

## Naspers clarifies Facebook talk

South African multimedia company Naspers said on Friday (25 February 2011) it would concentrate on emerging-market media, ending speculation it planned to increase its holdings in internet companies such as Facebook and Groupon in the near future.

By [Chantelle Benjamin](#) 28 Feb 2011



Meloy Horn, Naspers head of investor relations, said it had "inherited" an indirect 0,7% stake in Facebook, 0,4% indirect stake in gaming company Zynga, and a 1,5% indirect stake in Groupon through its Digital Sky Technologies stake.

"It's a nice-to-have, but it's not the area we plan to focus on. Our focus will continue to be on media in emerging markets," she said.

There has been much speculation about whether Naspers intends increasing its holdings in these internet companies after it emerged last month that Facebook had raised \$500m from Goldman Sachs and Russian investment firm DST in a deal that valued Facebook at \$50bn.

Most media reports made the point that Naspers owned 30% of DST.

Ms Horn said the Facebook deal involved DST Global, not the branch of DST in which Naspers has a 28,9% share.

It is now known as Mail.ru after the internet portal with the same name was bought out last year by DST. Mail.ru will continue to pursue Russian investments.

"DST originally bought the stakes in the internet companies so Naspers has a small, indirect stake, but DST decided to separate its Russian business from its global business and it's the global business arm that is pursuing businesses like Facebook," Ms Horn said.

Naspers is happy to pursue businesses in emerging markets, particularly internet businesses, which it has some controlling interest in.

In July, Naspers announced it was to buy a 28,7% stake in DST in a cash and share deal worth at least \$388m, broadening its focus on the internet in emerging markets.

According to the deal, Naspers-owned Myriad International Holdings would exchange its 39,3% stake in its Russian internet communication and gaming company, Mail.ru, and invest another \$388m for the nearly 29% stake.

This would give DST more than 99,9% of Mail.ru while Naspers obtained access to several of DST's many investments.

In presenting Naspers's half-year earnings in December, Naspers CEO Koos Bekker said it planned to continue growing its pay-TV offering and expansion into Africa.

"In pay-TV we will be launching new technologies such as mobile television and digital, terrestrial television

"This is likely to subdue profits in the next six months," he said.

He warned that without the advantage of last year's Soccer World Cup, which boosted pay-TV subscriptions, the company's performance over the next six months would not be as strong.

*Source: Business Day*

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