
SARs	953 125	68 942	21 396	2 647	–	–
Weighted average SAR price	25,15	55,31	18,14	1,43	–	–

31 March 2007	Media24	MultiChoice Africa	M-Net/ SuperSport	NetMed	MIH Brazil	Irdeto Access
SARs						
Outstanding at 1 April	10 584 790	5 294 588	5 919 353	–	–	–
Granted	1 808 473	2 890 299	3 162 383	4 264 035	130 450	–
Exercised	(64 379)	(19 667)	–	(28 047)	–	–
Forfeited	(533 165)	(581 788)	(147 516)	–	–	–
Cancelled	(40 404)	–	–	(1 773)	(3 500)	–
Outstanding at 31 March	11 755 315	7 583 432	8 934 220	4 234 215	126 950	–
Available to be implemented at 31 March	–	–	–	–	–	–
Weighted average exercise price						
	(rand)	(rand)	(rand)	(euro)	(US\$)	(US\$)
Outstanding at 1 April	21,55	23,70	9,00	–	–	–
Granted	24,16	37,61	9,56	0,94	42,17	–
Exercised	21,55	23,70	–	0,92	–	–
Forfeited	21,65	26,87	9,02	–	–	–
Cancelled	21,55	–	–	1,43	42,17	–
Outstanding at 31 March	21,65	28,76	9,20	0,94	42,17	–
Available to be implemented at 31 March	–	–	–	–	–	–
Weighted average share price of SARs taken up during the year						
SARs	64 379	19 667	–	28 047	–	–
Weighted average SAR price	24,75	39,87	–	1,43	–	–

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

39. EQUITY COMPENSATION BENEFITS (continued)

Share option allocations outstanding and currently available to be implemented at 31 March 2008 by exercise price:

Exercise prices/ range of exercise prices	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2008	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2008	Weighted average exercise price
Naspers Limited (rand)					
10,00 – 20,00	61 507	4,52	18,39	61 507	18,39
20,01 – 25,00	3 102 392	4,37	23,32	3 102 392	23,32
25,01 – 30,00	994 440	4,81	28,59	903 092	28,67
30,01 – 35,00	1 534 866	4,62	30,96	1 534 866	30,96
40,01 – 45,00	24 888	5,00	42,99	10 550	43,17
45,01 – 50,00	100 000	6,45	50,00	33 333	50,00
50,01 – 60,15	61 220	6,22	50,81	16 560	51,80
110,00 – 120,00	191 000	8,36	114,52	–	–
120,01 – 130,00	14 155	8,44	124,00	–	–
130,01 – 145,00	335 068	9,95	138,87	–	–
160,01 – 175,00	3 949 172	10,00	167,27	–	–
175,01 – 200,00	7 791 872	10,00	180,83	–	–
	18 160 580		126,56	5 662 300	26,47
Media24 Limited (rand)					
6,04	228 790	3,86	6,04	228 790	6,04
6,90	61 392	4,69	6,90	61 392	6,90
6,92	1 037 247	2,75	6,92	1 037 247	6,92
8,12	142 531	5,76	8,12	59 026	8,12
11,63	336 404	6,51	11,63	76 601	11,63
20,42	63 173	7,46	20,42	–	–
	1 869 537		8,21	1 463 056	7,08
Paarl Media Holdings (rand)					
4,80	154 133	4,16	4,80	154 133	4,80
11,50	857 668	7,00	11,50	247 664	11,50
	1 011 801		9,02	401 797	4,80
Via Afrika Limited (rand)					
5,00	81 590	6,45	5,00	81 590	5,00
MIH Holdings Limited (rand)					
6,91 – 20,00	92 339	3,90	13,99	92 339	13,99
20,01 – 40,00	320 863	4,20	26,17	287 555	25,45
40,01 – 60,00	181 896	5,92	41,61	78 894	41,59
80,01 – 100,00	841	2,20	91,73	841	91,73
100,01 – 120,00	200 541	7,46	105,35	–	–
120,01 – 140,00	370 669	9,30	132,56	445	130,50
160,01 – 180,00	11 279	9,07	174,97	–	–
180,01 – 200,00	131 045	9,38	186,79	–	–
	1 309 473		87,10	460 074	26,14
MIH (BVI) Limited (US\$)					
1,10 – 2,50	98 855	3,27	1,90	98 855	1,90
2,51 – 5,00	265 070	4,79	3,02	219 060	2,98
	363 925		2,72	317 915	2,64

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

39. EQUITY COMPENSATION BENEFITS *(continued)*

Share option allocations outstanding and currently available to be implemented at 31 March 2008 by exercise price:

Exercise prices/ range of exercise prices	Share options outstanding			Share options currently available	
	Number outstanding at 31 March 2008	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2008	Weighted average exercise price
MIH (BVI) Limited (rand)					
8,19 – 15,00	170 805	4,00	8,19	170 805	8,19
15,01 – 40,00	2 554 637	4,74	22,74	2 405 944	21,93
40,01 – 65,00	991 261	6,00	44,18	368 721	43,57
65,01 – 75,00	9 060	2,00	74,22	9 060	74,22
100,01 – 125,00	1 151 168	7,73	118,76	–	–
125,01 – 145,00	1 604 907	9,99	138,91	–	–
145,01 – 160,00	48 745	8,00	145,99	–	–
160,01 – 175,00	953 095	9,00	174,98	–	–
175,01 – 190,00	239 033	9,00	181,83	–	–
	7 722 711		88,18	2 954 530	24,00
Irdeto Access B.V. (US\$)					
6,70	408 164	6,00	6,70	123 156	6,70
7,90	130 719	6,97	7,90	1 448	7,90
9,90	121 108	8,00	9,90	–	–
	659 991		7,52	124 604	6,71
MIH China (BVI) Limited (US\$)					
34,00	4 000	5,00	34,00	4 000	34,00
368,41	5 377	6,00	368,41	5 377	368,41
	9 377		225,76	9 377	225,76
2005 MIH China (BVI) Limited (US\$)					
612,75	22 289	2,00	612,75	8 359	612,75
654,02	405	2,00	654,02	176	654,02
1 434,92	1 495	3,00	1 434,92	340	1 434,92
2 481,05	1 051	4,00	2 481,05	–	–
3 244,25	341	4,00	3 244,25	–	–
	25 581		773,29	8 875	645,07
Entriq (Mauritius) Limited (US\$)					
0,65	4 951 900	7,05	0,65	3 985 325	0,65
MediaZone Holdings B.V. (US\$)					
0,82	912 000	8,00	0,82	228 000	0,82
M-Net Limited (rand)					
4,00 – 8,50	17 148	0,96	5,93	17 148	5,93
8,51 – 13,50	101 261	4,78	8,74	96 230	8,72
13,51 – 30,50	109	0,13	16,88	109	16,88
	118 518		8,34	113 487	8,31
SuperSport Limited (rand)					
–	43 221	4,15	–	43 221	–
10,00 – 25,00	442	0,93	24,51	442	24,51
25,01 – 40,00	15 328	0,95	34,02	15 328	34,02
40,01 – 55,00	90 615	4,84	49,63	86 017	49,49
55,01 – 60,00	1 970	1,95	58,66	1 970	58,66
	151 576		33,94	146 978	33,37
MIH India (US\$)					
0,54	7 448 953	9,00	0,54	1 270 490	0,54
MIH Russia (euro)					
12,64	245 207	9,00	12,64	–	–

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS *(continued)*

39. EQUITY COMPENSATION BENEFITS *(continued)*

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2008 by exercise price:

	Exercise price	SARs outstanding		
		Number outstanding at 31 March 2008	Weighted average remaining contractual life (years)	Weighted average exercise price
Media24 Limited (rand)	21,55	8 522 943	2,03	21,55
	24,75	1 409 303	3,21	24,75
	25,15	1 492 340	4,00	25,15
		11 424 586		22,41
MCA (Proprietary) Limited (rand)	23,70	4 992 088	2,08	23,70
	39,87	2 263 272	3,00	39,87
	58,21	2 611 036	4,00	58,21
		9 866 396		36,54
M-Net/SuperSport (rand)	9,00	5 677 843	2,00	9,00
	9,56	2 915 902	3,00	9,56
		8 593 745		9,19
NetMed NV (euro)	0,92	3 943 915	3,00	0,92
	1,43	1 781 468	3,91	1,43
		5 725 383		1,08
MIH Brazil Holdings B.V. (US\$)	42,17	136 223	3,07	42,17
Irdeto Access B.V. (US\$)	15,20	323 045	4,00	15,20

No outstanding SARs were exercisable at 31 March 2008.

39. EQUITY COMPENSATION BENEFITS (continued)

Share trust incentive plans grants made during the year:

31 March 2008	Naspers Limited (rand)	MIH Holdings Limited (rand)	MIH (BVI) Limited (rand)	Irdeco B.V. (US\$)	2005 MIH China (BVI) Limited (US\$)	Entriq (US\$)	Media-Zone (US\$)	MIH India (US\$)	MIH Russia (euro)
Weighted average fair value at measurement date	49,61	66,94	73,80	—	1 286,64	—	—	0,26	6,23
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	175,23	157,73	154,91	—	2 668,01	—	—	0,54	12,64
Weighted average exercise price	175,23	157,73	154,91	—	2 668,01	—	—	0,54	12,64
Weighted average expected volatility (%)*	37,1	35,5	36,8	—	44,08	—	—	42,4	43,8
Weighted average option life (years)	10,0	9,5	9,7	—	5,0	—	—	10,0	9,9
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)	9,0	8,8	9,0	—	4,71	—	—	4,8	4,6
Weighted average annual suboptimal rate (%)	51,5	469,5	84,0	—	83,0	—	—	83,0	83,0
Weighted average vesting period (years)	4,0	4,0	4,0	—	2,5	—	—	3,0	3,0

31 March 2007

Weighted average fair value at measurement date	58,59	35,96	54,21	2,3	763,39	0,3	0,37	—	—
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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	115,17	123,73	128,50	9,90	1 434,92	0,65	0,82	—	—
Weighted average exercise price	115,17	123,73	128,50	9,90	1 434,92	0,65	0,82	—	—
Weighted average expected volatility (%)*	37,9	24,4	33,6	24,0	51,3	50,0	50,0	—	—
Weighted average option life (years)	10,0	9,4	9,1	5,3	5,0	10,0	9,9	—	—
Weighted average dividend yield (%)	1,0	1,2	1,0	—	—	—	—	—	—
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	8,4	7,8	8,3	4,5	4,2	4,6	4,9	—	—
Weighted average annual suboptimal rate (%)	56,0	194,5	141,0	141,0	69,0	84,0	141,0	—	—
Weighted average vesting period (years)	4,0	4,0	4,0	3,8	4,0	3,8	4,0	—	—

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

*The weighted average expected volatility is determined using:

– Historical daily share prices	*	*	*		*				
– Both historical and future annual (bi-annual) company valuations				*		*	*	*	*

■ NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (continued)

39. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights plans grants made during the year:

31 March 2008	Media24 (rand)	MultiChoice Africa (rand)	M-Net/ SuperSport (rand)	NetMed (euro)	MIH Brazil (US\$)	Irdeco Access (US\$)
Weighted average fair value at measurement date	6,39	19,92	—	0,34	15,19	5,82

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	25,09	58,21	—	1,43	42,17	15,20
Weighted average exercise price	25,09	58,21	—	1,43	42,17	15,20
Weighted average expected volatility (%)*	15,2	17,9	—	14,4	31,0	36,2
Weighted average option life (years)	5,0	5,0	—	5,0	5,0	5,0
Weighted average dividend yield (%)	—	—	—	—	—	—
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	8,6	8,6	—	5,0	5,0	4,2
Weighted average annual suboptimal rate (%)	108,0	277,0	—	277,0	56,0	67,0
Weighted average vesting period (years)	4,0	4,0	—	4,0	4,0	4,0

31 March 2007

Weighted average fair value at measurement date	7,08	14,48	3,00	0,39	15,20	—
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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	24,16	37,61	9,56	0,94	42,17	—
Weighted average exercise price	24,16	37,61	9,56	0,94	42,17	—
Weighted average expected volatility (%)*	15,3	46,4	14,6	42,7	32,5	—
Weighted average option life (years)	5,0	5,0	5,0	5,0	5,0	—
Weighted average dividend yield (%)	—	—	—	—	—	—
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	8,3	8,2	8,1	3,2	4,6	—
Weighted average annual suboptimal rate (%)	89,5	168,0	88,0	40,0	56,0	—
Weighted average vesting period (years)	4,0	4,0	4,0	4,0	3,8	—

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

*The weighted average expected volatility is determined using:

– Both historical and future annual (bi-annual) company valuations.

	*	*	*	*	*	*
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	31 March 2008 R'000	31 March 2007 R'000
Share-based payment liability		
Total carrying amount of cash-settled share-based payment liability	114 413	120 239
Total intrinsic value of liability for vested benefits	50 215	60 993

COMPANY BALANCE SHEETS

at 31 March 2008 and 31 March 2007

	Notes	31 March 2008 R'000	31 March 2007 R'000
ASSETS			
Non-current assets			
		23 660 308	14 159 071
Investments in subsidiaries	2	5 453 012	3 578 012
Loans to subsidiaries	3	17 524 635	9 802 029
Investments in joint ventures	4	—	32 175
Loan to joint venture	4	—	87 086
Investments and loans	5	607 638	584 000
Deferred taxation	7	75 023	75 769
Current assets			
		3 433 382	7 168 702
Current portion of long-term loans	3	682 592	444 001
Other receivables	8	33 789	33 761
Cash and deposits		2 717 001	6 690 940
TOTAL ASSETS		27 093 690	21 327 773
EQUITY AND LIABILITIES			
Shareholders' equity			
		27 000 251	21 267 794
Share capital and premium	9	16 617 297	13 464 398
Other non-distributable reserves		1 318 986	18 224
Retained earnings		9 063 968	7 785 172
Non-current liabilities			
		2 176	2 413
Post-retirement medical liability	10	2 176	2 413
Current liabilities			
		91 263	57 566
Amounts owing in respect of investments acquired	11	33 913	38 929
Accrued expenses and other current liabilities	12	29 723	18 637
Taxation		27 627	—
TOTAL EQUITY AND LIABILITIES		27 093 690	21 327 773

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

COMPANY INCOME STATEMENTS

for the years ended 31 March 2008 and 31 March 2007

	Notes	31 March 2008 R'000	31 March 2007 R'000
Revenue			
		72	—
Selling, general and administration expenses	14	(48 811)	(66 231)
Other gains – net	13	1 828 814	4 793 931
Operating profit		1 780 075	4 727 700
Interest received	15	380 555	107 225
Interest paid	15	(15)	—
Other finance income/(cost) – net	15	4 553	(95 453)
(Loss)/profit on sale of investments	16	(294 013)	689 429
Profit before taxation		1 871 155	5 428 901
Taxation	17	(28 625)	34 865
Profit for the year		1 842 530	5 463 766
Attributable to:			
Equity holders of the company		1 842 530	5 463 766
Minority interest		—	—
		1 842 530	5 463 766

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

COMPANY STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

for the years ended 31 March 2008 and 31 March 2007

	Share capital and premium		Share-based compensation reserve R'000	Fair-value reserve R'000	Retained earnings R'000	Total R'000
	A shares R'000	N shares R'000				
Balance at 1 April 2006	14 243	6 024 627	12 547	—	2 688 052	8 739 469
Share capital issued	—	7 432 602	—	—	—	7 432 602
Treasury shares movement	—	(7 074)	—	—	—	(7 074)
Share-based compensation movements	—	—	5 677	—	—	5 677
Net profit attributable to shareholders	—	—	—	—	5 463 766	5 463 766
Dividends	—	—	—	—	(366 646)	(366 646)
Balance at 31 March 2007	14 243	13 450 155	18 224	—	7 785 172	21 267 794
Balance at 1 April 2007	14 243	13 450 155	18 224	—	7 785 172	21 267 794
Share capital issued	—	4 752 151	—	1 296 100	—	6 048 251
Treasury shares movement	—	(1 599 252)	—	—	—	(1 599 252)
Share-based compensation movements	—	—	4 662	—	—	4 662
Net profit attributable to shareholders	—	—	—	—	1 842 530	1 842 530
Dividends	—	—	—	—	(563 734)	(563 734)
Balance at 31 March 2008	14 243	16 603 054	22 886	1 296 100	9 063 968	27 000 251

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

COMPANY CASH FLOW STATEMENTS

for the years ended 31 March 2008 and 31 March 2007

	Notes	31 March 2008 R'000	31 March 2007 R'000
Cash flows from operating activities			
Cash used in operations	18	(7 657)	(21 958)
Finance income – net		318 216	89 645
Investment income received		1 253 660	680 305
Taxation paid		(299)	—
<i>Net cash from operating activities</i>		1 563 920	747 992
Cash flows from investment activities			
Acquisition of subsidiaries, net of cash acquired	4	(250 000)	—
Partial disposal of interest in subsidiary	19	—	130 453
Proceeds from the sale of property		—	5 547
<i>Net cash (used in)/from investing activities</i>		(250 000)	136 000
Cash flows from financing activities			
Loans granted to subsidiaries		(4 847 853)	(3 189 814)
Proceeds from share issue		96 320	7 396 568
Preference dividends received		18 104	—
Dividend paid by holding company		(558 983)	(366 646)
<i>Net cash (used in)/from financing activities</i>		(5 292 412)	3 840 108
Net (decrease)/increase in cash and cash equivalents		(3 978 492)	4 724 100
Forex translation adjustments on cash and cash equivalents		4 553	(95 453)
Cash and cash equivalents at beginning of the year		6 690 940	2 062 293
Cash and cash equivalents at end of the year		2 717 001	6 690 940

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

1. PRINCIPAL ACCOUNTING POLICIES

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

2. INVESTMENTS IN SUBSIDIARIES

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

Name of subsidiary	Functional currency	Effective percentage interest*		Direct investment in shares		Nature of business	Country of incorporation
		2008 %	2007 %	2008 R'000	2007 R'000		
Media24 Holdings (Proprietary) Limited	ZAR	85,0	85,0	1 105	1 105	Investment holding	South Africa
Heemstede Beleggings (Proprietary) Limited	ZAR	100,0	100,0	—	—	Investment holding	South Africa
MIH Holdings Limited	ZAR	100,0	100,0	5 451 767	3 576 767	Investment holding	South Africa
MIH Investments (Proprietary) Limited	ZAR	100,0	100,0	140	140	Investment holding	South Africa
Intelprop (Proprietary) Limited (formerly Multimedia (Proprietary) Limited)	ZAR	100,0	100,0	—	—	Investment holding	South Africa
				5 453 012	3 578 012		

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

During the past year Naspers Limited acquired an additional 317 706 ordinary shares in MIH Holdings Limited to the value of R1 875 million. This transaction is eliminated in the consolidated annual financial statements.

	31 March 2008 R'000	31 March 2007 R'000
3. LOANS TO SUBSIDIARIES		
Media24 Limited	682 592	444 001
MIH Holdings Limited group	17 452 773	9 724 813
Intelprop (Proprietary) Limited (formerly Multimedia (Proprietary) Limited)	71 862	77 216
	18 207 227	10 246 030
Less: current portion	(682 592)	(444 001)
	17 524 635	9 802 029

The loans to subsidiary companies do not have any fixed repayment terms except for the Media24 Limited loan, which is payable on demand. All the loans to subsidiary companies at 31 March 2008 are interest free, except for R260 million of the Media24 Limited loan account bearing interest at a rate of prime less 3%.

For the year ended 31 March 2008 Naspers Limited subordinated R300 million of the R683 million loan to Media24, for the benefit of other current and future creditors of Media24 Limited.

■ NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

4. INVESTMENTS IN JOINT VENTURES

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

Name of joint venture	Functional currency	Effective percentage interest*		Direct investment in shares		Nature of business	Country of incorporation
		2008 %	2007 %	2008 R'000	2007 R'000		
Electronic Media Network Limited/SuperSport International Holdings Limited	ZAR	—	3,8	—	16 345	Pay-TV content provider	South Africa
MNH Holdings (1998) (Proprietary) Limited	ZAR	—	50,0	—	15 830	Investment holding	South Africa
				—	32 175		

During the past year Naspers Limited acquired an additional 13,55% interest in Electronic Media Network Limited and SuperSport International Holdings Limited and an additional 50% interest in MNH Holdings (1998) (Proprietary) Limited. The purchase consideration was settled through the issuance of 21 601 667 N shares and R250 million in cash. The share issue was allocated as follows: R432 033 to share capital, R2 592 million to share premium and R1 296 million to a non-distributable fair-value reserve (the reserve being the difference between the fair value and par plus share premium value of the shares issued). Naspers Limited subsequently sold its total investment to the MultiChoice group. This transaction is eliminated in the consolidated annual financial statements. See note 33 in the consolidated financial statements for further details concerning the cash flow information of the additional stake purchased in M-Net and SuperSport. The loan of R87,1 million to MNH Holdings (1998) (Proprietary) Limited was settled as part of this transaction.

						31 March 2008 R'000	31 March 2007 R'000
5. INVESTMENTS AND LOANS							
Loans and receivables							
Welkom Yizani preference shares						641 280	599 600
Less: short-term accrued dividends on preference shares						(33 642)	(15 600)
Long-term portion of loans and receivables						607 638	584 000

During the previous year Welkom Yizani Investments Limited issued 58,4 million cumulative preference shares (at R10 per share) to Naspers Limited as part of the BEE transaction with Media24. See note 7 in the consolidated financial statements for further details concerning this investment.

6. RELATED-PARTY TRANSACTIONS AND BALANCES

Loans and interest

For details on related-party loans and interest and dividends received refer to notes 3, 4, 13 and 15.

For details on the loss on disposal of investment to a related party refer to note 16.

Directors' emoluments

Executive directors

Remuneration for other services paid by subsidiary companies

1 120

—

Non-executive directors

Fees for services as directors

4 483

3 944

Fees for services as directors of subsidiary companies

3 617

2 908

9 220

6 852

Refer to note 13 of the consolidated financial statements for disclosure on executive director remuneration.

7. DEFERRED TAXATION

The company created a deferred tax asset of R72,6 million (2007: R75,7 million) on unutilised secondary tax on companies ("STC") credits. The unutilised STC credits amounted to R3 818 million on 31 March 2008 (2007: R4 288 million). Management recorded a valuation allowance of R3 092 million (2007: R3 682 million) against the unutilised STC credits on 31 March 2008 as it is not expected that all the unutilised credits will realise. See note 16 of the consolidated financial statements for management's assumptions, which are based on changes relating to STC legislation.

7. DEFERRED TAXATION (continued)

	1 April 2007 R'000	Charged to income R'000	31 March 2008 R'000
Deferred tax asset			
Provisions and other current liabilities	–	2 402	2 402
STC credits	75 769	(3 148)	72 621
	75 769	(746)	75 023
		31 March 2008 R'000	31 March 2007 R'000

8. OTHER RECEIVABLES

Accrued Welkom Yizani preference dividends		33 642	15 600
Other receivables		147	18 161
		33 789	33 761

9. SHARE CAPITAL AND PREMIUM

Share capital and premium			
Authorised			
1 250 000 A ordinary shares of R20 each		25 000	25 000
500 000 000 N ordinary shares of 2 cents each		10 000	10 000
		35 000	35 000
Issued			
712 131 A ordinary shares of R20 each		14 243	14 243
403 309 411 N ordinary shares of 2 cents each (2007: 366 688 936)		8 066	7 334
		22 309	21 577
Share premium		18 425 959	13 674 540
		18 448 268	13 696 117
Less: 18 168 780 N ordinary shares held as treasury shares (2007: 9 662 477 N ordinary shares)		(1 830 971)	(231 719)
		16 617 297	13 464 398
		2008 Number of N shares	2007 Number of N shares
Movement in N ordinary shares in issue during the year			
Shares in issue at 1 April		366 688 936	315 113 700
Shares issued for cash		–	45 600 000
Shares issued to the Welkom Trust share scheme		–	5 605 236
Shares issued for acquisition of a stake in M-Net/SuperSport		21 601 667	–
Shares issued to share incentive trusts		15 018 808	370 000
Shares in issue at 31 March		403 309 411	366 688 936
Movement in N ordinary shares held as treasury shares during the year			
Shares held as treasury shares at 1 April		9 662 477	9 891 324
Shares issued to the Naspers equity compensation plan		12 036 808	150 000
Shares acquired by participants from the Naspers equity compensation plan		(3 530 505)	(378 847)
Shares held as treasury shares at 31 March		18 168 780	9 662 477

Voting and dividend rights

The A ordinary shareholders are entitled to 1 000 votes per share and shall be entitled to nominal dividends as determined from time to time by the board of directors, but always limited to one fifth of the dividend to which N ordinary shareholders are entitled. 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.

■ NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2008 R'000	31 March 2007 R'000
9. SHARE CAPITAL AND PREMIUM (continued)		
Share premium		
Opening balance at 1 April	13 674 540	6 242 971
Share premium on share issues	4 752 305	7 657 226
Share issue expenses	(886)	(225 657)
Balance at 31 March	18 425 959	13 674 540
Capital management		
See note 14 of the consolidated financial statements for the group policy.		
10. POST-RETIREMENT MEDICAL LIABILITY		
The company operates a post-retirement medical benefit scheme. The obligation of the company to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners, however, remain entitled to this benefit. The company provides for post-retirement medical aid benefits on the accrual basis determined each year by an independent actuary. The directors are confident that adequate provision has been made for future liabilities.		
Balance at 1 April	2 413	2 270
Provisions (released)/charged to income statement	(237)	143
Balance at 31 March	2 176	2 413
Refer to note 17 of the consolidated financial statements for additional information including the actuarial assumptions.		
11. AMOUNTS OWING IN RESPECT OF INVESTMENTS ACQUIRED		
On 24 March 2004 the last conditions precedent relating to schemes of arrangement under section 311 of the South African Companies Act, 1973, were satisfied, in terms of which Naspers Limited acquired an additional 19,62% financial interest in Electronic Media Network Limited and SuperSport International Holdings Limited respectively (which was sold to MultiChoice Africa (Proprietary) Limited during 2005). An amount of R815,6 million was due to minority shareholders on 31 March 2004. Some of these minority shareholders have not surrendered their share certificates and claimed payment for their shares, therefore an amount of R33,9 million was still outstanding as at 31 March 2008 (2007: R38,9 million).		
12. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES		
Accrued expenses	20 040	10 053
Taxes and social security	189	180
Bonus accrual	3 691	3 382
Accrual for leave	719	993
Other personnel accruals	44	42
Other current liabilities	5 040	3 987
	29 723	18 637
13. OTHER GAINS – NET		
Subsidiaries		
Dividends – unlisted shares	4 551 373	5 169 522
Impairment of investment	(2 748 062)	(441 097)
Profit on the sale of property	–	5 200
Joint venture companies		
Dividends – unlisted shares	25 471	60 277
Other investments		
Dividends – unlisted shares	32	29
Total other gains – net	1 828 814	4 793 931

▣ NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2008 R'000	31 March 2007 R'000
14. EXPENSES BY NATURE		
Operating profit includes the following items:		
Staff costs		
As at 31 March 2008 the company had 11 (2007: 11) permanent employees. The total cost of employment of all employees was as follows:		
Salaries, wages and bonuses	7 947	8 250
Retirement benefit costs (defined contribution plan)	662	606
Medical aid fund contributions	195	186
Post-retirement benefits	(237)	143
Training costs	154	153
Share-based compensation charges	4 662	5 677
Total staff costs	13 383	15 015
Fees paid to non-employees for administration, management and technical services	31 550	39 385
Advertising expenses	1 696	1 220
Auditor's remuneration		
Audit fees	1 840	5 984
Audit-related fees	–	4 141
Tax fees	26	51
All other fees	316	435
	2 182	10 611
15. FINANCE INCOME – NET		
Interest paid		
Loans and overdrafts	(15)	–
	(15)	–
Interest received		
Loans and bank accounts	359 696	78 832
Subsidiaries	20 859	28 393
	380 555	107 225
Other finance income/(cost) – net		
Net profit/(loss) from foreign exchange translation of assets	4 553	(95 453)
Finance income – net	385 093	11 772
16. (LOSS)/PROFIT ON SALE OF INVESTMENTS		
(Loss)/profit on sale of investments	(294 013)	689 429

During 2008 Naspers Limited recorded a loss of R294 million on the sale of a 17,36% interest in Electronic Media Network Limited and SuperSport International Holdings Limited to the MultiChoice group. This transaction is eliminated in the consolidated annual financial statements. See note 7 in the consolidated financial statements for further details regarding this transaction.

During 2007 Naspers Limited recorded a profit of R689,4 million (net of costs of R40,4 million) on the sale of a 15% interest in Media24 Holdings (Proprietary) Limited to Welkom Yizani Investments Limited as part of the BEE transaction. See note 7 in the consolidated financial statements for further details regarding this transaction.

■ NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

	31 March 2008 R'000	31 March 2007 R'000
17. TAXATION		
Normal taxation		
South Africa		
Current year	27 879	–
Deferred taxation		
– Current year	3 815	(34 865)
– Change in rate	86	–
– Prior year	(3 155)	–
Total tax per income statement	28 625	(34 865)
Reconciliation of taxation		
Taxation at statutory rates	542 635	1 574 381
Adjusted for:		
Assessed losses (utilised)/increased	(56 266)	12 999
Non-deductible expenses	89 791	146 655
Non-taxable income	(547 763)	(1 734 374)
Prior year adjustments	(3 155)	–
Changes in taxation rates	86	–
Secondary taxation on companies	3 147	(34 865)
Other taxes	150	339
Taxation provided in income statement	28 625	(34 865)
18. CASH USED IN OPERATIONS		
Profit before tax per income statement	1 871 155	5 428 901
Adjustments:		
– Non-cash and other	(1 891 519)	(5 454 886)
Profit on the sale of property	–	(5 200)
Impairment of investment	2 748 062	441 097
Expenses paid by subsidiary	23 950	30 440
Loss/(profit) on sale of investments	294 013	(689 429)
Finance income – net	(385 093)	(11 772)
Investment income	(4 576 876)	(5 229 827)
Share-based compensation charges	4 662	5 677
Other	(237)	4 128
– Working capital	12 707	4 027
Cash movement in trade and other receivables	18 596	3 005
Cash movement in payables, provisions and accruals	(5 889)	1 022
Cash used in operations	(7 657)	(21 958)
19. PARTIAL DISPOSAL OF INTEREST IN SUBSIDIARY		
Profit on sale of investment	–	729 805
Book value	–	195
Selling price	–	730 000
Preference shares received as settlement	–	(584 000)
Amounts receivable	–	146 000
Net cash inflow on partial disposal of interest in subsidiary	–	(15 547)

20. FINANCIAL RISK MANAGEMENT

Foreign exchange risk

See note 37 of the consolidated financial statements for the group's risks.

Foreign currency sensitivity analysis

The company's presentation currency is the South African rand, but as it operates internationally, it is exposed to the US dollar and euro.

The sensitivity analysis below detail the company's sensitivity to a 10% decrease (2007: 15% decrease) in the rand against the US dollar and euro. These percentage decreases represent management's assessment of the possible changes in the foreign exchange rates at the respective year-ends. The sensitivity 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.

A 10% decrease (2007: 15% decrease) of the rand against the US dollar and euro would result in a profit after tax of R2,4 million (2007: R635,6 million profit).

Credit risk

Refer to note 37 of the consolidated financial statements for the group's risks.

The maximum amount of credit risk that the company is exposed to is R21 566 million (2007: R17 642 million), and has been calculated as follows:

	31 March 2008 R'000	31 March 2007 R'000
Loans and receivables	607 638	584 000
Other receivables	33 642	120 572
Intergroup current accounts and loans	18 207 227	10 246 030
Cash and deposits	2 717 001	6 690 940
	21 565 508	17 641 542

The company has guaranteed the foreign revolving credit facility of R11,3 billion (€700 million) in MIH B.V. that was used to partly fund the acquisition of Tradus plc.

Liquidity risk

Refer to note 37 of the consolidated financial statements for the group's risks.

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

	Carrying amount R'000	Contractual cash flows R'000	0 – 12 months R'000
31 March 2008			
Non-derivative financial liabilities			
– Accrued expenses and other current liabilities	63 636	63 636	63 636
31 March 2007			
Non-derivative financial liabilities			
– Accrued expenses and other current liabilities	57 385	57 385	57 385

Interest rate risk

See note 37 of the consolidated financial statements for the group policy.

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 balance sheet date 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 company 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 assessment of the possible change in interest rates at the respective year-ends:

- South African repo rate: decreases by 100 basis points (2007: increases by 100 basis points)
- American and European repo rates: decreases by 75 and 50 basis points respectively (2007: increases by 25 basis points each).

If interest rates increased/decreased as stipulated above and all other variables were held constant, specifically foreign exchange rates, the company's profit after tax for the year ended 31 March 2008 would decrease by R25,5 million (2007: increase by R42,6 million).

■ NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

21. 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'000	Fair value R'000	Net gains and (losses) recognised in profit and loss R'000	Total interest income R'000	Total interest expense R'000
31 March 2008					
Assets					
Intergroup current accounts and loans	18 207 227	18 207 227	–	20 859	–
Loans and receivables	607 638	607 638	–	59 784	–
Other receivables	33 642	33 642	–	364	–
Cash and deposits	2 717 001	2 717 001	4 553	299 548	15
Total	21 565 508	21 565 508	4 553	380 555	15
Liabilities					
Accrued expenses and other current liabilities	63 636	63 636	–	–	–

	Carrying value R'000	Fair value R'000	Net gains and (losses) recognised in profit and loss R'000	Total interest income R'000	Total interest expense R'000
31 March 2007					
Assets					
Intergroup current accounts and loans	10 246 030	10 246 030	–	28 393	–
Loans and receivables	584 000	584 000	–	15 600	–
Loan to joint venture	87 086	87 086	–	–	–
Other receivables	33 485	33 485	–	1 308	–
Cash and deposits	6 690 940	6 690 940	(95 453)	61 924	–
Total	17 641 541	17 641 541	(95 453)	107 225	–
Liabilities					
Accrued expenses and other current liabilities	57 385	57 385	–	–	–

Refer to note 38 of the consolidated financial statements for details regarding the calculation of the fair value of financial instruments.

22. EQUITY COMPENSATION BENEFITS

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