

NASPERS LTD

Form 6-K

November 29, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

For the month of November 2005

NASPERS LIMITED

(Translation of registrant's name into English)

Naspers Centre

40 Heerengracht

Cape Town

SOUTH AFRICA 8001

(Address of principal executive offices)

(Indicate by check mark whether the registrant

files or will file annual reports under cover of Form 20-F

or Form 40-F.)

Form 20-F  x

Form 40-F

(Indicate by check mark whether the registrant by

furnishing the information contained in this form is also

thereby furnishing the information to the Commission

pursuant to Rule 12g3-2(b) under the Securities Exchange Act

of 1934.)

Yes

No

x

**EXHIBIT**

**LIST**

Exhibit

Description

Sequential

Page Number

- Naspers Limited: Interim results for the six months ended September 30, 2005 dated November 29, 2005

**Naspers Limited**

(Registration number 1925/001431/06)

ISIN: ZAE000015889 JSE share code: NPN

(Naspers)

Interim Report

The reviewed results of the Naspers group for the six months ended 30 September 2005 are as follows:

Segmental Review

**Revenue**

**Ebitda**

**Six months ended 30 September**

**Six months ended 30 September**

**2005**

**2004**

*%*

**2005**

**2004**

*%*

**R'm**

**R'm**

**Change**

**R'm**

**R'm**

**Change**

Electronic media

5 105

4 522

13

1 500

1 171

28

– pay television

4 441

3 970

12

1 550

1 182

31

– internet

444

422

5

(15)

48

–

– technology

220

130

69

(35)

(59)

41

Print media

2 555

2 184

17

328

311

5

– newspapers, magazines and printing

1 940

1 599

21

343

299

14

– book publishing and private education

615

585

5

(15)

12

–

Corporate services

1

1

–

(32)

(19)

(68)

**7 661**

**6 707**

**14**

**1 796**

**1 463**

**23**

**Operating profit before amortisation and other gains and losses**

**Operating profit**

**Six months ended 30 September**

**Six months ended 30 September**

**2005**

**2004**

*%*

**2005**

**2004**

*%*

**R'm**

**R'm**

**Change**

**R'm**

**R'm**

**Change**

Electronic media

1 285

969

33

1 260

954

32

– pay television

1 380

1 016

36

1 383

1 003

38

– internet

(48)

20

–

(73)

18

–

– technology

(47)

(67)

30

(50)

(67)

25

Print media

254

239

6

250

228

10

– newspapers, magazines and printing

282

242

17

287

233

23

– book publishing and private education

(28)

(3)

–

(37)

(5)

–

Corporate services

(34)

(19)

(79)  
(34)  
(19)  
(79)  
**1 505**  
**1 189**  
27  
**1 476**  
**1 163**  
27

Condensed Income Statement

**Six months**

**Six months**

**Year**

**ended**

**ended**

**ended**

**30 September**

**30 September**

**31 March**

**2005**

**2004**

**2005**

**Reviewed**

**Reviewed**

**Audited**

**R'm**

**R'm**

**R'm**

Revenue

7 661

6 707

13 959

Cost of providing services and sale of goods

(4 316)

(3 907)

(8 043)

Selling, general and administration expenses

(1 888)

(1 640)

(3 367)

Other gains and losses, net

19

3

(12)

Operating profit

1 476

1 163

2 537

Net finance costs

(10)

(135)

(234)

Share of equity-accounted results

78

32

88

Profit/(loss) on sale of investments, net

11

(20)

(1)

|  |  |
|--|--|
| Dilution profits, net  |  |
| 6  |  |
| 380  |  |
| 368  |  |
| Profit before taxation                                       |  |
| 1 561  |  |
| 1 420  |  |
| 2 758  |  |
| Taxation   |  |
| (433)  |  |
| (353)  |  |
| (257)  |  |
| Net profit for the period                                    |  |
| 1 128  |  |
| 1 067  |  |
| 2 501  |  |
| <i>Attributable to:</i>                                      |  |
| Naspers Limited shareholders                                 |  |
| 1 066  |  |
| 1 008  |  |
| 2 384  |  |
| Minority shareholders  |  |
| 62   |  |
| 59   |  |
| 117  |  |
| 1 128  |  |
| 1 067  |  |
| 2 501  |  |
| Core headline earnings for the period (R'm)                  |  |
| 976  |  |
| 450  |  |
| 1 235  |  |
| Core headline earnings per N ordinary share (cents)          |  |
| 345  |  |
| 163  |  |
| 445  |  |
| Headline earnings for the period (R'm)                       |  |
| 1 036  |  |
| 645  |  |
| 2 024  |  |
| Headline earnings per N ordinary share (cents)               |  |
| 366  |  |
| 233  |  |
| 730  |  |
| Fully diluted headline earnings per N ordinary share (cents) |  |
| 342  |  |
| 221  |  |
| 690  |  |
| Earnings per N ordinary share (cents)                        |  |
| 376  |  |
| 364  |  |



860  
Fully diluted earnings per N ordinary share (cents)

352

345

813

Net number of shares issued ('000)

– At period-end

284 848

278 816

282 590

– Weighted average for the period

283 154

276 658

277 294

– Fully diluted weighted average

303 265

292 451

293 126

Condensed Balance Sheet

**30 September**

**30 September**

**31 March**

**2005**

**2004**

**2005**

**Reviewed**

**Reviewed**

**Audited**

**R'm**

**R'm**

**R'm**

**ASSETS**

Non-current assets

7 140

5 373

6 837

Property, plant and equipment

3 697

3 327

3 445

Goodwill and other intangibles

1 204

833

1 225

Investments and loans

1 307

861

1 231

Programme and film rights

50

73

|                                  |
|----------------------------------|
| 48                               |
| Derivative financial instruments |
| 29                               |
| 34                               |
| 32                               |
| Deferred taxation                |
| 853                              |
| 245                              |
| 856                              |
| Current assets                   |
| 7 748                            |
| 7 002                            |
| 7 204                            |
| <b>Total assets</b>              |
| <b>14 888</b>                    |
| <b>12 375</b>                    |
| <b>14 041</b>                    |
| <b>EQUITY AND LIABILITIES</b>    |
| Share capital and premium        |
| 5 481                            |
| 5 321                            |
| 5 391                            |
| Other reserves                   |
| (2 494)                          |
| (2 371)                          |
| (2 418)                          |
| Retained earnings                |
| 2 749                            |
| 516                              |
| 1 893                            |
| Naspers shareholders' interest   |
| 5 736                            |
| 3 466                            |
| 4 866                            |
| Minority shareholders' interest  |
| 158                              |
| 231                              |
| 227                              |
| Total shareholders' equity       |
| 5 894                            |
| 3 697                            |
| 5 093                            |
| Non-current liabilities          |
| 3 137                            |
| 3 061                            |
| 2 951                            |
| Capitalised finance leases       |
| 1 689                            |
| 1 795                            |
| 1 740                            |
| Liabilities – interest bearing   |

|  |
|--|
| 589  |
| 781  |
| 423  |
| – non-interest-bearing                       |
| 186  |
| 211  |
| 159  |
| Post-retirement medical liability            |
| 150  |
| 169  |
| 161  |
| Deferred taxation                            |
| 523  |
| 105  |
| 468  |
| Current liabilities                          |
| 5 857  |
| 5 617  |
| 5 997  |
| <b>Total equity and liabilities</b>          |
| <b>14 888</b>                                |
| <b>12 375</b>                                |
| <b>14 041</b>                                |
| Net asset value per N ordinary share (cents) |
| 2 014  |
| 1 243  |
| 1 722  |

Condensed Statement of Changes in Equity

**Six months**

**Six months**

**Year**

**ended**

**ended**

**ended**

**30 September**

**30 September**

**31 March**

**2005**

**2004**

**2005**

**Reviewed**

**Reviewed**

**Audited**

**R'm**

**R'm**

**R'm**

**Balance at beginning of period**

**5 093**

**2 012**

**2 012**

Movement in treasury shares

60

(32)

38

Share capital and premium issued

–

761

761

Foreign currency translations

1

14

(4)

Movement in fair value reserve

(24)

20

41

Movement in cash flow hedging reserve

6

18

24

Movement in share-based compensation reserve

103

16

34

Transactions with minority shareholders

(213)

(2)

(106)

Net profit for the period

1 128

1 067

2 501

Dividends

(260)

(177)

(208)

**Balance at end of period**

**5 894**

**3 697**

**5 093**

Condensed Cash Flow Statement

**Six months**

**Six months**

**Year**

**ended**

**ended**

**ended**

**30 September**

**30 September**

**31 March**

**2005**

**2004**

**2005**

**Reviewed**

**Reviewed**

**Audited**

**R'm**

**R'm**

**R'm**

Cash flow from operating activities

1 295

609

2 368

Cash flow from investment activities

(624)

(52)

(877)

Cash flow from financing activities

(183)

(110)

(514)

Net movement in cash and cash equivalents

488

447

977

Calculation of Core Headline Earnings

**Six months**

**Six months**

**Year**

**ended**

**ended**

**ended**

**30 September**

**30 September**

**31 March**

**2005**

**2004**

**2005**

**Reviewed**

**Reviewed**

**Audited**

**R'm**

**R'm**

**R'm**

Net profit attributable to Naspers shareholders

1 066

1 008

2 384

*Adjusted for:*

– other gains and losses, net

(13)

(3)

7

– profit/(loss) on sale of investments, net

(11)

20

1

– dilution profits, net

(6)

(380)

(368)

Headline earnings

1 036

645

2 024

*Adjusted for:*

– currency translation differences

(19)

13

1

– creation of deferred tax assets

(10)

–

(470)

– amortisation of intangible assets

34

21

40

– IAS 39 fair value adjustments

(65)

(229)

(360)

Core headline earnings

976

450

1 235

Reconciliation of Net Profit

**Six months**

**Year**

**ended**

**ended**

**30 September**

**31 March**

**2004**

**2005**

**Reviewed**

**Audited**

**R'm**

**R'm**

As previously reported under SA GAAP

– Attributable to Naspers shareholders

1 064

2 600

– Attributable to minority shareholders

60

120

1 124

2 720

*Adjusted for:*

– share-based payments

(63)

(128)

– amortisation of goodwill and intangible assets

–

–

– transactions with minority shareholders

32 (59)

– recognition of intangible assets

(10)

(20)

– property, plant and equipment

(7)

(11)

– leases

(2)

(4)

– decommission liabilities

–

–

– discounting of financial liabilities

3

(1)  
– currency translation differences  
(10)  
4  
As reported under IFRS  
1 067  
2 501



Reconciliation of Equity

**31 March**

**30 September**

**1 April**

**2005**

**2004**

**2004**

**Audited**

**Reviewed**

**Audited**

**R'm**

**R'm**

**R'm**

As previously reported under SA GAAP

– Naspers shareholders' interest

6 630

4 999

3 231

– Minority shareholders' interest

223

223

237

6 853

5 222

3 468

*Adjusted for:*

– share-based payments

(155)

(110)

(62)

– amortisation of goodwill and intangible assets

219

219

219

– transactions with minority shareholders

(1 956)

(1 786)

(1 782)

– recognition of intangible assets

40

51

61

– property, plant and equipment

116

121

128

– leases

(21)

(20)

(18)

– decommission liabilities

(2)  
 (3)  
 (2)  
 – discounting of financial liabilities  
 (1)  
 3  
 –  
 As reported under IFRS  
 5 093  
 3 697  
 2 012  
 Supplementary Information  
**Six months**  
**Six months**  
**Year**  
**ended**  
**ended**  
**ended**  
**30 September**  
**30 September**  
**31 March**  
**2005**  
**2004**  
**2005**  
**Reviewed**  
**Reviewed**  
**Audited**  
**R'm**  
**R'm**  
**R'm**  
**Depreciation of property, plant**  
**and equipment**  
**291**  
**274**  
**556**  
**Amortisation of intangible assets**  
**48**  
**29**  
**57**  
**Share-based payment expenses**  
**(IFRS 2)**  
**80**  
**63**  
**129**  
**Other gains and losses, net**  
**19**  
**3**  
**(12)**  
 – profit on sale of property, plant  
 and equipment  
 18

|  |  |
|--|--|
| 3  |  |
| 7  |  |
| – impairments of goodwill and intangible assets      |  |
| –  |  |
| –  |  |
| (14)   |  |
| – impairments of tangible assets                     |  |
| –  |  |
| –  |  |
| (6)  |  |
| – dividends received                                 |  |
| 1  |  |
| –  |  |
| 1  |  |
| <b>Finance costs</b>                                 |  |
| <b>10</b>  |  |
| <b>135</b>   |  |
| <b>234</b>   |  |
| – net interest income                                |  |
| (52)   |  |
| (30)   |  |
| (62)   |  |
| – interest on finance leases                         |  |
| 82   |  |
| 86   |  |
| 190  |  |
| – net foreign exchange differences                   |  |
| (25)   |  |
| 19   |  |
| (2)  |  |
| – net fair value adjustments on derivatives (IAS 39) |  |
| 5  |  |
| 60   |  |
| 108  |  |
| <b>Investments and loans</b>                         |  |
| <b>1 313</b>   |  |
| <b>995</b>   |  |
| <b>1 239</b>   |  |
| – listed investments                                 |  |
| 1 192  |  |
| 921  |  |
| 1 126  |  |
| – unlisted investments                               |  |
| 121  |  |
| 74   |  |
| 113  |  |
| Market value of listed investments                   |  |
| 4 862  |  |
| 2 122  |  |

3 208

Directors' valuation of unlisted investments

121

74

113

**Commitments**

**3 699**

**2 148**

**3 924**

– capital expenditure

343

184

447

– programme and film rights

1 574

1 135

1 483

– network and other services

commitments

304                      241

385

– operating lease commitments

1 335

573

1 511

– set-top box commitments

143

15

98

Commentary

## **GROUP OVERVIEW**

Favourable macro-economic conditions in our major markets helped Naspers achieve satisfactory results over the past six months. Revenue grew by 14% whilst headline earnings of R1,036 billion and core headline earnings of R976 million were recorded.

Profits in the second half of the financial year will, however, be subdued by development costs.

The group now reports under International Financial Reporting Standards (IFRS). Accordingly, the interim results for the six months ended 30 September 2005 detailed below, are presented on that basis. For ease of comparison, the financial information relating to the six months ended 30 September 2004 and the year ended 31 March 2005, have been restated in terms of IFRS.

Shareholders are also referred to an announcement describing the group's transition to IFRS that was released via SENS on 29 November 2005 and is available on [www.naspers.com](http://www.naspers.com).

Broadly speaking, macro-economic conditions in the major markets in which the group operates remained favourable over the past six months and the results reported here reflect this. On previous occasions we have reminded shareholders that we serve consumers whose spending power is influenced by economic cycles. If such tendencies turn negative, as they will do from time to time, we will be affected. Some elements of the South African advertising market appear to be cooling. However, the general state of the local economy looks sound, largely owing to the astute management of the economy by government. The economy of China continues to expand rapidly.

The group remains focused on developing growth opportunities, both organically from existing businesses and through investing in new opportunities. Further investments in China and India are under consideration. Whilst it is difficult to place a firm time frame to such projects, we anticipate some progress in the second half of this financial year. Such investments will have an impact on both cash flows and earnings.

## **FINANCIAL OVERVIEW**

Revenue for the period increased by 14% to R7,7 billion. The major contributor remains subscriptions. As an indication of currently favourable economic conditions, advertising revenues grew by 20% over the period.

Selling, general and administration expenses now include a charge of R80 million (September 2004: R63 million) for share-based compensation, calculated in accordance with IFRS 2 "Share-based payments".

Finance costs continue to decline, in line with reduced levels of debt in the group. Finance costs include net interest income of R52 million and imputed

interest incurred on finance leases of R82 million. The fair value adjustments required by IAS 39 on the group's foreign exchange contracts and other

derivative instruments declined to R5 million, compared with R60 million in the prior period.

Equity accounted earnings increased to R78 million and comprise mainly our share of Tencent's earnings in China. As from 1 September 2005, the group equity accounted its interest in Beijing Media Corporation. The comparative period reflected a dilution profit of R380 million, arising mainly from the listing of Tencent in Hong Kong, an event that did not recur in the current year.

The net effect of the above is headline earnings for the period of R1 036 million, equating to 366 cents per share. Core headline earnings, which we continue to believe is a more appropriate measure of true sustainable operating performance, was slightly lower at R976 million or 345 cents per share. An analysis of how we determine core headline earnings is shown below in the section "Calculation of core headline earnings". In the second half of the year we anticipate an acceleration of development costs, which will impact on the rate of growth of core headline earnings.

As previously pointed out to shareholders, headline earnings in the financial year ended 31 March 2005 were artificially boosted by the application of

certain accounting principles. In particular, the creation of deferred tax assets (R470 million) and accounting for foreign exchange contracts (R360 million). It is improbable that such an artificial boost to earnings will recur in the current financial year and, as a consequence, it is likely that headline earnings for the full year will, as anticipated, probably be lower than that reported last year.

## **ELECTRONIC MEDIA**

### **Pay television**

The total pay-television subscriber base grew by a net 81 000 over the period. The group currently has 2,38 million subscribers under management, of whom 80% are on digital platforms.

In South Africa the equated subscriber base grew marginally by 45 000 over the period to just below 1,2 million. The compact bouquet reflects 22 500

subscribers. In sub-Saharan Africa, the base grew by 20 000 to 356 000 households. Main sectors of growth were the emerging Black market segment in South Africa and the Portuguese tier in sub-Saharan Africa. Regulations escalated across the continent and will probably become more intensive in many territories.

In Greece the subscriber base of 364 000 remained more or less stable over the period, a satisfactory outcome given the traditional churn over the summer months. The business continues its good turnaround and reported an operating profit before amortisation of R165 million (2004: R75 million).

In Thailand we accepted an offer from our partner, True Corporation Plc, to acquire our interest in the pay-TV business UBC, as well as our interest in the internet service provider KSC. The cash consideration is US\$160 million and is part of a tender offer to all UBC's shareholders. The offer is still subject to UBC shareholder approval.

#### **Internet**

In South Africa M-Web now has 314 000 dial-up and 30 000 broadband customers. The South African business remains profitable, but slow-growing due to a lack of broadband connections. South Africa is falling dramatically behind its peers elsewhere in the world in this regard, and this handicap will gradually impact other sectors of our economy that rely on communications.

Progress was made in the rest of Africa, in particular with a VSAT service in Nigeria. M-Web Thailand enhanced its leading position with its Sanook! portal. Improvements to the service are being added.

In China, Tencent, in which we hold an interest, expanded its range of services to complement its instant messaging platform. New offerings, including QQ Zone and QQ Pets, were launched to the QQ community, which includes the majority of the approximately 100 million internet users in China.

#### **Technology**

This segment reported an operating loss before amortisation of R47 million, as both Irdeto and Entriq are investing heavily in developing new technologies.

Irdeto is expanding its technology for the protection of content delivered to mobile hand-held devices. Following high volumes of smart cards and other equivalent devices, it generated an operating profit in the period. Entriq is increasing development expenditure on building its broadband content portals and will continue to increase expenditure for the next few years, before any profits will materialise.







## **PRINT MEDIA**

### **Newspapers, magazines and printing**

Revenue from this segment increased to R1 940 million, and operating profit before amortisation grew by 17% to R282 million.

Newspapers benefited from continued robust advertising in South Africa, whilst advertising in the magazine sector was more static.

Circulation was generally satisfactory, with a few exceptions. The *Daily Sun* continued its growth, achieving an audited circulation in the six months to June of 437 000. A satisfying aspect of this is that the low cover price and relevant content is stimulating readership in homes where many were not previous readers of newspapers. *Soccer Laduuuuuma* and the *Sunday Sun* also recorded new circulation peaks.

Beijing Media Corporation in China, in which we hold an interest, had a muted six months to June 2005, largely due to lower property advertising revenues. In our view, prospects over the longer term remain positive.

### **Book publishing and private education**

Revenue from this segment increased by 5% to R615 million and an operating loss before amortisation of R28 million was recorded.

Shareholders are probably aware that the book business is a cyclical one and results for the half year are not a reliable indication of those for the full

year, particularly as the dates of school-book sales are variable. Most businesses are trading positively, although the general book retail market shows strain. The e-trader *Kalahari.net* continues to grow.

The private education business had mixed results, with distance education excelling and the face-to-face business struggling to cope with the high infrastructure cost and additional expenditure to meet rigorous new accreditation requirements. Educor is managing more and more to comply with the various Higher Education and Further Education and Training regulations. Considerable work is, however, still required to bring Damelin to adequate levels of profitability.

## **BLACK ECONOMIC EMPOWERMENT**

The group supports the government's broad-based Black economic empowerment initiatives. We intend to implement an empowerment transaction

once adequate clarity on the Codes of Good Practice has been obtained.

## **DIVIDEND**

The group has a policy of declaring an annual dividend. Accordingly no interim dividend is proposed.

## **BASIS OF PRESENTATION AND ACCOUNTING POLICIES**

Condensed interim financial statements for the six months ended 30 September 2005 have been prepared in accordance with IAS 34 "Interim Financial Reporting", and in compliance with the Listings Requirements of JSE Limited. They represent the group's first IFRS condensed interim financial statements for part of the period for which annual financial statements will be prepared in terms of IFRS.

These condensed interim financial statements have been reviewed by the company's auditors, PricewaterhouseCoopers Inc., whose report is available for inspection at the registered offices of the company.

On behalf of the board

**Ton Vosloo**

**Koos Bekker**

*Chairman*

*Managing director*

Cape Town

29 November 2005

## **Directors**

T Vosloo (chairman), J P Bekker (managing director), F A du Plessis, G J Gerwel, R C C Jafta, L N Jonker, S J Z Pacak, F T M Phaswana,

B J van der Ross, N P van Heerden, J J M van Zyl, H S S Willemse.

## **Company secretary**

G M Coetzee

**Registered office**

**Transfer secretaries**

40 Heerengracht, Cape Town 8001

Ultra Registrars (Proprietary) Limited

(PO Box 2271, Cape Town 8000)

Fifth Floor, 11 Diagonal Street, Johannesburg 2001

(PO Box 4844, Johannesburg 2000)

**ADR programme**

The Bank of New York maintains a GlobalBuyDIRECT

TM

plan for Naspers Limited. For additional information, please visit The Bank of New York's website at [www.globalbuydirect.com](http://www.globalbuydirect.com) or call Shareholder Relations at 1-888-BNY-ADRS or 1-800-345-1612 or write to: The Bank of New York,

Shareholder Relations Department – GlobalBuyDIRECT

TM

, Church Street Station, PO Box 11258, New York, NY 10286-1258, USA.

**For a more detailed exposition, visit the Naspers website at [www.naspers.com](http://www.naspers.com)**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NASPERS LIMITED

Date: November 29, 2005 by

Name: Stephan J. Z. Pacak

Title: Director