NASPERS LTD
Form 20-F
September 30, 2004

As filed with the Securities and Exchange Commission on September 30, 2004.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark one)

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b)**
OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
for the fiscal year ended: March 31, 2004

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
for the transition period from to Commission file number 1-14917

NASPERS LIMITED
(Exact name of Registrant as specified in its charter)

Republic of South Africa
(Jurisdiction of incorporation or organization)

40 Heerengracht
Cape Town, 8001
The Republic of South Africa
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

None
(Title of Class)

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Class N ordinary shares, nominal value Rand 0.02 per share*

American Depositary Shares, each representing ten Class N ordinary shares, nominal value Rand 0.02 per share
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report.

296,816,639

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ___X___ No ______

Indicate by check mark which financial statement item the Registrant has elected to follow.
Item 17 ______ Item 18 ___X___

*Not for trading, but only in connection with registration of American Depositary Shares.

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OUR USE OF TERMS AND CONVENTIONS IN THIS ANNUAL REPORT

Unless otherwise specified or the context requires otherwise in this annual report on Form 20-F:

· references to "Naspers", "Naspers group", "group", "we", "us" and "our" are to Naspers Limited together with its subsidiaries, unless the context suggests otherwise;

· references to "MIH Limited" are to MIH Limited together with its subsidiaries with respect to any period prior to December 20, 2002, and to MIH (BVI) Limited together with its subsidiaries thereafter;

· references to "Rand", "R" and "ZAR" are to South African Rand, the currency of South Africa;

· references to "U.S. dollar(s)", "dollar(s)", "U.S. $" and "$" are to United States dollars and cents, the currency of the United States;

· references to "Euro" and " " are to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union;

- references to "Pound sterling" are to United Kingdom pounds sterling, the currency of the United Kingdom;

- references to "Renminbi" or "Yuan Renminbi" are to Chinese Renminbi, the currency of the People s Republic of China; and

- references to "Thai Baht" and "Baht" are to Thai Baht, the currency of Thailand.

ACCOUNTING PERIODS AND PRINCIPLES

Unless otherwise specified, all references in this annual report to a "fiscal year" and "year ended" of Naspers refer to a twelve-month financial period. All references in this annual report to fiscal 2004, fiscal 2003, fiscal 2002, fiscal 2001 or fiscal 2000 refer to Naspers twelve-month financial periods ended on March 31, 2004, March 31, 2003, March 31, 2002, March 31, 2001 and March 31, 2000, respectively; references in this annual report to fiscal 2004 refer to the period beginning April 1, 2003 and ending March 31, 2004. Our group consolidated financial statements included elsewhere in this annual report have been prepared in conformity with South African Statements of Generally Accepted Accounting Practice ("South African GAAP"), which differ in certain significant respects from accounting principles generally accepted in the United States ("U.S. GAAP"). See note 42 to Naspers audited consolidated financial statements included elsewhere in this annual report.

FORWARD LOOKING STATEMENTS

The U.S. Securities and Exchange Commission ("SEC"), encourages companies to disclose forward looking information so that investors can better understand a company s future prospects and make informed investment decisions. This annual report contains historical and forward looking statements concerning the financial condition, results of operations and business of Naspers. All statements other than statements of historical fact are, or may be deemed to be, forward looking statements.

Forward looking statements are statements of future expectations that are based on management s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward looking statements include, among other things, statements concerning the potential exposure of Naspers to market risks and statements expressing management s expectations, beliefs, estimates, forecasts, projections and assumptions.

These forward looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "objectives", "outlook", "probably", "project", "will", "seek", "target" and similar terms and phrases. These statements are contained in the sections entitled "Key Information", "Risk Factors", "Information on the Company", and "Operating and Financial Review and Prospects", and in other sections of this annual report. The following factors, among others, could affect the future operations of Naspers and could cause those results to differ materially from those expressed in the forward looking statements included in this annual report:

- the political, social and economic risks which exist in all countries in which Naspers and its joint ventures operate;

- adverse regulatory developments;

- restrictions imposed by South Africa s exchange control regulations;

- market risks related to fluctuations in the exchange rates and interest rates in countries in which Naspers and its joint ventures operate;

- the high level of Naspers debt and funding difficulties Naspers may face;
- the possibility that Naspers may not be able to access cash flows from its subsidiaries and joint ventures;
- dependence on suppliers, partners and local governments;
- the possibility that satellites used by Naspers, or its printing equipment or facilities, may fail to perform or be damaged;
- competitive pressures facing Naspers businesses which may result in declining subscriber levels;
- unauthorized access to Naspers programming signals;
- the macroeconomic conditions in South Africa;
- the strength of trade unions;
- the ability to enforce foreign judgments against Naspers and its directors and officers;
- cyclical fluctuations in the demand for advertising;
- the rapid pace of technological change;
- our reliance on software and hardware systems, which are susceptible to failure;
- our reliance on content developed by third parties and our susceptibility to claims made in connection with such content; and
- the degree to which our intellectual property rights are protected.

All subsequent forward looking statements are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. You should not place undue reliance on forward looking statements. Each forward looking statement speaks only as of the date of the particular statement. Naspers undertakes no obligation to publicly update or revise any forward looking statement as a result of new information, future events or other information. In light of these risks, Naspers results could differ materially from the forward looking statements contained in this annual report.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

3.A. Selected Financial Data

The following tables show selected consolidated financial data for Naspers as of and for the fiscal years ended March 31, 2000 through 2004. We derived the selected consolidated financial data from our audited consolidated financial statements. You should read this selected consolidated financial data together with "Operating and Financial Review and Prospects" and Naspers audited consolidated financial statements and the notes thereto appearing elsewhere in this annual report.

Naspers prepares its consolidated financial statements in accordance with South African GAAP. There are significant differences between these principles and U.S. GAAP. Note 42 to Naspers audited consolidated financial statements includes a description of these differences and contains a reconciliation from South African GAAP to U.S. GAAP for the determination of net profit/(loss) and shareholders equity.

Naspers audited consolidated financial statements have been prepared in Rand. Amounts shown in U.S. dollars have been translated for convenience from Rand amounts to U.S. dollars at the noon buying rate on March 31, 2004 of Rand 6.31 per U.S. $1.00. You should not view such translations as a representation that such Rand amounts actually represent such U.S. dollar amounts, or could be or could have been converted into or at any other rate.

	Year ended March 31					
	2000	2001	2002	2003	2004	2004
	Rand in millions, except share data					U.S. $ in millions, except per share data
Consolidated Income Statement Data:						
South African GAAP:						
Revenue, net	7,249.1	9,020.4	10,699.9	12,203.9	12,804.5	2,029.2
Operating expenses:						
Cost of providing services and sale of goods	(4,445.4)	(5,174.1)	(6,055.8)	(6,706.4)	(6,593.5)	(1,044.9)
Selling, general and administration	(2,378.5)	(3,557.1)	(3,748.6)	(4,013.7)	(3,771.8)	(597.8)
Depreciation and amortization	(443.1)	(655.1)	(1,099.6)	(1,102.2)	(1,119.6)	(177.4)
Impairment of program rights				(155.3)	(31.0)	(4.9)
Financial costs, net[(1)]	(196.7)	(322.6)	(430.9)	(246.7)	(664.1)	(105.3)
Income from investments	5.8	0.8	3.9	0.1	0.3	0.1
Share of equity accounted results	6.9	(0.3)	17.1	1.4	3.1	0.5
Exceptional items	3,790.6	812.8	4.8	61.3	47.9	7.6

Profit / (loss) before tax and minorities	3,588.7	124.8	(609.2)	42.4	675.8	107.1
Profit / (loss) from continuing operations	3,262.0	152.2	(389.6)	(276.9)	371.4	58.9
Profit / (loss) from discontinuing operations	130.7	847.7	(605.3)	(140.8)		
Profit / (loss) arising on discontinuance of operations			(952.2)	750.9		
Net profit / (loss)	3,392.7	999.9	(1,947.1)	333.2	371.4	58.9
Per share amounts						
Basic						
Profit / (loss) from continuing operations	26.64	1.09	(2.67)	(1.56)	1.44	0.23
Profit / (loss) from discontinuing operations	1.07	6.06	(4.16)	(0.80)		
Profit / (loss) arising on discontinuance of operations			(6.53)	4.25		

Net profit / (loss)	27.71	7.15	(13.36)	1.89	1.44	0.23
Diluted						
Profit / (loss) from continuing operations	25.61	1.09	(2.67)	(1.56)	1.40	0.22
Profit / (loss) from discontinuing operations	1.02	5.71	(4.16)	(0.80)		
Profit / (loss) arising on discontinuance of operations			(6.53)	4.25		
Net profit / (loss)	26.63	7.04	(13.36)	1.89	1.40	0.22
Weighted average shares outstanding						
Basic	122,457,667	139,896,409	145,691,868	176,527,751	257,813,528	257,813,528
Diluted	128,886,650	148,368,287	151,297,104	182,132,987	265,187,939	265,187,939
Dividend per A ordinary share (cents)[2]				5	6	1.0
Dividend per N ordinary share (cents)[2]	22	24	24	25	30	4.8

Consolidated Income Statement Data:						
U.S. GAAP:						
Revenue, net		8,168.7	9,861.4	11,208.6	11,526.1	1,826.6
Operating profit / (loss)		(1,966.4)	(2,355.8)	(63.0)	1,042.6	165.2
Profit / (loss) from continuing operations		(739.7)	(2,582.0)	(889.6)	495.3	78.5
Discontinued operations		1,994.2	(2,665.0)	528.0		
Cumulative effect of change in accounting principle			18.4	(531.5)		
Net profit / (loss)(3)		1,254.5	(5,228.5)	(893.1)	495.3	78.5
Per share amounts Basic						
Profit / (loss) from continuing operations		(5.29)	(17.73)	(5.04)	1.92	0.30
Discontinued operations		14.26	(18.29)	2.99		
Cumulative effect of change in accounting principle(4)			0.13	(3.01)		
Net profit / (loss)		8.97	(35.89)	(5.06)	1.92	0.30
Per share amounts Diluted						
Profit / (loss) from continuing operations		(4.68)	(17.73)	(5.04)	1.87	0.30
Discontinued operations		13.44	(18.29)	2.99		
Cumulative effect of change in accounting principle(4)			0.13	(3.01)		
Net profit / (loss)		8.76	(35.89)	(5.06)	1.87	0.30
Consolidated Balance Sheet Data (at period end):						
South African GAAP:						
Total assets	9,690.1	18,372.9	17,871.0	13,373.1	13,092.5	2,074.9
Net assets	2,358.6	10,098.6	5,687.0	3,808.7	3,417.5	541.6
Capital stock(5)	1,626.0	1,626.9	1,857.1	4,513.4	4,592.0	727.7
Total long-term debt(6)	3,258.4	3,507.5	5,510.4	3,060.2	2,622.0	415.5
Minority interests	1,178.1	7,546.1	4,324.5	305.1	235.0	37.2
Total shareholders equity	1,180.6	2,552.7	1,362.5	3,503.6	3,182.5	504.4
U.S. GAAP:						
Total assets		30,126.3	23,750.5	12,896.2	11,318.1	1,793.7
Net assets		21,431.1	11,116.8	3,306.5	3,376.1	535.0
Total long-term debt(6)		3,779.4	5,742.6	3,843.9	2,815.6	446.2
Minority interests		14,307.0	7,967.6	257.4	187.3	29.7
Total shareholders equity		7,124.1	3,149.2	2,779.1	3,188.9	505.4

Other Data:

South African GAAP:						
Cash flow from operating activities	635.0	91.1	(235.6)	1,271.9	1,636.6	259.4
Cash utilized in discontinued operations	(299.2)	(432.5)	(574.0)	(277.0)	(5.8)	(0.9)
Cash flow from investing activities	(2,323.4)	(732.4)	(1,162.6)	162.8	(555.1)	(88.0)
Cash flow from financing activities	3,795.7	1,375.0	797.1	(649.6)	(554.7)	(87.9)

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(1) Includes interest expense, interest income, preference dividend income, foreign exchange gains and losses and fair value adjustments on derivative instruments.

(2) Based on the U.S. dollar exchange rate at the respective payment dates of the 2004, 2003, 2002, 2001 and 2000 dividends. The U.S. dollar equivalent of the dividend per Class N ordinary share was U.S. $0.04, U.S. $0.03, U.S. $0.02, U.S. $0.03 and U.S. $0.03, respectively.

(3) For U.S. GAAP reporting purposes, effective April 1, 2002, Naspers adopted Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"). Under SFAS No. 142, goodwill and intangible assets with indefinite useful lives are not amortized but rather are tested at least annually for impairment. If this standard would have been adopted for fiscal years 2002 and 2001 the adjusted net profit/(loss) would have been Rand (3,842,228) and Rand 2,424,922, respectively, and basic and diluted earnings per share for those years would have been Rand (26.37) and Rand (26.37) in fiscal 2002 and Rand 17.34 and Rand 17.13 in fiscal 2001, respectively.

(4) The cumulative effect of change in accounting principle for fiscal 2003 relates to the adoption of SFAS 142. Upon completion of the transitional test, Naspers recorded an initial goodwill impairment of Rand 531.5 million. The cumulative effect of change in accounting principle for fiscal 2002 of Rand 18.4 million relates to the fair value of fair value hedges recorded on adoption of SFAS 133 "Accounting for Derivative Instruments and Hedging Activities".

(5) Excludes long-term debt and redeemable preferred stock.

(6) Includes long-term liabilities in respect of capitalized finance leases, concession liabilities, interest-bearing loans, program and film rights liabilities and non-interest bearing loans.

Exchange Rate Information

The following tables show, for the periods and dates indicated, certain information regarding the U.S. dollar/Rand exchange rate. The information is based on the noon buying rate in the City of New York for cable transfers in Rand as certified for United States customs purposes by the Federal Reserve Bank of New York. On September 21, 2004, the rate was Rand 6.447 per U.S. $1.00.

Year ended March 31,	**Average Rate(1) (Rand per U.S. $1.00)**
2000	6.191
2001	7.341
2002	9.643
2003	9.572
2004	7.161

(1) The average rate is calculated as the average of the noon buying rate on the last day of each month during the period.

	High	**Low**
	(Rand per U.S. $1.00)	
April 2004	6.940	6.265
May 2004	7.053	6.515
June 2004	6.640	6.165
July 2004	6.341	5.905
August 2004	6.746	6.090
September 2004 (until September 21, 2004)	6.680	6.447

For other important information, you should read the discussion of South African exchange controls in Item 10 of this annual report under the heading "Exchange Controls".

3.D. Risk Factors

Risks relating to countries in which Naspers and its joint ventures operate

Naspers multinational operations expose it to a variety of economic, social and political risks

There is an element of risk in all countries in which Naspers operates. A majority of Naspers revenue comes from its operations in South Africa. Naspers may be significantly affected by political, social and economic changes in countries where Naspers has significant operations. The incidence of HIV/AIDS infection in a number of markets in which Naspers operates is high and is forecast to increase over the next decade. Those at risk may include both Naspers employees, giving rise to increased sickness and disability costs for Naspers, and its customers, resulting in a reduction in sales and an inability to grow Naspers revenue base.

There has been a period of significant change in South Africa since the democratic government came to power in 1994. Some government policies designed to alleviate and redress the inequalities suffered by the majority of citizens under the previous government may have an adverse impact on business. In particular, Naspers cannot predict to what extent the government will continue to introduce legislation or other measures designed to empower previously disadvantaged groups nor can it assess the potential impact of these reforms.

South Africa and some other African countries have experienced high levels of crime and unemployment in recent years. These problems have impeded fixed inward investment into these countries and have prompted some emigration of skilled workers. As a result, Naspers may have difficulty in attracting and retaining suitably qualified employees. Against the background of past political tensions and the current transition to stable democratic governments, it is not possible to predict the future economic or political direction of these countries. Matters that may affect African countries future economic and political direction include whether their governments can successfully address the various political, social and economic challenges and the effect of the continuing integration of these African economies with the economies of the rest of the world.

Naspers also operates in other countries, including Thailand and China, through its shareholding in MIH Holdings Limited ("MIH Holdings"). MIH Holdings operations in these emerging markets may involve significant economic and operating risks. Many countries in Asia have experienced difficulties resulting from currency fluctuations, high interest rates, increases in corporate bankruptcies, stock market declines and other factors that may materially and adversely affect MIH Holdings business. Although governments in many of these countries have taken steps toward addressing these problems, it is not possible to predict whether or to what extent these steps will succeed in achieving their objectives.

South Africa s economy has recently experienced periods of low growth, high inflation and unemployment

The South African economy has been growing at a moderate rate, inflation and unemployment have been high by comparison with developed countries and foreign reserves have been relatively low. The growth in South Africa s GDP was 2.2% for 2001, 3.0% for 2002 and 1.9% for 2003. South Africa s unemployment rates were 29.4% in September of 2002, 28.2% in September of 2003, and 27.8% in March 2004. The rapid depreciation in value of the Rand against the U.S. dollar during the latter part of 2001 put upward pressure on South Africa s inflation rate (Consumer Price Index excluding interest rates on mortgage bonds - CPIX) during the 2002 calendar year, peaking at 11.3%. During 2003 and 2004, the inflation rate decreased as the Rand appreciated in value against the U.S. dollar and was 4.2% in July of 2004. The South African Reserve Bank has stated that it intends to maintain South Africa s inflation rate at between 3% and 6% per year. Despite such intentions, there can be no assurance that these inflation targets will be met. A future increase in inflation would increase financing and other costs in a manner that could adversely affect Naspers profitability.

South African exchange control restrictions could affect Naspers normal corporate functioning

South Africa s exchange control regulations provide for a common monetary area consisting of South Africa, the Kingdom of Lesotho, the Kingdom of Swaziland and the Republic of Namibia. Exchange controls may continue to operate in South Africa for the foreseeable future. As a consequence of these exchange controls, an acquisition of shares or assets of a South African company by a non-resident purchaser will require exchange control approval if the payment for the acquisition is in the form of shares of a non-resident company or if the acquisition is financed by a loan from a South African resident. Denial of any required regulatory approval may result in the acquisition not occurring.

South Africa s interest rates may increase Naspers borrowing costs

The volatility of the Rand in past years has impacted the prime lending rate in South Africa, as the South African Reserve Bank has attempted to manage inflation by increasing interest rates. Depreciation of the Rand has therefore resulted in higher interest rates in South Africa over the last decade than in most developed countries which had more stable currencies over that period. The prime lending rate in South Africa reached a five-year high of 20.0% in 1999. The prime lending rate of 11% on September 15, 2004 was at its lowest level over the past 20 years mainly due to the significant appreciation in value of the Rand against most major currencies over the past two years. An increase in interest rates in South Africa would increase Naspers cost of capital, as some of its borrowings are denominated in Rand.

Naspers could suffer losses as a result of fluctuations in foreign currency exchange rates

Naspers reporting currency is the Rand. Naspers conducts, and will continue to conduct, business transactions in currencies other than its reporting currency. In fiscal 2004, approximately 32.2% of Naspers revenue was generated outside South Africa. Naspers is exposed to foreign exchange risk primarily with respect to the U.S. dollar, the Baht, the Renminbi and the Euro against the Rand, which has in the past significantly affected and could in the future significantly affect Naspers revenues, financing costs and general business and financial condition. In addition, fluctuations in the exchange rate of these currencies could significantly affect the comparability of Naspers performance between financial periods, as a portion of Naspers sales are made in currencies other than Rand while Naspers financial statements are stated in Rand.

A significant portion of Naspers cash obligations, including payment obligations under satellite transponder leases and contracts for pay-television programming and channels, are denominated in the currencies of countries in which Naspers has limited operations, such as U.S. dollars. Where Naspers revenue is denominated in local currency, a depreciation of the local currency against the U.S. dollar adversely affects Naspers earnings and its ability to meet cash obligations. Many of Naspers operations are in countries or regions that have experienced substantial depreciation of the local currency against the U.S. dollar in recent years. Naspers cannot assure you that the hedge transactions it enters into to mitigate currency risk will fully protect it against currency fluctuations, or that Naspers will be able to hedge effectively against these risks in the future.

The Rand and Baht have at times in the past depreciated against the currencies of their major trading partners by more than the difference in the inflation rate between South Africa and Thailand and their major trading partners. Historically, the performance of the Rand against other currencies has been characterized by periods of rapid depreciation followed by periods of stability. In particular, the Rand rapidly depreciated against the U.S. dollar and other major currencies during the latter part of 2001. The value of the Rand against the U.S. dollar remains difficult to predict and vulnerable to significant depreciation. Since December 2001, the Rand has significantly appreciated against the U.S. dollar, ending fiscal 2004 at Rand 6.31. The Rand depreciated after March 31, 2004 to Rand 6.447 on September 21, 2004. Any strengthening of the Rand will have a negative impact on the U.S. dollar based earnings of the group, but a positive impact on its dollar based expenses. Naspers cannot predict the future relative strength of the Rand or Baht against the U.S. dollar and expects that these currencies will remain volatile against major currencies like the U.S. dollar and the Euro.

In addition, fluctuation in the exchange rate between the Rand and the U.S. dollar could adversely affect the market value of Naspers American Depositary Shares ("ADSs") and the real value of dividends paid on the ADSs.

The strength trade unions could adversely affect Naspers business

As of March 31, 2004, trade unions represented some of Naspers world-wide employees. A number of trade unions have close links to various political parties. In the past, trade unions have had a significant influence as vehicles for social, economic and political reform and in the collective bargaining process. Naspers cannot assure you that the cost of complying with labor laws will not adversely affect its operations.

Because Naspers is a South African company, you may not be able to enforce judgments against Naspers and its directors and officers that are obtained in U.S. courts

Naspers is incorporated in South Africa. Most of Naspers directors and executive officers reside outside the United States. Substantially all the assets of Naspers directors and executive officers and substantially all Naspers assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon Naspers or its directors or executive officers, or to enforce against such persons judgments of the United States courts based upon the civil liability provisions of the Federal securities laws or other laws of the United States or any of its states. Although foreign judgments are recognized by South African courts, they are generally not directly enforceable in South Africa

and can only be enforced by way of execution of an order to that effect made by a competent South African court, the latter court basing its order upon the judgment of the foreign court.

The policy of South African courts is to award compensation only for loss or damage actually sustained by the person claiming the compensation. Punitive damages are generally not recognized by the South African legal system, on the grounds that such awards are contrary to South African public policy. Whether a judgment is contrary to public policy depends on the facts of each case. Exorbitant, unconscionable or excessive awards will generally be contrary to South African public policy. South African courts cannot consider the merits of a foreign judgment and cannot act as a court of appeal or review over the foreign court. South African courts will usually observe their own procedural laws, and where an action based on a contract governed by the laws of a foreign jurisdiction is brought before a South African court, the capacity of the parties to contract may under certain circumstances be determined in accordance with South African law. A plaintiff who is not resident in South Africa may be required to provide security for costs where proceedings are initiated in South Africa. In addition, the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated by way of the apostille procedure in terms of the Hague Convention 1961 before they may be used in South Africa. Also, foreign judgments concerning the ownership, use or sale of any matter or material connected with South African commerce (such as production, import and export) require consent from the South African Minister of Trade and Industry to be enforced in accordance with the South African Protection of Business Act, 1978. Naspers has been advised by Webber Wentzel Bowens, its South African counsel, that there is doubt as to the enforceability against Naspers and its directors and officers in South Africa of liabilities predicated solely upon the Federal securities laws of the United States.

Risks relating to Naspers business

Naspers level of debt could adversely affect its business and competitive position

Naspers has an amount of debt that may adversely affect its business in numerous ways. As of March 31, 2004, Naspers had total debt (including finance leases and debt in respect of program and film broadcasting rights) of approximately Rand 3.87 billion, or U.S. $613.9 million. On the same basis and as of the same date, Naspers ratio of total debt to equity equaled 1.22. Naspers debt could, among other things:

- increase its vulnerability to adverse economic conditions or increases in prevailing interest rates, particularly where borrowings are or will be made at variable interest rates;

- limit its ability to obtain additional financing that may be necessary to operate, develop or expand its business;

- require Naspers to dedicate a substantial portion of its cash flow from operations to service its debt, which in turn reduces the funds available for operations, future business opportunities and dividends; and

- potentially place Naspers at a competitive disadvantage relative to competitors with less debt.

Naspers ability to make payments on its debt will depend upon its future operating performance, which is subject to general economic and competitive conditions, many of which are outside Naspers control. If the cash flow from Naspers business and its operating subsidiaries is insufficient to make payments on its debt or is otherwise unavailable, Naspers may have to delay or reduce capital expenditures, attempt to restructure or refinance its debt, sell assets or raise additional equity capital. Naspers may not be able to take these actions on satisfactory terms, in a timely manner or at all.

Naspers depends on access to cash flow from its subsidiaries and joint ventures, and limitations on accessing the cash flow may adversely affect Naspers business operations and financial condition

Naspers Limited is structured as a holding company and has no significant business operations or assets other than its interests in its subsidiaries, joint ventures and other investments. Accordingly, Naspers Limited relies upon distributions from its subsidiaries, joint ventures and other investments to generate the funds necessary to meet the obligations and other cash flow requirements of the combined group. Naspers Limited s subsidiaries and joint ventures are separate and distinct legal entities that have no obligation to make any funds available to Naspers Limited, whether by intercompany loans or by the payment of dividends. The ability of Naspers Limited to utilize the cash flow from some of its subsidiaries, joint ventures and associated companies is subject, in South Africa, Thailand, China and other countries, to foreign investment and exchange control laws and also to the availability of a sufficient quantity of foreign exchange. In particular, substantially all the cash flow generated by Naspers South African businesses cannot be currently utilized outside South Africa without exchange control approval. Naspers non-South African subsidiaries may be subject to similar restrictions imposed by their respective home countries. In addition,

because the consent of some of Naspers Limited s joint venture partners is required for distributions from Naspers Limited s joint ventures, Naspers Limited s ability to receive distributions from the joint ventures is dependent on the co-operation of its joint venture partners. The interests of the minority shareholders of some of Naspers Limited s subsidiaries and associates must be considered when those subsidiaries and associates make distributions. Accordingly, Naspers Limited cannot assure you that it will be able to obtain cash from its subsidiaries, joint ventures and other investments at the times and in the amounts required by Naspers Limited. Any failure by Naspers Limited to receive distributions from its businesses could restrict its ability to provide adequate funding to the combined group and otherwise meet its obligations. Naspers Limited s business units may face funding and liquidity difficulties under the terms of the financing arrangements upon which they depend. Each Naspers Limited business relies on its own separate credit facility and financing, to the extent necessary. Naspers Limited has not to date provided any parent company guarantees in respect of bank borrowings. Several of the credit facilities and other financing arrangements contain financial covenants and other similar undertakings and requirements. If these covenants, undertakings or requirements are violated, the financing may not be available and the relevant business unit could face liquidity difficulties. In addition, many of the different group credit facilities must be renewed annually by the relevant lenders.

Naspers businesses operate in highly competitive and rapidly changing industries, and increased competition could adversely affect Naspers results of operations and financial condition

Pay-television. Although Naspers is currently the leading provider of pay-television services in most of its markets, Naspers competes directly with both state owned and private national free-to-air broadcast networks and regional and local broadcast stations for audience share, programming and advertising revenue and indirectly with motion picture theatres, video rental stores, mobile telephones, lotteries, gaming and other entertainment and leisure activities for general leisure spending. Naspers cannot determine the nature or extent of future competition it may face in the pay-television market. In South Africa, Naspers largest pay-television market, licenses may be granted in the future to other operators. In Greece, the entry of new competitors into the pay-television market remains a continuous threat. In Thailand, UBC faces competition from several provincial cable systems, most of whom do not hold official licenses. Naspers cannot predict if or when competitors will enter the pay-television markets in which it offers pay-television services nor can it predict the likely loss of revenue or increase in costs if competitors enter these markets.

In addition, the sale of DVD s and broadband and wireless Internet companies providing digital pay-television content may over time erode Naspers traditional pay-television subscriber base.

Internet. The market for Internet access, communication, portal and related services is highly competitive. Naspers anticipates that competition will continue to intensify as the use of the Internet grows. The African and Asian Internet markets are characterized by an increasing number of entrants. Naspers competitors may better position themselves to compete in these emerging markets as they mature. Many of these competitors have longer operating histories and substantially greater financial, technical, marketing and personnel resources and better recognized brand names than Naspers. Some of Naspers Internet businesses may therefore never reach profitability.

Print media. Revenues in the print media industry are dependent primarily upon paid circulation and advertising revenues. Competition for circulation and advertising revenue comes from local, regional and national newspapers, magazines, radio, television, direct mail and other communications and advertising media that operate in the same markets as Naspers. The extent and nature of such competition is, in large part, determined by the location and demographics of the markets and the number of media alternatives available in these markets. Naspers may face increased competition as both local and international publishers introduce new niche titles. Internationally recognized titles also continue to be introduced in South Africa. Many of the print media markets are overpopulated, with too many titles relative to the size of the subscriber base. Competitors that are active in the same markets as Naspers attempt to increase their market share, circulation and advertising revenues by changing the style and layout of their publications to win new customers at the expense of Naspers magazines and newspapers. In addition, Naspers competitors may reduce the cover prices of their publications to increase their circulation. Naspers may be forced to decrease the prices it charges for magazines and newspapers in response. Naspers business and results of operations may be harmed as a result.

Other businesses. The markets for the products and services currently offered by Irdeto Access BV ("Irdeto Access") (Naspers conditional access technology business) and Naspers book publishing and education businesses are highly competitive. All three businesses operate in fragmented markets and some compete with large international players. Irdeto Access competes with numerous entities, including subsidiaries of other pay-television providers, many of which have substantially greater financial resources than Naspers. Via Afrika Limited ("Via Afrika"), Naspers book publishing and private education business, faces competition from several South African publishers as well as large international publishing houses, which have substantially greater resources and strong brand names. Educor Holdings Limited ("Educor"), the private education subsidiary of Via Afrika, faces competition from many different South African public universities and private educators, as well as from international educators, many of whom have substantially greater resources and better recognized brand names than Educor.

Steady or declining subscriber levels may prevent further growth of some of or all of Naspers businesses

Naspers largest businesses are generally in mature markets and face significant difficulties in maintaining or growing the number of subscribers. Naspers pay-television business in Greece has in the past experienced high levels of annual subscriber churn and decreasing subscriber numbers. Naspers pay-television business in South Africa is mature and total subscriber numbers have been relatively flat recently. High levels of churn and decreasing or flat subscriber numbers may be caused by competition from new entrants to the pay-television market and from other sources competing for discretionary income, economic and other local difficulties, the loss of popular sports and movie programming content and seasonality associated with the markets in which Naspers operates. Increases in prices can also lead to churn and subscriber terminations. Declining subscriber levels also adversely affect Irdeto Access, because Naspers pay-television operators constitute some of Irdeto Access primary customers. Naspers print media business has experienced circulation pressure due to the maturity of some of its magazine titles and newspapers in South Africa and the introduction into the market of a large number of competing magazines and newspapers. Steady or declining subscriber levels make it difficult for Naspers to grow its businesses.

A reduction in demand for advertising may adversely affect Naspers businesses and revenues

A portion of Naspers revenue is generated by advertising, which is cyclical and dependent upon general economic conditions. Traditionally, spending by companies on advertising and other marketing activities, and hence Naspers advertising revenue, decreases significantly in times of economic slowdown or recession. In particular, Naspers advertising revenues are subject to risks arising from adverse changes in domestic and global economic conditions and fluctuations in consumer confidence and spending. Consumer confidence and spending may decline as a result of numerous factors outside of Naspers control, such as terrorist attacks or acts of war. Global economic downturns and declining levels of business activity of Naspers advertisers have in the past and could in the future adversely affect Naspers results of operations. Newspaper and magazine advertising may decline relative to television, radio and outdoor advertising. Such trends would adversely affect Naspers results and financial condition.

Increases in newsprint and magazine paper costs could adversely affect Naspers results

Newsprint and magazine paper costs represent the single largest raw material expense for Naspers print media businesses and are among Naspers most significant operating costs. Newsprint and magazine paper costs fluctuate from time to time due to numerous factors beyond Naspers control, especially exchange rate fluctuations between the Rand and other currencies such as the U.S. dollar and the Euro. An increase in newsprint and magazine paper costs could adversely affect Naspers earnings and cash flow.

Naspers business environment is subject to rapid technological change which could render Naspers products and services obsolete or less competitive

Naspers operates pay-television and technology businesses through its holding in MIH Holdings and Internet businesses through Media24, Via Afrika and MIH Holdings. The rate of technological change affecting the pay-television and Internet industries is rapid compared to other industries. Emerging trends, such as the migration of television from analog to digital transmission and the convergence of television, the Internet and other media, are creating an unpredictable business environment. New technologies or industry standards have the potential to replace or provide lower-cost alternatives to products and services sold by Naspers. Naspers print media, publishing and education businesses also operate in markets that change in response to technological innovations and other factors. In particular, the means of delivering Naspers products, and the products themselves, may be subject to rapid technological change.

Naspers cannot predict whether technological innovations will make some of its products or services wholly or partially obsolete, or adversely affect the competitiveness of its businesses. Naspers may be required to continue to invest significant resources to further adapt to changing technologies, markets and competitive environments.

Naspers substantial investment in Internet related business may not produce positive returns

A part of Naspers strategy is to further develop its Internet businesses. Naspers has invested, and will continue to invest, significant amounts to develop and promote its Internet initiatives and electronic platforms. Naspers has made these investments through Media24, Via Afrika and through its shareholding in MIH Holdings, which includes M-Web Holdings (Pty)

Limited ("M-Wed Holdings") and Sportscn. The provision of products and services over the Internet and otherwise in electronic form is highly competitive and is in relatively early stages of development.

Naspers may experience difficulties developing this aspect of its business due to a variety of factors, many of which are beyond Naspers control. These factors may include:

- the acceptance of Naspers' Internet initiatives and related electronic platforms by customers;
- competition from comparable and new technologies;
- government regulation and control of the content and medium;
- customers not accepting or not continuing to use the Internet and electric media; and
- failures or difficulties with the data networks and infrastructures upon which Naspers depends.

Moreover, Naspers relies on third parties for the provision of local and international bandwidth.

Naspers long-term success depends on the continued development of the Internet as a commercial medium, which is uncertain in many of the countries in which Naspers has entered or may enter the Internet business. As is typical in the case of a new industry characterized by rapidly changing technology, developing industry standards and frequent new product and service introductions, demand and market acceptance for recently introduced products and services on the Internet are subject to uncertainty. Critical issues concerning the commercial use of the Internet, including the perceived lack of security of commercial data, such as credit card numbers, and capacity constraints resulting in delays, transmission errors and other difficulties may impact the growth of Internet use. These and other issues affecting the Internet industry may be aggravated in countries with less developed Internet cultures and infrastructures in which Naspers currently conducts or may in the future conduct its Internet business, including South Africa, Thailand and China. If the market for Internet access services fails to develop, develops more slowly than expected or becomes saturated with competitors, or if the Internet access and services offered by Naspers are not broadly accepted, Naspers growth strategy could be adversely affected.

The instant messaging business in China in which Naspers has an interest is dependent upon its relationship with third parties and mobile telephony operators

MIH Holdings associated company, Tencent Holdings Limited ("Tencent"), provides Internet, mobile and telecommunications value-added services to subscribers in China through two companies, which are licensed to operate these services, but in which Tencent does not hold any equity interests. Instead, Tencent relies on a series of contracts in order to recognize and receive the economic benefit of the business and operations of the two companies. These contractual arrangements may not be as effective in providing control as direct ownership of the two companies, and there can be no assurance that the contractual arrangements are in compliance with Chinese laws and regulations.

The revenue generated by Tencent s instant messaging services is recognized and received under contracts with Chinese mobile telephony operators. If these operators commit errors in recording revenue or fail to pay fees due to Tencent, or if existing contracts are not renewed or less favorable terms are imposed, Tencent s financial condition, results of operations and profitability would be materially and adversely affected. Also, if the business conditions of the mobile telephony operators deteriorate or if these mobile telephony operators impose penalties or restraints on Tencent, Tencent s business operations and financial condition may be materially and adversely affected.

The mobile telecommunications markets in which Tencent operates are highly competitive, rapidly developing and subject to significant economic, regulatory and other uncertainties. In addition, the growth of Tencent s instant messaging business will depend, in large part, on the future level of demand for mobile data telecommunications in the markets in which Tencent operates. The size of the future Tencent customer base will be affected by a number of factors, many of which are outside of Naspers control, such as the regulatory regime governing the provision of telecommunication services in China and the general economic conditions in the region.

Naspers businesses rely on software and hardware systems that are susceptible to failure

Interruptions to the availability of Naspers Internet services or increases in the response times of Naspers services caused by the failure of its software or hardware systems could reduce user satisfaction, the amount of Internet traffic and Naspers attractiveness to advertisers and consumers. Naspers publishing business also depends upon the timely functioning of software and hardware used to print newspapers and magazines and to publish books. Naspers is also dependent upon web

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browsers, telecommunication systems and other aspects of the Internet infrastructure that have experienced significant system failures and electrical outages in the past. Naspers operations are susceptible to outages due to fire, floods, power loss, telecommunications failures, break-ins, industrial actions and similar events. Despite Naspers implementing network security measures, Naspers servers are vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering with its computer systems.

Naspers business may suffer if they cannot obtain attractive programming or if the cost of television receivers increases

The continued success of Naspers pay-television business depends upon its ability to continue to obtain attractive movie, sports and other programming on commercially reasonable terms. For most of the programming, Naspers contracts with suppliers who in turn purchase programming from content providers. Much of Naspers premium programming is sourced through Electronic Media Network Limited ("M-Net") and SuperSport International Holdings Limited ("SuperSport"). Naspers film studio and sport programming contracts are up for renewal from time to time. In the event the supply contracts or underlying programming arrangements are not renewed or are cancelled, Naspers will be required to seek alternative programming from other sources. Naspers cannot be sure whether alternative programming would be available on commercially reasonable terms or whether the alternative programming would appeal to Naspers subscribers. Naspers business strategy also depends on its ability to offer attractive programming on an exclusive basis. Political, regulatory and competitive pressures are making it more difficult to maintain exclusive rights to programming.

Naspers growth depends in part upon its ability to attract new pay-television customers. Many new customers are required to purchase the equipment necessary to receive Naspers broadcasts. The cost of this equipment may discourage potential subscribers, and Naspers market penetration and growth may be impeded if the cost of this equipment increases.

Satellite failures could adversely affect its business and ability to grow

Naspers digital programming is transmitted to its customers through different satellites around the world, and in some regions Naspers terrestrial analog signal is also transmitted to regional broadcast points through satellites. In addition, Naspers receives a significant amount of its programming through satellites. Satellites are subject to significant risks. These risks include defects, launch failure, incorrect orbital placement and destruction and damage that may prevent or impair proper commercial operations. All satellites have limited useful lives, which vary as a result of their construction, the durability of their components, the capability of their solar arrays and batteries, the amount of fuel remaining once in orbit, the launch vehicle used and the accuracy of the launch. The operation of satellites is beyond Naspers control. Future launch failures or disruption of the transmissions of satellites that are already operational could adversely affect Naspers operations. Some satellites used by Naspers pay-television operations have experienced technical failures in the past. In addition, Naspers ability to transmit its programming following the end of the expected useful lives of the satellites Naspers currently uses and to broadcast additional channels in the future will depend upon Naspers ability to obtain rights to utilize transponders on other satellites. In the event of a satellite failure, Naspers would need to make alternative arrangements for transponder capacity. Naspers cannot assure you that it could obtain alternative capacity rights on commercially reasonable terms or at all.

Naspers business may suffer if its printing equipment or facilities are damaged or fail to perform

Naspers newspapers, magazines and educational textbooks, and a number of third party publications are printed on printing equipment and facilities owned by the group. If one or more of our printing facilities were damaged or if operations were interrupted due to a natural disaster or otherwise, the publication of some titles or textbooks could be interrupted and Naspers operating results could be adversely affected. In the event of such damage or destruction, Naspers would need to make alternative arrangements for printing to be outsourced. Naspers cannot assure you that it could obtain alternative printing services on commercially reasonable terms or at all.

Unauthorized access to Naspers programming signals may adversely affect Naspers revenues and programming arrangements

Naspers faces the risk that its programming signals will be accessed by unauthorized users. The delivery of subscription programming requires the use of encryption technology to prevent unauthorized access to programming, or "piracy". Naspers currently utilizes encryption technology supplied by Irdeto Access. This encryption technology, to remain effective in preventing unauthorized access, needs to continually be updated or replaced with newer technology. Naspers will continue to incur substantial expenditures to replace or upgrade its encryption technology in the future. No encryption technology is able to completely prevent all piracy, and virtually all pay-television markets are characterized by varying degrees of piracy. In addition, encryption technology cannot prevent the illegal retransmission or sharing of a television signal once it has been decrypted. If

Naspers fails to adequately prevent unauthorized access to its transmissions, its ability to contract for programming services could be adversely affected and in any event it will lose subscribers who can then receive pirated signals.

Government regulations may adversely affect Naspers ability to conduct its businesses and generate operating profits

Pay-television, Internet and other media operations are generally subject to governmental regulation in the countries in which Naspers operates. In these industries, governmental regulation can take the form of price controls, service requirements, programming content restrictions, ownership restrictions, licensing requirements and restrictions on the amount of fees paid for advertising. Delays in obtaining or renewing any necessary regulatory approvals could adversely affect Naspers ability to offer some of or all its services. In most of the countries in which Naspers conducts its pay-television businesses, it operates under licenses obtained from governmental or quasi governmental agencies. These licenses are subject to periodic renewal, and Naspers cannot assure you that they will be renewed on terms as favorable as the existing licenses or at all. Naspers cannot assure you that adverse changes in the regulatory framework of any country in which Naspers operates will not occur in the short or long term. The media and competition regulatory frameworks in South Africa, Thailand, China and Greece are subject to change, and the relevant regulatory authorities may increase their regulation of Naspers businesses in these countries. Naspers cannot predict the likely impact that any such action by applicable competition and regulatory authorities could have on the operation of its businesses. In addition, there are several legislative proposals and other initiatives underway in all markets that could materially impact how Naspers conducts its business.

Failure to maintain Naspers relationships with its partners, suppliers and local governments could disrupt Naspers businesses

Many of Naspers operations have been developed in cooperation or partnership with key parties. With regard to these operations, Naspers is dependent on its partners to provide knowledge of local market conditions and to facilitate the acquisition of any necessary licenses and permits. Any failure by Naspers to form alliances with such partners, or the disruption of existing alliances, could adversely affect Naspers ability to penetrate and compete successfully in many important markets. Naspers businesses are dependent on their relationships with international suppliers, including major film studios (as discussed above) and book publishers.

Some of Naspers businesses may also be vulnerable to local governmental or quasi governmental entities or other third parties who wish to renegotiate the terms and conditions of their agreements or other understandings with Naspers or who wish to terminate these agreements or understandings. Adverse developments with respect to Naspers relationships with its partners or with local governmental or quasi governmental entities could adversely affect Naspers business strategy and results of operations in important markets.

Consolidation in the markets in which Naspers operates could place it at a competitive disadvantage

Some of the markets in which Naspers operates have experienced consolidation. In particular, the combinations of traditional media content companies and new media distribution companies have resulted in new valuation methods, business models and strategies. Naspers cannot predict the extent to which these types of business combinations may continue to occur in the future or the success that these combined businesses may achieve. The on-going consolidation could potentially place Naspers at a competitive disadvantage with respect to scale, resources and its ability to develop and exploit new media technologies.

Naspers intellectual property rights may not be adequately protected under current laws in some jurisdictions, which may adversely affect its results and ability to grow

Naspers products are largely comprised of intellectual property content delivered through a variety of media, including magazines, newspapers, books, television and the Internet. Naspers relies on trademark, copyright, trade secret and other intellectual property laws and employee and third party non-disclosure agreements to establish and protect its proprietary rights in these products. Naspers conducts business in some countries where the extent of the legal protection for its intellectual property rights is not well-established or is uncertain.

Even where the legal protection for Naspers intellectual property rights is well-established, Naspers cannot assure you that its intellectual property rights will not be challenged, limited, invalidated or circumvented. Despite patent, trademark and copyright protection, third parties may be able to copy, infringe or otherwise profit from Naspers intellectual property rights without its authorization. The lack of Internet specific legislation relating to trademark and copyright protection creates a further challenge for Naspers to protect content delivered through the Internet and electronic platforms. If unauthorized copying or misuse of Naspers products were to occur to any substantial degree, Naspers business and results of operations could

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be adversely affected. Litigation may be necessary to protect Naspers intellectual property rights, which could result in substantial costs and the diversion of Naspers efforts away from operating its business.

Legal claims in connection with content that Naspers distributes may require Naspers to incur significant costs or to enter into royalty or licensing agreements, which could adversely affect Naspers competitive position

The content Naspers makes available to customers through its publishing, pay-television and Internet businesses could result in claims against it based on a variety of grounds, including defamation, negligence, copyright or trademark infringement, obscenity or facilitating illegal activities. In particular, Naspers expects that software developers will increasingly be subject to claims asserting the infringement of other parties proprietary rights as the number of products and competitors providing software and services increases.

Any such claim, with or without merit, could result in costly litigation or might require Naspers to enter into royalty or licensing agreements. These royalty or licensing agreements, if required, may not be available on terms acceptable to Naspers or they may not be available at all. As a result of infringement claims, a court could also issue an injunction preventing the distribution of certain products. Naspers may incur significant costs defending these claims.

Risks relating to the Class N ordinary shares and Naspers ADSs

Existing Class A ordinary shares of Naspers have more voting rights than, and a liquidation preference over, the Class N ordinary shares and ADSs of Naspers

Naspers issued capital at March 31, 2004 consists of 712,131 Class A ordinary shares and 296,816,639 Class N ordinary shares. The Class N ordinary shares are listed on the JSE Securities Exchange South Africa and on a poll carry one vote per share. The Class A ordinary shares are not listed on any stock exchange and on a poll carry 1,000 votes per share. Naspers, through Heemstede Beleggings (Proprietary) Limited, a wholly owned subsidiary of Naspers, holds 49% of Naspers Beleggings Limited which, in turn, holds 49.15% of the Class A ordinary shares, which carry approximately 34.69% of the total voting rights in respect of Naspers ordinary shares. Keeromstraat 30 Beleggings Limited holds 30.80% of the Class A ordinary shares. The members of the board of directors of Keeromstraat 30 Beleggings Limited, Naspers Beleggings Limited and Heemstede Beleggings (Proprietary) Limited are also members of the board of directors of Naspers Limited. As a result, the controlling shareholders and these directors significantly influence the outcome of any action requiring approval of shareholders, including amendments to Naspers memorandum and articles of association for any purpose, the issuance of additional Class A or Class N ordinary shares, and mergers and other business combinations. If the interests of Naspers controlling shareholders and directors diverge from your interests, they may be in a position to cause or require Naspers to act in a way that is inconsistent with the general interests of holders of Class N ordinary shares and ADSs.

If Naspers is liquidated, holders of Class A ordinary shares will be paid the nominal value of such shares before any payment is made to holders of Class N ordinary shares or ADSs. Based on the outstanding Class A ordinary shares, this amounted to approximately Rand 14.2 million as of March 31, 2004.

South African company law, resolutions passed by Naspers shareholders and the lower voting rights of the Class N ordinary shares relative to Class A ordinary shares could deter a change in control and may adversely affect Naspers share price

Some of the provisions of the South African Companies Act, 1973 (the "Companies Act") and some of the resolutions passed annually by Naspers shareholders in general meeting may discourage attempts by other companies to acquire or merge with Naspers, which could reduce the market value of Class N ordinary shares and ADSs. The Companies Act requires that 75% of the total votes exercisable by all shareholders at a meeting (subject to a quorum of shareholders holding at least 25% of the total number of votes present, in person or by proxy, at the meeting) approve changes to certain provisions of Naspers memorandum and articles of association. In addition, Naspers shareholders in general meeting may annually pass resolutions that authorize Naspers board of directors to issue certain Class N ordinary shares and certain Class A ordinary shares without the specific approval of the holders of Class N ordinary shares.

The lower voting rights of the Class N ordinary shares relative to Class A ordinary shares could prevent or hinder a merger, takeover or other business combination involving Naspers or discourage a potential acquirer from otherwise attempting to obtain control of Naspers.

Your ability to sell a substantial number of Class N ordinary shares or ADSs may be restricted by the liquidity of shares traded on the JSE Securities Exchange South Africa or NASDAQ

The only trading market for Class N ordinary shares is the JSE Securities Exchange South Africa. Historically, trading volumes and the liquidity of shares traded on the JSE Securities Exchange South Africa have been low in comparison with some other markets. The only trading market for Naspers ADSs is the NASDAQ National Market ("Nasdaq"). Trading volumes of Naspers ADSs on Nasdaq have been low. As a result, the ability of a holder to sell a substantial number of Class N ordinary shares on the JSE Securities Exchange South Africa or ADSs on Nasdaq in a timely manner may be restricted. From July 1, 2003 through June 30, 2004, 297.9 million Class N ordinary shares (100.4% of the total issued) were traded on the JSE Securities Exchange South Africa and 1.1 million ADSs were traded on Nasdaq.

ITEM 4. INFORMATION ON THE COMPANY

4.A. History and Development

Naspers was incorporated in Cape Town on May 12, 1915 under the laws of the then Union of South Africa as a public limited liability company. Naspers conducts its operations primarily through its subsidiaries and other affiliates. Its principal executive offices are located at 40 Heerengracht, Cape Town, 8001, South Africa (telephone: +27 21 406 2121).

Naspers started as a printer and publisher of a daily newspaper in 1915. In 1916 it expanded its business by publishing its first magazine and in 1918 its book publishing operations were founded. Naspers print media operations developed to such an extent over the years that Naspers is now one of the leading media groups in Africa.

With the advent of electronic media in the 1980s, Naspers expanded its activities to incorporate pay-television and later Internet media platforms. In 1985, Naspers and several other South African media companies formed an electronic pay-media business, M-Net. M-Net was listed on the JSE Securities Exchange South Africa in 1990. In October 1993, M-Net was divided into two companies. The subscriber management, signal distribution and cellular telephone businesses, together with a holding in FilmNet (a pay-television operator in Europe) were placed into a new company called MultiChoice Limited (later named MIH Holdings Limited).

In 1995, Richemont S.A. and MultiChoice Limited merged their global pay-television operations, including the interest in FilmNet, MultiChoice s operations in Africa, and Richemont s interest in Telepiu, into a single venture called NetHold B.V., which MultiChoice held through its subsidiary, MIH Limited. In March 1997, MIH Limited and Richemont merged most of NetHold s assets with Canal+, the French based pay-television operator. However, MIH Limited retained NetHold s African, Mediterranean and Middle East pay-television businesses and acquired 49% of Irdeto Access from Canal+. MIH Limited also received a small interest in Canal+. MIH Limited subsequently sold its interest in Canal+ to fund its expansion plans, including the purchase of the remainder of Irdeto Access from Canal+, the purchase of a 31.1% interest in the Thai pay-television operator UBC and the purchase of a 44.5% interest in OpenTV. OpenTV and MIH Limited were listed on Nasdaq in 1999. In August 2002, MIH Limited sold its stake in OpenTV.

In 1997, MIH Limited created an Internet service provider and named it M-Web Holdings. In March 1998, M-Web Holdings was spun off as a listed entity on the JSE Securities Exchange South Africa. It was subsequently delisted, and Naspers now holds 100% of the economic interest in the company.

In January 2000, Naspers merged its existing private education business with another leading South African private education service provider, thereby forming Educor Holdings Limited, which is one of the leading private education providers in South Africa. During 2000, Naspers also organized and branded its print media businesses under the Media24 umbrella.

In December 2002, Naspers conducted a reorganization pursuant to which the minority interests in MIH Holdings and MIH Limited were swapped for shares in Naspers itself. Holders of MIH Limited shares, resident in any country other than South Africa, received their interest in Naspers shares in the form of Naspers ADSs. MIH Holdings shares were delisted from the JSE Securities Exchange South Africa and MIH Limited s shares were delisted from Nasdaq. At the same time, Naspers ADSs were listed on Nasdaq.

In May 2001, the group acquired a 46.5% interest in Tencent Holdings Limited, the operator of an instant messaging platform in China called QQ. The business developed into the leading instant messaging business in China. Tencent Holdings listed on the Hong Kong Stock Exchange in June 2004.

Naspers acquired an additional interest in M-Net and SuperSport and subsequently they were both delisted from the JSE Securities Exchange South Africa and Nigerian Stock Exchange with effect from April 15, 2004.

For information on Naspers principal investments and capital expenditures and divestitures, see the description of Naspers business in "Item 4.B. Business Overview" and "Item 5. Operating and Financial Review and Prospects".

4.B. Business Overview

Overview

Naspers is a multinational media company with principal operations in pay-television and Internet subscriber platforms, print media, book publishing, private education and related technology markets. Naspers most significant operations are located in South Africa, where it generates approximately 67.8% of its revenues, with other significant operations located elsewhere in Sub-Saharan Africa, Greece, Cyprus, the Netherlands, the United States, Thailand and China. Naspers creates media content, builds brand names around it, and manages the platforms distributing the content. Naspers delivers its content in a variety of forms and through a variety of channels, including television platforms, Internet services, newspapers, magazines and books. Many of Naspers businesses hold leading market positions, and Naspers capitalizes on these strong positions when expanding into new markets.

Naspers business comprises three core segments:

Subscriber Platforms

The subscriber platforms segment comprises pay-television, Internet and related technology activities and is operated principally through MIH Holdings. MIH Holdings owns or operates pay-television and Internet subscriber platforms in Africa, Greece, Cyprus, Thailand and China. This segment contributed approximately 67.6% to Naspers total revenue in fiscal 2004.

Print Media

Media24 encompasses the newspaper and magazine publishing and printing interests of Naspers. It also includes the internet activities of Media24 Digital. Media24 is the largest publisher of magazines, one of the largest publishers of newspapers and the largest printer and distributor of magazines and related products in Africa. This segment contributed approximately 22.0% to Naspers total revenue in fiscal 2004.

Book Publishing and Private Education

Naspers book publishing activities are conducted through Via Afrika (formerly Nasboek). Via Afrika is a leading African book publisher, seller and distributor of innovative and quality reading, learning, listening, and viewing products in various formats. Naspers also incorporated its private education business, Educor, into the larger Via Afrika group during fiscal 2004. Educor is a leading provider of private education in South Africa. It offers face-to-face full-time, part-time and block release programs, as well as distance learning education and training programs. This segment contributed approximately 10.4% to Naspers total revenue in fiscal 2004.

Strategy

Naspers focuses on media businesses in growing markets in which it has or hopes to attain strong, sustainable market positions. Naspers uses content, brands and distribution channels from existing businesses to grow businesses in other markets and to develop new businesses. Naspers has integrated the Internet into each of its businesses to better reach and retain customers and increase the value of its content. Naspers key objectives are as follows:

· **Focus on Investments and Technology.** Naspers has made substantial investments in recent years to upgrade and enhance its subscriber platforms. Naspers intends to consolidate the leading positions it

holds in many markets and to expand into new ones. Most of Naspers pay-television platforms offer digital subscriptions and feature interactive or enhanced services. Naspers has expanded its printing facilities by investing in advanced printing and related facilities. Additional newspaper and magazine titles have been launched or acquired when market opportunities present themselves. Naspers also has launched several Internet related businesses.

· **Build Digital Subscriber Base.** Naspers seeks to continue to expand MIH Holdings digital pay-television subscriber base, both by converting its current analog customers to the digital service and by gaining new digital customers. MIH Holdings offers subscribers movie and sports programming, and is adding interactive services to its bouquets (the term used to describe the channels offered by a pay-television provider on a given platform).

· **Grow Internet Businesses.** Naspers intends, by offering content and superior service, to grow M-Web Holdings as an Internet service provider and content portal in Africa. Naspers is also focused on e-commerce opportunities and on developing Internet service provider ("ISP") operations in other sub-Saharan nations. Naspers has an interest in the operations of China s leading instant messaging platform. It will continue to develop such interests in China and elsewhere. Naspers print media and book publishing businesses are using their core competencies to create new business opportunities over the Internet.

· **Maintain Local Approach.** Naspers has a track record of establishing businesses in developing markets such as Africa, the Mediterranean and Asia. Naspers believes that a component of its success in these markets is its emphasis on taking a local approach. This may involve employing local partners and management teams and incorporating linguistically and culturally tailored local content in its service offerings. Naspers strategy is to continue to take a local approach to content as it expands its pay-television and Internet businesses.

· **Provide Quality Service.** Naspers views its subscriber platform business primarily as a service business and, accordingly, places great emphasis on providing quality customer service. Naspers believes that this helps build customer loyalty and reduce "churn" (a term used to describe customer turnover or subscriber loss). Naspers seeks to achieve high-quality customer service by operating service centers and utilizing advanced computer systems, which allow customer service representatives to address customer concerns more quickly.

Segments

Naspers business is comprised of three core segments - Subscriber Platforms, Print Media and Book Publishing and Private Education. The following table shows revenues, revenues expressed as a percentage of total revenues and the percentage change in revenues from the prior period for Naspers core business segments for the last three fiscal years:

	Revenue (Rand millions except percentages)							
	2004			2003			2002	
	R millions	% of revenues	% change from 2003	R millions	% of revenues	% change from 2002	R millions	% of revenues
Subscriber Platforms								
Pay-television	7,299	57.0	1.0	7,225	59.2	14.0	6,335	59.2
Technology	315	2.5	(16.7)	378	3.1	(20.6)	476	4.4
Internet	1,047	8.2	14.7	913	7.5	54.5	591	5.5
Print Media	2,820	22.0	14.2	2,469	20.2	14.4	2,159	20.2
Book Publishing and Private Education								
Books	785	6.1	18.0	665	5.5	6.1	627	5.9
Education	536	4.2	(3.1)	553	4.5	8.2	511	4.8
Corporate services	2		100.0	1			1	

The following table shows operating profit/(loss) and the percentage change in operating profit/(loss) from the prior period for Naspers business segments for the last three fiscal years: