

Naspers mum on restructuring rumours as Bekker departs

Analysts want more clarity from Naspers on the reasons for the departure of CEO Koos Bekker on April 1 amid rumours the company is set to be restructured.

Naspers did not want to confirm or deny reports that the Russian Mail.ru interests would be sold off, with some analysts holding the view that the group would focus on Chinese internet powerhouse Tencent over the short term - before a possible unbundling.

All of the company's foreign holdings are at present accounted for in Naspers, now the sixth-largest company based on market value on the JSE.

Naspers holds 34% of Tencent and 29% of Mail.ru.



Analysts have differing views on why Koos Bekker has stepped down now.

Analysts expressed differing views on the possible reasons for Bekker's departure, with some describing it as unexpected.

But it could be linked to the eventual creation of an enlarged offshore entity as Naspers's present earnings come predominantly from global markets.

After seesawing for most of Monday and eventually strengthening after the news broke of Bekker's departure, Naspers (NIP) shares were down 0.93% to R1,278 in early trade on Tuesday.

One analyst said questions had been e-mailed to Bekker's office asking for the reasons for his departure and about the role of incoming CEO Bob van Dijk, who was expected to work from the Netherlands and not relocate to Naspers's head office in Cape Town.

Change in the way the company is managed

But the analyst said this did indicate "some departure" from the way the company was presently being managed.

Bekker made his announcement on Saturday in a press release and informed shareholders on Monday morning.

The proposed restructuring apparently relates to Mail.ru, which last week announced plans to list in Moscow and London.

Mail.ru had been regarded as part of Naspers's core strategy and, counting in Mail.ru's favour, was that it was easily tradeable in London.

Another local analyst, not wishing to be named, said it was expected that Naspers would follow its Mail.ru rights, but it was only a small additional interest.

He was not aware of any specific restructuring plans to exit Mail.ru, although Naspers had previously lightened some

interests in the Russian group.

"It makes sense to focus on Tencent, which is on a totally different growth path than Mail.ru," the analyst said.

The analyst said the fact that Bekker would return as chairman by replacing Ton Vosloo in 2015 indicated he would still be involved with the group in future.

Imara SP Reid Naspers analyst Stephen Meintjes said Naspers was making progress with its e-commerce operations. "It is much like an old-fashioned gold mining rush into massive new diggings."

Departure not unexpected



Incoming CEO Bob van Dijk is expected to work from the Netherlands.

Vestact analyst Sasha Naryshkine said Bekker's departure was not that unexpected as his sabbatical could feed into an ambition of Bekker's to create the biggest media group in the world.

"Bekker is only 61, but after an interrupted 17 years at the helm of Naspers, the timing is probably right."

Naryshkine regarded Naspers's share price as cheap, although there were concerns about the valuations of Tencent.

Naryshkine said the fact that Van Dijk would be working from the Netherlands could indicate a new management style.

"Bekker said recently if you have an internet connection you might as well be anywhere," he said.

Further rumours about Bekker's sabbatical related to a restructuring of his share interests in Naspers, which are estimated to be about R11bn.

Should he sell his Naspers shares, or part thereof, he could expect a hefty tax charge as a capital gain, which would be added to income, although he did not receive a salary from Naspers.

According to present tax laws, South African residents are taxed on worldwide income.

But nonresidency rules could lighten the tax burden if Bekker could prove he was outside the country over a certain period of time, currently five years, and did not return to the country as a resident. He previously lived in the Netherlands in the 1990s.

One analyst said this was unlikely as Bekker had widespread local interests, including the modernised Babylonstoren wine farm near the Paarl. But another said it was to be expected that Bekker would aim to lighten his tax liability.