Naspers reports consolidated revenue of R23bn

Naspers Limited (JSE: NPN) today, 27 November 2012, announced its results, consolidated revenue of R23 billion (a 22% increase), for the six months ended 30 September 2012.

Core headline earnings per share, considered by the board to be a good indication of sustainable performance, increased 15% to R10.62, totalling R4,1bn. The internet segment remained the area of fastest growth, whilst some benefit was gained from a weaker rand. Development costs as a result of the organic growth of businesses increased 41% to R1,6bn. Positive free cash flows increased 22% to R1,7bn.

"The group continues to grow organically, with an increasing focus on e-commerce," Naspers chairman Ton Vosloo said. "In addition, we have invested R4,5bn year to date in acquiring new businesses in this area".

Revenues from the e-commerce segment expanded robustly by 61% to R4bn. Organic growth accounted for 27% of the total. A focus on building scale and expanding e-commerce platforms across the value chain has trimmed trading profits by R1bn and increased the trading loss in the sector.

Challenging economic climate

After recording net growth of 393,000, the pay-television base now stands at just over six million homes across 48 countries in Africa. Revenues were up by 19% to R14,4bn, whilst trading profits grew 18% to R4bn. Trading margins were stable despite the upgrading of satellite infrastructure, the expansion of online services and a roll-out of digital terrestrial television (DTT) services across a number of sub-Saharan countries.

Print operations in South Africa were strained by the challenging economic climate, but reported steady growth. Margins improved due to a continued focus on managing costs.

Naspers' share of core earnings from associates, including Tencent in China, Mail.ru Group in Russia and Abril in Brazil, increased by 46% to R3,1bn.

"During the next six months we'll keep growing our e-commerce operations across emerging markets," Naspers CEO Koos Bekker said. "We intend to step up the gas and as a result development spend will accelerate in the second half of the year".

Naspers financial director Steve Pacak added: "With development spend ramping up and a changing business mix, future margins will trend down. The plan is however to increase our absolute profits and returns over time".