This document relating to Naspers Limited ("**Naspers**", the "**Company**", "we" or "us") comprises a prospectus (the "**Prospectus**") for the purposes of Article 5 of EU Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). This document has been approved as a Prospectus by the Financial Conduct Authority (the "**FCA**") under section 87A of the Financial Services and Markets Act 2000 ("**FSMA**").

Prospective ADS holders should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company. Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA or paragraph 3.4 of the Prospectus Rules made under section 73A of FSMA, the publication of this document does not, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

Naspers Limited

(*incorporated in the Republic of South Africa under the South African Companies Act 1973 with registered number 1925/001431/06*)

Admission to the Official List and to trading on the London Stock Exchange of up to 182,540,135 additional American Depositary Shares

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There are currently admitted to listing on the official list (the "**Official List**") of the FCA and to trading on the regulated market for listed securities (the "**Regulated Market**") of the London Stock Exchange plc (the "**London Stock Exchange**"), which is a regulated market for the purposes of Directive 2004/39/EC (MiFID), 36,787,894 American depositary shares (the "**Existing ADSs**" and, together with the Additional ADSs (as defined below), the "**ADSs**") representing interests in the N Ordinary Shares of the Company (the "**Shares**" and, together with the ADSs, the "**Securities**"). This Prospectus relates only to an application (the "**Application**") to list on the Official List and to admit to trading on the regulated market of the London Stock Exchange up to 182,540,135 additional ADSs (the "**Additional ADSs**").

Application will be made (1) to the U.K. Listing Authority (the "**UKLA**"), being the FCA acting in its capacity as competent authority for the purposes of Part IV of FSMA, for up to 182,540,135 Additional ADSs, either currently issued or to be issued from time-to-time against the deposit of Shares (to the extent permitted by law) with a custodian acting on behalf of The Bank of New York Mellon, as depositary (the "**Depositary**"), to be admitted to the Official List, bringing the total number of ADSs listed by the Company to up to 219,328,029 ADSs; and (2) to the London Stock Exchange for the Additional ADSs to be admitted to trading on the Regulated Market. The Existing ADSs are currently, and the Additional ADSs upon approval by the UKLA and the London Stock Exchange will be, admitted to trading on the Regulated Market on the International Order Book under the symbol "NPSN". Admission of the Additional ADSs to the Official List and unconditional trading on the London Stock Exchange ("**Admission**") is expected to take place on or about 22 November 2017.

The ADSs are issued in global form. The ADSs are evidenced by a master ADS (the "**Master ADS**") in registered form, which has been deposited with a custodian for, and registered in the name of, Cede & Co. as a nominee of, The Depository Trust Company of New York ("**DTC**"). Except as described herein, beneficial interests in the Master ADS will be shown on, and transfers thereof will be effected only in, DTC and its direct and indirect participants. In addition Euroclear and Clearstream Banking have accepted for settlement the ADSs, with transfers effected in DTC through their respective subcustodians. Interests in the Master ADS will be exchangeable for ADSs in definitive form in accordance with the provisions set out in Part X (*Information Relating to the ADSs*) of this Prospectus. The Master ADS has been issued pursuant to a deposit agreement (the "**Deposit Agreement**") dated 5 November 2002 between us and the Depositary.

This Prospectus relates only to the Application and does not constitute an offer to purchase or otherwise acquire any Securities to any person or to the public generally in any jurisdiction. The Company is not offering any Securities in connection with Admission. This Prospectus is not, and should not be construed as, an inducement to buy or sell any Securities.

A list of risk factors relating to the Company and the ADSs is set out in Part II (*Risk Factors*) of this Prospectus.

This Prospectus is dated 17 November 2017

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PART I
SUMMARY

*Summaries are made up of disclosure requirements known as "**Elements**". These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. As some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "Not applicable".*

Section A – Introduction and Warnings		
A.1	*Warning*	This summary should be read as an introduction to the Prospectus. Any decision to invest in the ADSs should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the ADSs.
A.2	*Consent for intermediaries*	*Not applicable*

Section B – Issuer		
B.31 – Information about the issuer of the underlying shares (the Company)		
B.31/B.1	*Legal and commercial name*	The Company's legal and commercial name is Naspers Limited.
B.31/B.2	*Domicile, legal form, legislation and country of incorporation*	The Company is a public limited liability company, incorporated and registered in Cape Town, the Republic of South Africa. It was incorporated under the laws of the then Union of South Africa. The principal legislation under which the Company now operates is the South African Companies Act, No. 71 of 2008 and the regulations made thereunder.
B.31/B.3	*Current operations, principal activities and markets*	Naspers is a global internet and entertainment group and one of the largest technology investors in the world. Our principal operations are in internet services and e-commerce (in particular, online classifieds, payments, e-tail, online food delivery and online travel services), video-entertainment and media. We are a market leader in many of the businesses and markets in which we operate. Our most significant markets are China, Central and Eastern Europe, Russia, Africa, North America, Latin America, India, Southeast Asia and the Middle East. The following is an overview of our major business segments. **Internet** We operate internet businesses across a variety of platforms and geographies, and many of our internet businesses are market leaders in their sectors. We own the OLX and letgo brands, under which we operate classifieds businesses in more than 40 countries; we also own the PayU brand, under which we provide payment solutions in 17 countries; through Tencent and Mail.ru, we also have large ownership interests in leading providers of internet entertainment and communication services in China and Russia, respectively. Our internet assets are spread across China, Russia, Central and Eastern Europe, Brazil and the rest of Latin America, India, Southeast Asia, Africa and the Middle East. Our platforms and communities offer e-commerce, communication, social network, entertainment and mobile value-added services, but our focus is on e-commerce. We generate revenue from our user base through various methods, including transaction fees, subscription fees and online gaming fees, as well as through online advertising and sales of services and consumer products. We are expanding across the value chain,

		increasing the number of products and services we offer to customers, with mobile internet services a priority. Our internet activities comprise listed investments (Tencent and Mail.ru) and e-commerce platforms (including, classifieds, payments, e-tail, online food delivery, online travel and Naspers Ventures). **Video-entertainment** We offer digital satellite television, digital terrestrial television, on demand online television and other video-entertainment services through MCSA in South Africa and MCA in 49 countries across the rest of sub-Saharan Africa. We believe we are the market leader in African video-entertainment services with over 11.9 million subscribers as of 31 March 2017 and $3,398 million in consolidated revenue in our video-entertainment segment. We strive to maintain our market-leading position through a customer-centric focus and continued investment in technological advancement. By establishing DTT infrastructure in 10 sub-Saharan African countries, we believe we have prepared our business to maintain this position as video-entertainment grows and evolves in Africa. In FY 2017, 81% of our video-entertainment revenue came from subscription revenue, of which $1,870 million (67%) was generated in South Africa and $901 million (33%) was generated in sub-Saharan Africa. Through our subsidiary, Irdeto, we also provide content protection solutions and software security to content owners, platform operators, device manufacturers and other providers of digital content, including our affiliates. These products and services are used to secure and enable the delivery of valuable content and access to systems in our video-entertainment and internet businesses. We have been providing encryption technology for more than two decades. Showmax is the Group's SVOD service. It was launched in August 2015 and offers a wide selection of movies and TV series from leading Hollywood studios, as well as local African shows Showmax is fully localised in South Africa, Kenya and Poland, and is available in over 60 additional countries. **Media** We have been active in the media industry for over 100 years. This segment comprises our magazine, newspaper, printing, distribution, online news and book-publishing businesses in South Africa. We own 85% of Media24, a leading publisher in South Africa, with more than 80 newspapers, almost 40 magazine titles, and substantial digital media properties which reach more than 18 million monthly unique browsers across its platforms. We are also engaged in an online fashion business in South Africa.
B.31/B.4a	*Recent trends affecting the Company and its industries*	**Internet** - Increased use of e-commerce in Naspers's targeted markets because of increased internet penetration and the proliferation of mobile devices - Increased online classifieds spend because of the shift from print media - Increased e-tail spend and food delivery because of technological advances and lower cost structures, coupled with improved payment options **Video-entertainment** - The industry's reliance on subscription revenue has resulted in a change in the type of content that is broadcast by networks, enabling the creation of much more specialised and customised types of shows to influence viewers to subscribe - The trend towards multi-screen viewing is causing overall television viewing to remain robust - Time shift viewing increasingly becoming an integral part of how consumers view television - Increasing personal video recorder ownership **Media** - Global decline of traditional print media as a result of the expansion into electronic resources and the rapid migration of publishing to electronic and online platforms - Rapid development of online internet advertising - Stagnation of growth of overall magazine readership in South Africa

B.31/B.4b	*Known trends affecting the Company and its industries*	**Internet** - Increasing use of e-commerce in Naspers's targeted markets because of GDP growth, population growth, growth in the middle class, continued growth in internet/broadband and mobile penetration - Growth of online classifieds because of continuing shift from print media, increased internet penetration, increased time spent online and higher usage of smartphones and tablets - Growth of online payments because of growth of internet and e-tail businesses, greater penetration in emerging market economies where transactions are primarily conducted in cash, and increased use of mobile phones as payment devices - Growth of food delivery because of growth of internet and payments businesses, greater penetration in emerging markets and increased time spent online **Video-entertainment** - Familiarity with personal video recording will lead to increased time shift viewing among consumers - On-demand services on non-television set devices, such as tablets, smartphones and laptops, offering different types of catch-up content, also becoming available ways of delayed viewing - Increased availability of affordable high-speed broadband **Media** - Digital media revenue in South Africa is expected to account for over half of all media and entertainment revenue by 2020, driven predominantly by rising internet access and mobile internet penetration - Newspaper and magazine advertising expenditures in many of the markets where we operate may experience declines similar to those in North America and Western Europe as internet penetration levels in those markets rise
B.31/B.5	*Group structure*	The following table presents each of Naspers's significant subsidiaries over which we have voting control through our direct and indirect interests in respective intermediate holding companies and other entities and the percentage of shares of each subsidiary owned by us as of 31 March 2017.

Name of subsidiary	*Percentage ownership*(1)
Investment holding companies	
MIH Holdings Proprietary Limited	100.0
MIH Ming He Holdings Limited	100.0
Myriad International Holdings B.V.	100.0
Video-Entertainment	
MultiChoice South Africa Holdings Proprietary Limited	80.0
Electronic Media Network Proprietary Limited	80.0
SuperSport International Holdings Proprietary Limited	80.0
Showmax B.V.	100.0
MultiChoice Africa Holdings B.V.	100.0
Irdeto B.V.	100.0
Internet	
Avito AB	70.5
Ambatana Holdings B.V. (letgo)	69.7
letgo USA B.V.	41.6
PayU Global B.V.	97.6

Buscapé.com Inc.	100.0
Movile Internet Movel S.A.	70.7
OLX B.V.	99.9
FixeAds Servicos de Internet S.A.	99.9
Silver Indonesia JVCo B.V. (OLX Indonesia)	40.5
Netrepreneur Connections Enterprises Inc. (OLX Philippines)	91.6
Dubizzle Limited (BVI)	53.7
MIH B2C Holdings B.V. (previously Intervision (Services) Holdings B.V.)	100.0
Dante International S.A. (eMAG)	77.1
TekTravel Private Limited (Travel Boutiques Online)	47.3
Vipindirim Elektronik Hozmetler ve Ticaret A.S. (Markafoni)(2)	100.0
Citrus Payment Solutions Private Limited	100.0
Media	
Media24 Holdings Proprietary Limited	85.0
Media24 Proprietary Limited	85.0
Novus Holdings Limited(3)	52.0

(1) The percentage interest shown is the financial effective interest, after adjusting for the interests of the Group's equity compensation plans treated as treasury shares and taking into account retention options. The Group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

(2) Markafoni discontinued its operations effective 30 June 2017 and is in the process of being liquidated.

(3) Media 24 reduced its shareholding in Novus to a 19% non-controlling minority shareholding as a condition to the approval of the merger between Media 24 and Novus.

The following table presents each of our significant associated companies and our percentage interest as of 31 March 2017.

Name of associated company	*Percentage ownership*
Listed companies	
Tencent Holdings Limited	33.3(1)
Mail.ru Group Limited	28.7
MakeMyTrip Limited	43.2
Unlisted Companies	
Flipkart Limited (previously Flipkart Private Limited)(2)	16.5
Silver Bangladesh JVCo B.V. (Ekhanei)(3)	49.7
Silver Thailand JVCo B.V. (Kaidee)	44.1
SimilarWeb Limited	28.8
Takealot Online (RF) Proprietary Limited	47.1(4)
Udemy Inc.(5)	12.0
Twiggle Limited(5)	13.9
Ryzac Inc. (Codecademy)	21.3
Brainly Inc.	26.0
Agrisight Inc. (Farm Logs) (5)	11.7

(1) The percentage ownership is currently 33.2%.

(2) The percentage interest shown is the financial effective interest, after adjusting for the interests of the Group's equity compensation plans treated as treasury shares and taking into account retention options. The Group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

(3) This closed down in May 2017.

(4) The percentage ownership is currently on a fully-diluted basis 53.6%; since consolidated as a subsidiary.

(5) The Group accounts for its interest as an investment in an associate on account of its board representation.

B.31/B.6 *Notifiable interests, different voting rights and controlling interests*

The following table presents, as at 31 March 2017, the beneficial ownership of each class of our ordinary shares by each person or entity which, to our knowledge, owns more than 5% of either class of its ordinary shares and all of our directors as a group. Unless otherwise indicated, to our knowledge, all shareholders listed below have sole voting and investment power with respect to their ordinary shares, except to the extent applicable law gives spouses shared authority. The shareholders listed below do not have different voting rights from other shareholders of the same class.

Beneficial Owner	**# of Class A Ordinary Shares**	**% of Class A Ordinary Shares**	**# of Class N Ordinary Shares**	**% of Class N Ordinary Shares**	**Total \ Voting %**
Public Investment Corporation of South Africa[1]	-	-	61,210,487	13.97%	4.55%
Naspers Beleggings[2]	445,839	49.15%	-	-	33.14%
Keeromstraat[2]	279,406	30.80%	-	-	20.77%
Wheatfields 221 Proprietary Limited[3]	169,865	18.73%	-	-	12.63%
Directors as a group	166	0.02%	6,315,260	1.44%	0.47%
Other	11,852	1.31%	370,739,506	84.59%	28.44%
Total	**907,128**	**100.00%**	**438,265,253**	**100.00%**	**100.00%**

(1) Asset managers whose shareholdings vary based upon their own portfolio management activities.

(2) Heemstede Beleggings, our wholly owned subsidiary, holds 49.0% of Naspers Beleggings (the remaining 51% of the shares of Naspers Beleggings are widely held by another 2,611 shareholders), which, in turn, holds 49.2% of the Class A Ordinary Shares, which carry approximately 33.1% of the total voting rights of our ordinary shares. Keeromstraat holds 30.8% of the Class A Ordinary Shares, which represents 20.8% of the total voting rights of our ordinary shares. Keeromstraat has 2,843 shareholders, none of whom are controlling shareholders. Some of our directors are on the boards of Keeromstraat and Naspers Beleggings, but do not represent a majority of board members of either. Each of these boards operates independently. Naspers Beleggings and Keeromstraat collectively hold 53.9% of the voting rights in respect of Naspers, exercise their voting rights in terms of a voting pool agreement and constitute the control structure of Naspers.

(3) Mr. Koos Bekker (director and chairman of Naspers) and Mr. Cobus Stofberg (director of Naspers) each has an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 168,605 Naspers Beleggings ordinary shares, 16,860,500 Keeromstraat ordinary shares and 169,865 Naspers's Class A Ordinary Shares. Wheatfields 221 Proprietary Limited is not part of the control structure of Naspers.

B.31/B.7 *Selected historical financial information*

	For the financial year ended 31 March		
Summary Group Income Statement Data	**2015**	**2016**	**2017**
	(US$ in millions)		
Revenue			
Internet: E-commerce	2,049	1,966	2,173
Video-entertainment	3,829	3,407	3,398
Media	741	591	575
Corporate services	(50)	(34)	(48)
Total revenue	**6,569**	**5,930**	**6,098**
Operating expenses			
Cost of providing services and sale of goods	(3,824)	(3,392)	(3,574)
Selling, general and administration expenses	(2,525)	(2,423)	(2,827)
Other gains/(losses)—net	(59)	(292)	(57)
Total operating expenses	**(6,408)**	**(6,107)**	**(6,458)**
Operating profit			

	2015	2016	2017
Internet: E-commerce	(529)	(763)	(647)
Video-entertainment	712	608	298
Media	9	20	3
Corporate services	(31)	(42)	(14)
Total operating profit	**161**	**(177)**	**(360)**
Interest received	45	40	70
Interest paid	(247)	(292)	(278)
Other finance (costs)/income—net	(49)	(100)	(259)
Share of equity-accounted results	1,475	1,289	1,829
Impairment of equity-accounted investments	(39)	(55)	-
Dilution gains/(losses) on equity-accounted investments	113	104	(119)
Gains on acquisitions and disposals	139	452	2,169
Profit before taxation	**1,598**	**1,261**	**3,052**
Taxation	(338)	*(260)*	(244)
Profit for the period	1,260	1,001	2,808
Attributable to:			
Naspers shareholders	1,257	994	2,921
Non-controlling interests	3	7	(113)

	For the financial year ended 31 March		
Summary Group Balance Sheet Data	**2015**	**2016**	**2017**
	(US$ in millions)		
Assets			
Property, plant and equipment	1,425	1,443	1,638
Investments in associates	6,058	7,625	10,784
Investments in joint ventures	228	218	79
Inventory	262	194	154
Trade receivables	398	393	420
Other receivables	434	490	453
Cash and cash equivalents	1,226	1,714	4,007
Total assets	**12,936**	**16,723**	**21,930**
Equity and Liabilities			
Trade payables	448	437	487
Total debt[1]	4,071	3,922	4,261
Net debt[2]	2,845	2,208	254
Total equity	**6,903**	**10,654**	**15,361**
Total equity and liabilities	**12,936**	**16,723**	**21,930**

(1) Total debt includes total interest-bearing capitalised finance leases (primarily transmission equipment and satellite leases), bank overdrafts, call loans and other interest-bearing loans, non-interest-bearing program and film rights and other non-interest bearing loans.

(2) Net debt represents total debt less total cash and cash equivalents.

	For the financial year ended 31 March		
Summary Group Cash Flow Data	**2015**	**2016**	**2017**
	(US$ in millions)		
Cash from operations	574	454	294
Dividends received from investments and equity-accounted companies	100	146	193
Cash generated from operating activities	**674**	**600**	**487**
Interest income received	46	46	63
Interest costs paid	(227)	(246)	(257)
Taxation paid	(334)	(322)	(333)
Net cash (utilised in)/generated from operating activities	**159**	**78**	**(40)**
Net capital expenditures	(292)	(228)	(173)

Investments in subsidiaries, associates, joint ventures and businesses	(406)	(1,426)	(397)
Disposals of subsidiaries, associates and businesses	158	289	3,383
Other investment activities	(12)	(19)	1
Net cash (utilised in)/generated from investing activities	**(552)**	**(1,384)**	**2,814**
Net proceeds from issue of share capital	-	2,470	-
Net proceeds from/(repayments of) loans and capitalised finance lease payments	551	(325)	(78)
Transactions relating to existing subsidiaries	60	(35)	(114)
Share based compensation, treasury shares and non-controlling shareholder transactions	214	36	62
Dividends paid	(274)	(254)	(281)
Net cash (utilised in)/generated from financing activities	**551**	**1,892**	**(411)**

There has been no significant change to the financial condition or operating results of the Group taken as a whole since 31 March 2017.

Results of operations: FY 2017 compared to FY 2016

Revenue: Total revenue increased by $168 million, or 3%, from $5,930 million in FY 2016 to $6,098 million in FY 2017. The financial performance of our businesses are consolidated in their respective functional currencies and translated to U.S. Dollars. The weakening of certain emerging market currencies against the U.S. Dollar since FY 2015 negatively affected our year-on-year performance through the translation impact. Unlike the material earnings impact of falling currencies on the video-entertainment segment, this impact is weaker for the internet segment due to our diverse geographic spread and costs that are usually incurred in local currencies. The depreciation in the value of the average exchange rate of the Nigerian Naira, Rand and various of our other foreign operating currencies against the U.S. Dollar decreased the revenue denominated in these currencies when translated into U.S. Dollars. The average exchange rate of the Nigerian Naira against the U.S. Dollar weakened by 44% in FY 2017. The negative impact of weaker underlying local currencies against the U.S. Dollar impacted revenue in FY 2017 negatively by $295 million. Revenue growth expressed in local currency, excluding the impacts of acquisitions and disposals, of 13% was achieved in FY 2017, with our e-commerce businesses growing at 32% on this basis.
Operating Expenses: The costs of providing services and sale of goods increased by $182 million, or 5%, from $3,392 million for FY 2016 to $3,574 million for FY 2017. The costs of providing services and sale of goods increased primarily in our video-entertainment segment as a result of higher programming content costs, which are mainly denominated in U.S. Dollars, as well as higher costs of sales in the internet segment from increased e-tail product revenue. Selling, general and administrative costs increased by $404 million, or 17%, from $2,423 million in FY 2016 to $2,827 million in FY 2017. Our e-commerce business continues to increase its scale through investment in letgo and the hotels segment of the online travel business in India. This scaling resulted in increased marketing spend and staff costs, in particular, as well as spend on information technology development across platforms.
Operating (Loss)/Profit: Operating loss increased by $183 million, or 103%, from $177 million in FY 2016 to $360 million in FY 2017.
Finance Costs, Net: Net finance cost increased by $115 million, or 33%, from $352 million in FY 2016 to $467 million in FY 2017. Net interest cost decreased by $44 million, or 17%, from $252 million in FY 2016 to $208 million in FY 2017. Interest paid decreased by $14 million, or 5%, from $292 million in FY 2016 to $278 million in FY 2017. The repayment of the Revolving Credit Facility in FY 2016 resulted in the decrease in interest paid in FY 2017. This decrease was partially offset by additional interest related to the issue of the 2025 Notes in July 2015, which is included for the full year in FY 2017, and the increase in transponder lease interest due to the capitalisation of a new lease in September 2016. Interest received increased by $30 million, or 75%, from $40 million in FY 2016 to $70 million in 2017, mainly due to increased cash balances resulting from the disposal of Allegro and the build-up of cash in Nigeria.
Share of Equity-Accounted Results: Our equity-accounted results in equity-accounted companies increased by $540 million, or 42%, from $1,289 million in FY 2016 to $1,829 million in FY 2017. The weakening of the average Chinese Renminbi exchange rate against the U.S. Dollar during FY 2017, by 6%, has offset the growth in our share of equity-accounted results from our associate investment in Tencent. This growth was also partly driven by higher net gains resulting from disposals of their investments.

		Gains/(Losses) on Acquisitions and Disposals: In FY 2016 a gain on acquisitions and disposals of $452 million was recognised, compared to $2,169 million in FY 2017. A gain of $2,037 million was realised primarily on the disposal of Allegro ($1,944 million), Heureka ($61 million) and Smart Village ($11 million) in FY 2017. In addition, a further gain of $228 million was recognised on the merger of ibibo and MMT in FY 2017. These gains were offset by losses on disposals of $47 million relating to Netretail ($28 million) and Avenida ($19 million). **Net Profit:** Net profit increased by $1,807 million, or 181%, from $1,001 million during FY 2016 to $2,808 million in FY 2017. <u>Results of operations: FY 2016 compared to FY 2015</u> **Revenue:** Total revenue decreased by $639 million, or 10%, from $6,569 million in FY 2015 to $5,930 million in FY 2016. Revenue growth in local currency, excluding the effects of acquisitions and disposals, of 11% primarily related to our video-entertainment and e-commerce businesses, but was offset by the negative effects of foreign exchange of $1,278 million, which impacted all our businesses. The depreciation in the average exchange rate of the Rand and various of our other foreign operating currencies against the U.S. Dollar decreased the revenue denominated in these currencies when translated into U.S. Dollars. **Operating Expenses:** The costs of providing services and sale of goods decreased by $432 million, or 11%, from $3,824 million for FY 2015 to $3,392 million for FY 2016. The costs of providing services and sale of goods increased primarily in our video-entertainment segment as a result of higher programming content costs and decoder costs as well as higher costs of sales in the internet segment from increased e-tail product revenue. However, the costs of providing services and sale of goods were offset by adverse foreign exchange impacts. Selling, general and administrative costs decreased by $102 million, or 4%, from $2,525 million in FY 2015 to $2,423 million in FY 2016. **Operating (Loss)/Profit:** Operating profit decreased by $338 million from an operating profit of $161 million in FY 2015 to an operating loss of $177 million in FY 2016. **Finance Costs, Net:** Net finance cost increased by $101 million, or 40%, from $251 million in FY 2015 to $352 million in FY 2016. Net interest cost increased by $50 million, or 25%, from $202 million in FY 2015 to $252 million in FY 2016. Interest paid increased by $45 million, or 18%, from $247 million in FY 2015 to $292 million in FY 2016. The issue of the 2025 Notes contributed to the majority of the increase in interest paid. The remainder of the increase was mainly due to higher borrowings to fund additional acquisitions made during FY 2016. **Share of Equity-Accounted Results:** Our equity-accounted results in equity-accounted companies decreased by $186 million, or 13%, from $1,475 million in FY 2015 to $1,289 million in FY 2016. The strong growth in our Tencent associate investment was partially offset by a decline in equity-accounted earnings from our Mail.ru associate investment. This was coupled with the weakening of the average Chinese Renminbi and Russian Ruble exchange rate against the U.S. Dollar during FY 2016. FY 2016 equity accounted results were further impacted by lower net gains from disposals of our associates' investments. **Gains/(Losses) on Acquisitions and Disposals:** In FY 2015, a gain on acquisitions and disposals of $139 million was recognised, compared to $452 million in FY 2016. A gain of $324 million was recognised as a result of re-measuring to fair value the existing interest in Avito (our Russian classifieds business) when it became a subsidiary in FY 2016. A further gain of $24 million was recognised as a result of re-measuring to fair value the existing interest in Ambatana (our classifieds letgo branded business) when it became a subsidiary in FY 2016. A further gain of $110 million was realised primarily on the disposal of Korbitec ($24 million) and Ricardo ($76 million) in FY 2016. A gain of $86 million was recognised in FY 2015, related to the Schibsted transaction. **Net Profit:** Net profit decreased by $259 million, or 21%, from $1,260 million during FY 2015 to $1,001 million in FY 2016.
B.31/B.9	*Profit forecasts*	*Not applicable*
B.31/B.10	*Qualifications in the audit reports*	*Not applicable*
B.31/D.4	*Key information on the key risks that are specific to the Company*	- We operate in highly competitive and rapidly changing industries, and increased competition could have a negative impact on our business, results of operations and financial condition. - We have invested, and we will continue to invest, substantial amounts to develop and promote our e-commerce businesses and electronic platforms, and those investments may not produce positive returns. - Our business environment is subject to rapid technological change and changes in consumer preferences, which could render our products and services obsolete. - Our video-entertainment business may suffer if it cannot obtain attractive programming or if the cost of television receivers increases.

		- Our businesses depend on continued innovation and face competition from new technologies and platforms, which could materially adversely affect our business, results of operations and financial condition. - Loss of key personnel could have a negative impact on our operations. - The Company depends on access to cash flows from our subsidiaries, associated companies and joint ventures, and limitations on accessing these cash flows may adversely affect our business, results of operations and financial condition. - We do not exercise control over our minority investments and the value and liquidity of our stake in such investments could decrease. - Government regulations may adversely affect our ability to conduct our businesses and generate operating profits. - Increases in programming and content costs could materially adversely affect our results. - Security or privacy breaches in the electronic transactions on our e-commerce platforms may expose us to additional liability or result in a loss of customers, either of which events could harm our business. - Our businesses rely on software and hardware systems, including satellites, that are susceptible to failure. - Unauthorised access to our programming signals may adversely affect our revenue and programming arrangements. - Our international operations expose us to a variety of economic, social and political risks. - Continuing uncertainties and challenging conditions in the global economy and the sub-Saharan region may adversely impact our business, results of operations and financial condition. - Global credit market conditions may make it difficult for us to borrow money or raise capital needed to finance the expansion of our existing businesses or to finance acquisitions. - South Africa's exchange control restrictions on foreign investment could hinder our normal corporate functioning and our ability to make foreign investments. - We could suffer losses as a result of fluctuations in foreign currency exchange rates.
B.32	*Issuer of the depository receipts, including its registered office, legislation under which it operates and legal form*	The Bank of New York Mellon is acting as depositary. The Depositary is a state-chartered New York banking corporation and a member of the United States Federal Reserve System, subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Banking Department. The Depositary was constituted in 1784 in the State of New York. It is a wholly-owned subsidiary of The Bank of New York Mellon Corporation, a New York bank holding company. The principal office of the Depositary is located at 225 Liberty Street, New York, New York 10286. Its principal administrative offices are located at 101 Barclay Street, New York, New York 10286.

Section C – Securities		
C.13 Information about the underlying shares (the Shares)		
C.13/C.1	*Type and class of the Shares*	The Shares are Class N Ordinary Shares of the Company and are listed on the JSE. The ISIN for the Shares is ZAE000015889.
C.13/C.2	*Currency of the Shares*	The Shares are denominated in Rand.
C.13/C.3	*Number of Shares issued (including par value)*	As at 31 March 2017, 438,265,253 Shares were issued and fully paid up. The Shares have a par value of 2 SA cents per share.
C.13/C.4	*Rights attached to the Shares*	Voting rights - In the case of a poll, any holder of Shares present, in person or by proxy, will have one vote for each Share held. Issue of Shares/pre-emption rights – with limited exceptions, unissued shares shall be offered to existing holders of Shares pro rata to their existing shareholding.

<table>
<tr><td></td><td></td><td> Distributions – a holder of Shares is entitled to distributions made by the Company. Any such distributions must be declared by the Company's shareholders at a general meeting and must not exceed the amount recommended by the Board. Variation – the rights attaching to the Shares cannot be varied, cancelled or expanded without approval by means of a special resolution of the holders of the Shares. </td></tr>
<tr><td>C.13/ C.5</td><td>Restrictions on the free transferability of the securities</td><td>The Shares are freely transferable, save that such transfers may be subject to restrictions under the relevant laws in certain jurisdictions applicable to the transferor or transferee, including the United States, the United Kingdom, the EEA and other jurisdictions.</td></tr>
<tr><td>C.13/ C.6</td><td>Admission of Shares to trading on a regulated market</td><td>Not applicable</td></tr>
<tr><td>C.13/ C.7</td><td>Dividend policy</td><td> The Company does not have a defined dividend policy in respect of the Shares but the intention is to grow the dividends over time should earnings and cash flows allow. The Board approves the dividend annually. The dividends paid and proposed during the most recent three financial years were as follows:
<table>
<tr><th></th><th>FY 2017</th><th>FY 2016</th><th>FY 2015</th></tr>
<tr><td>Dividend paid per N Ordinary Share (SA cents)</td><td>520</td><td>470</td><td>425</td></tr>
<tr><td>Proposed dividend per N Ordinary Share (SA cents)</td><td>580</td><td>520</td><td>470</td></tr>
</table>
Note: Dividends declared and paid in Rand.
Proposed dividends are recommended by the Board for approval by the shareholders of the Company at the relevant annual general meeting in August each year. </td></tr>
<tr><td colspan="3">C.14 Information about the depositary receipts (the ADSs)</td></tr>
<tr><td>C.14/C.1</td><td>Type and class of the ADSs</td><td>The ADSs are issued pursuant to the Depositary Agreement and each represents an interest in the N Ordinary Shares of the Company. The ISIN for the ADSs is US6315122092.</td></tr>
<tr><td>C.14/C.2</td><td>Currency of the ADSs</td><td>The ADSs are and will be denominated in U.S. Dollars.</td></tr>
<tr><td>C.14/C.4</td><td>A description of the rights attached to the ADSs</td><td> The rights attached to the ADSs are set out in the Deposit Agreement and can be summarised as follows:
- The right to receive cash dividends or other distributions the Depositary or the custodian receives on the Shares or other deposited securities
- The right to receive, where feasible, additional ADSs representing any Shares the Company distributes as a dividend or free distribution
- If the Depositary decides it is legal and practical to make such right available, the right to subscribe for additional Shares or any other rights the Company may offer to holders of its securities
- The right to receive anything else the Company distributes on deposited securities by any means the Depositary thinks legal, fair and practical
- The right to vote the Shares but only if the Company asks the Depositary to ask an ADS holder's instructions </td></tr>
<tr><td>C.14/C.5</td><td>Restrictions on the free transferability of the ADSs</td><td> The ADSs are freely transferable, save that they may be subject to transfer restrictions under the relevant laws in certain jurisdictions applicable to the transferor or transferee. All residents of the Common Monetary Area are subject to exchange control restrictions and may only acquire and hold the ADSs if an exemption or allowance is available. South African individuals, companies and trusts will not be permitted to acquire ADSs, although South African institutional investors may acquire and hold ADSs in terms of their portfolio investment allowances. </td></tr>
<tr><td>C.14</td><td>Rights attaching to the Shares</td><td>An ADS holder may instruct the Depositary to vote the Shares but only if the Company asks the Depositary to ask an ADS holder's instructions. Otherwise, the ADS holder will not be able to exercise its right to vote unless it withdraws the Shares. If the Company asks for an ADR holder's instructions, the Depositary will notify the holder of the upcoming vote and arrange delivery of its voting materials. The materials will (i) describe the matters to be voted on and (ii) explain how the holder may instruct the Depositary to vote the Shares or other deposited securities underlying the ADSs. For instructions to be valid, the Depositary must receive them on or before the date specified. The Depositary will try, as far as practical, subject to South African law and the provisions of the Memorandum of Incorporation, to vote or to have its agents vote the shares or other</td></tr>
</table>

		deposited securities as instructed. If, on notifying an ADS holder of the upcoming vote, the Depositary does not receive voting instructions by the date specified in relation to certain ADSs, it will consider that it has been authorised and directed to give a discretionary proxy to a person designated by the Company to vote the number of deposited securities represented by those ADSs. The Depositary has agreed to pay to an ADS holder the cash dividends or other distributions the Depositary or the custodian receives on the Shares, after deducting its fees and expenses. These distributions are and shall be paid to the ADS holder in proportion to the number of shares its ADSs represent. There is no bank or other guarantee attached to the ADSs and intended to underwrite the Depositary's obligations.

Section D – Risks		
D.4/D.2	*Information on the key risks that are specific to the Company*	*See B.31/D.4 above.*
D.5/D.3	*Information on the key risks that are specific to the ADSs*	- Existing Class A Ordinary Shares of the Company have more voting rights than, and a liquidation preference over, the Class N Ordinary Shares and ADSs of the Company. - In terms of South African company law, resolutions passed by the Company's 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 the Company's share price. - There can be no assurance as to the liquidity of any market that may develop for the ADSs, the ability of holders of the ADSs to sell their ADSs or the price at which such holders would be able to sell their ADSs. - Holders of ADSs will have no direct voting rights with respect to the Shares represented by the ADSs. - The Company's ability to pay dividends to the holders of the ADSs depends on the availability of sufficient distributable profits and there is no assurance that distributable profits will be available in any financial year. - Investors may have limited recourse against the Company or the Company's directors and executive officers because they generally conduct their operations outside the United States and the United Kingdom.

Section E – Offer		
E.1	*Total net proceeds and an estimate of the total expenses*	There will be no proceeds as there is no issue or offer of securities. The total expenses are estimated to be $300,000.
E.2a	*Reasons for the offer, use of proceeds, estimated net amount of the proceeds*	*Not applicable*
E.3	*Terms and conditions of the offer*	*Not applicable*
E.4	*Interests material to the issue/offer*	*Not applicable*
E.5	*Offerors and lock- up agreements*	*Not applicable*
E.6	*Dilution resulting from the offer*	*Not applicable*
E.7	*Estimated expenses charged to the investor*	*Not applicable*

PART II
RISK FACTORS

An investment in the ADSs involves a high degree of risk. Accordingly, prospective investors should carefully consider, amongst other things, the risks described below, as well as the detailed information set out elsewhere in this Prospectus, and reach their own views before making an investment decision.

The risks and uncertainties described below represent the risks the Company believes to be material but these risks and uncertainties are not the only risks and uncertainties the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes are immaterial could also impair the Company's business operations. If any of the following risks actually materialises, the Company's business, results of operations, financial condition or prospectus could be materially adversely affected. If that were to happen, the trading prices of the ADSs could decline and investors may lose all or part of their investment. Factors which are material for the purpose of assessing the market risks associated with the ADSs are also described below.

Prospective investors should note that the risks relating to the Company, its industry and the ADSs summarised in Part I (Summary) of this Prospectus are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the ADSs. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in Part I (Summary) of this Prospectus but also, among other things, the risks and uncertainties described below.

RISKS RELATED TO OUR BUSINESS

We operate in highly competitive and rapidly changing industries, and increased competition could have a negative impact on our business, results of operations and financial condition.

Internet

The e-commerce industry continues to evolve rapidly. Owing to increased internet penetration in emerging markets and growing adoption of online retail among internet users in the markets where we operate, competition has intensified. We are facing an increasing number of entrants to the e-commerce industry, both local players such as OfferUp in the United States, and international competitors, such as PayPal, Google, Amazon, eBay, UberEats and Facebook, some of which have substantially greater financial, technical, marketing and personnel resources than we do. Consequently, some of our e-commerce businesses may be adversely affected and may never reach profitability.

Our current and potential competitors may secure better terms from merchants and suppliers, adopt more aggressive pricing and discounting strategies, engage in pricing wars, devote more resources to marketing and invest more heavily in warehousing and logistics networks. In addition to other e-commerce companies, we compete with physical retailers, in-house e-commerce solutions and other distributors of products and services engaged by our merchants and suppliers. As we develop our e-commerce platforms, we will face increasing challenges to attract and retain high quality third-party sellers. New and enhanced internet search functions may also facilitate a higher level of comparison shopping and increase competition, which may adversely affect our e-commerce business.

In addition, new technologies may be developed and applied (e.g., internet and e-commerce businesses applying voice recognition and machine learning technology and/or artificial intelligence applications) in businesses that compete with our businesses or we may be unsuccessful in finding investment opportunities that focus on future technology. We may also be unsuccessful in recognising any trends in internet and e-commerce, which may have a materially adverse effect on our business, results of operations and financial condition.

To be successful, we must achieve scale by deepening and broadening customer engagement, penetration and adoption of our products and services across mobile and computer platforms, and we may be unable to do so successfully or at all. If we fail to deliver our services and products adequately on new platforms and devices, especially mobile devices, it could have a materially adverse effect on our results of operations and our long-term prospects.

Video-entertainment

We compete directly with other video-entertainment services, state-owned and private free-to-air broadcast networks, new video-entertainment licensees and regional and local broadcast stations for programming, audience share and advertising revenue. We also compete with motion picture theatres, mobile telephones, gaming and other entertainment and leisure activities for general leisure spending. We cannot determine the nature or extent of future competition we may face in the video-entertainment market.

In South Africa, during 2015, the Independent Communications Authority of South Africa ("**ICASA**") received five new commercial free-to-air broadcasting licence applications from potential competitors seeking to enter the video-entertainment market. At the end of the licensing process ICASA decided to refuse all applications due to their failure to meet the requirements for granting of licences. ICASA has restarted this process and, on 28 February 2017, issued another invitation to apply for commercial free-to-air television broadcasting service licences, together with radio frequency spectrum for digital terrestrial television. The closing date for applications was on 30 August 2017. If further licences are granted, new competitors could enter the market. In addition, in June 2016, ICASA launched an inquiry into the subscription broadcasting market to determine whether there is effective competition in the subscription broadcasting market. ICASA published a questionnaire in July 2016 and the inquiry is ongoing. ICASA published a discussion document for public comment on 25 August 2017. The due date for submission of comments is 31 October 2017. ICASA plans to have a findings document published by 31 March 2018 and this document will determine whether there is a need for a regulatory intervention in the subscription television sector.

In sub-Saharan Africa, various competitors have entered or plan to enter the video-entertainment market. The entry of additional competitors into any of the video-entertainment markets where we operate remains an ongoing possibility. In addition, the availability of digital terrestrial, broadband, mobile and wireless technologies that provide digital video-entertainment content could erode our video-entertainment subscriber base. We may face substantial competition for subscribers in these regions as competitors introduce DTH or DTT services. Currently, the main competitor is StarTimes, which operates a DTT service in certain sub-Saharan African countries. We also face competition from companies that deliver content to consumers over the internet (including Netflix), often without charging a fee for access to the content, or charging a lower fee than our subscription prices.

Furthermore, due to consumer electronics innovations, consumers are more readily able to watch internet-delivered content on televisions and mobile devices and so have less need for our subscription services. Consumers also increasingly expect our video-entertainment services to be available on platforms other than televisions, such as personal computers, tablet devices and mobile phones, and this trend could negatively impact customer demand for our video-entertainment services, especially if we do not keep pace with changing consumer demands and technologies.

Media

Revenue in the print media industry is dependent primarily upon paid circulation, advertising and printing revenue. Competition for circulation and advertising revenue comes from local, regional and national newspapers, magazines, radio, television, the internet, social media applications, direct mail and other communications and advertising media that operate in the same markets. Traditional print media has been experiencing a global decline for several years, largely as a result of the migration of content and, accordingly, advertisers to online media. The rapid development of online internet advertising has had, and could continue to have, a negative impact on print media advertising and the circulations of traditional print media. Certain markets in which we operate have relatively low internet penetration levels, and we expect the traditional print media industry in those markets to decline more rapidly as internet penetration increases. The swift development of online media has led to a strategy to migrate a part of our print media business to a digital format. Aggregators and personalised apps include social media and search companies who use their audience profiling capabilities to drive news distribution. Any failure by us to implement our digital strategy could adversely affect our ability to penetrate and compete successfully in the markets in which we operate.

The extent and nature of such competition is largely determined by the location and demographics of the markets and the number of media alternatives available in these markets. We may face increased competition as both local and international publishers introduce new niche titles. Internationally recognised titles also continue to be introduced. Many of the print media markets are saturated, with too many titles relative to the size of the readership base. Competitors who are active in the same markets in which we operate may attempt to increase their market share, circulation and advertising revenue by changing the style and layout of their publications to win new customers at the expense of our magazines and newspapers and by launching new titles. In addition, our competitors may reduce the cover prices of their publications to increase their circulation. We may be forced to decrease the prices we charge for magazines and newspapers in response or to make other changes in the way we operate. Our book publishing business faces competition from South African publishers as well as large international publishing houses, which have substantially greater resources and strong brand names.

Our media business is also exposed to rising paper and ink costs as well as exposure to currency fluctuations resulting from the fact that we import most of our supplies from outside of South Africa. Our business, results of operations and financial condition may be harmed as a result.

The integration of acquisitions and investments that we have made and may make in the future may not be successful and may create unanticipated problems.

We have experienced growth and development through acquisitions and investments (including through joint ventures) in the past and continue to pursue acquisitions and investments in order to meet our strategic objectives. Integrating the operations and personnel of acquired businesses is a complex process. We may not be able to integrate the operations, technology and rights of our acquired businesses with our operations without encountering difficulties. For example, many of our acquired companies are bolt-on acquisitions meant to interact with our existing internet platforms and we often face technical difficulties and extra costs in integrating the two platforms. The diversion of the attention of management to the integration effort and any difficulties encountered in combining operations could adversely affect our business. In addition, no assurance can be given that we will be able to identify, acquire and integrate successfully additional companies in the future, and such acquisitions may fail to perform as expected.

We have invested, and we will continue to invest, substantial amounts to develop and promote our e-commerce businesses and electronic platforms, and those investments may not produce positive returns.

A part of our strategy is to further develop our range of e-commerce businesses, which include e-tail, payments, online classifieds, online food delivery and online travel services. The provision of products and services over the internet, and otherwise in electronic form, is highly competitive and is in the relatively early stages of development.

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

- the extent of acceptance of our 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 electronic media; and

- failures or difficulties with the data networks and infrastructures upon which we depend.

The business model of certain of our e-commerce platforms, such as e-tail and classifieds, typically requires scale to ensure financial stability, as scale creates a sufficient user base to generate content and traffic. Achieving scale for these platforms may require significant investments of resources and capital over a long period of time. During such period, we are unable to test monetisation or know with any amount of certainty whether such platforms will ultimately yield a return on investment. We may ultimately not recover on those investments. We have, for example, had to incur impairment charges on certain of our fashion e-tail businesses in FY 2017 because their results of operations have lagged behind management's expectations. In FY 2016, we incurred an impairment charge of $140 million on our online comparison shopping business due to adverse economic developments, combined with pressure on the online comparison shopping's share of e-commerce.

A number of our businesses, such as our online classifieds businesses, require significant investment to drive growth. Our Development Spend on our classifieds business has almost doubled between FY 2015 and FY 2017, representing 56.9% of our total Development Spend in FY 2017, as we build-out our mobile-only letgo offering in the United States and other markets. In most instances, Development Spend and capital expenditures are made over multiple years and there is a risk that we will not realise the planned return on those investments. Future acquisitions and investments could result in potentially dilutive issuances of additional equity, use of our cash resources and the incurrence of debt and contingent liabilities. The timing of any acquisitions or investments cannot be predicted.

Moreover, we rely on third parties for the provision of bandwidth, which may not be available on commercially reasonable terms or at all due to capacity constraints.

Our business environment is subject to rapid technological change and changes in consumer preferences which could render our products and services obsolete.

The rate of technological change and adoption of new technologies currently affecting the video-entertainment and internet industries is rapid compared to other industries. Trends, such as the convergence of television, the internet, mobile telephones and other media, are creating an unpredictable environment. New technologies or industry standards have the potential to replace or provide lower-cost alternatives to products and services that we sell. Our media businesses also operate in markets that continue to change in response to technological innovations and other factors. In particular, we may not be able to manage the rapid shift of e-commerce from personal computers to mobile devices.

We are constantly developing new services and products, the timing and introduction of which are subject to risks and uncertainties. Unexpected technical, operational, logistical, regulatory or other problems could delay or prevent the introduction of one or more of these services or products. Moreover, these services and products may not match those developed by our competitors, achieve widespread market acceptance or generate incremental revenue. As the technology evolves to accommodate multimedia services and products, we will need to adapt to, and support, these services and products in order to be successful.

Our long-term success depends on the continued development of the internet as a commercial medium. As a result of 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 personal information, such as contact details and credit card numbers, and capacity constraints resulting in delays, transmission errors and other difficulties may impact the growth of internet commerce. These and other issues affecting the internet industry may be aggravated in countries with less developed internet infrastructures in which we currently conduct or may in the future conduct our internet business, including China, Russia, India, and countries in Africa, Central and Eastern Europe, Latin

America and Southeast Asia. If internet access in these territories develops more slowly than expected or any of the abovementioned factors materialise, our growth strategy could be adversely affected. Additionally, there is a risk of regulatory intervention in the internet, particularly in China and Russia, which could materially affect our business. See "*China*" and "*Russia*" in Part VII (*Regulation*) of this Prospectus for more information on the changing regulatory landscape in these jurisdictions.

Consumer preferences may change as a result of the availability of alternative services or products, such as less expensive or more innovative services or products. Our ability to remain competitive and develop successful services and products also depends on our ability to predict accurately and to anticipate changes in consumer demand, which we may not be able to do successfully or at all. We cannot predict whether technological innovations will, in the future, make some of our services and products wholly or partially obsolete or adversely affect the competitiveness of our businesses. We may be required to continue to invest significant resources and to increase our capital expenditures to further adapt to changing and new technologies, markets and competitive environments.

If we are unable to improve continually our software and hardware systems, we may not be able to increase our traffic or expand our internet business.

Our internet businesses use software to operate services and provide transaction processing, including billing and collections processing. We regularly add new features and functionality to our services that require the development of additional software and the integration of our software with new technologies. Should we be unable to integrate our existing technologies, add additional software and hardware, or upgrade our technology, transaction processing systems or network infrastructure to accommodate increased traffic or transaction volumes, it could have adverse consequences. These consequences include unanticipated system disruptions, slower response times, degradation in levels of member support, impaired quality of our services and delays in reporting accurate financial information. These difficulties could harm or limit our ability to expand our website traffic and internet businesses.

Our video-entertainment business may suffer if it cannot obtain attractive programming or if the cost of television receivers increases.

The continued success of our video-entertainment business depends upon our ability to continue to obtain attractive general entertainment, sports and other programming on commercially reasonable terms. For most of the programming, we contract with suppliers who in turn purchase programming from content providers. Much of our programming is sourced from suppliers and rights holders through Electronic Media Network Limited ("*M-Net*") and SuperSport International Holdings Proprietary Limited ("*SuperSport*"). Our film studio and sport programming contracts are up for renewal from time to time. In the event these contracts are cancelled, not renewed or renewed on less favourable terms, we may be required to seek alternative programming from other sources or our content costs may increase. We cannot be sure whether alternative programming would be available on commercially reasonable terms or whether the alternative programming would appeal to our subscribers. In addition, certain sport programming may not be available to us if it has been licensed exclusively to another provider.

For example, in the past we have been for the rights to show English Premier League and UEFA Champions League football events in certain territories. Competitors have acquired rights to other sports content in the past as well, such as, for example, the Bundesliga, Serie A football leagues and the NBA. Our business strategy also depends on our ability to offer attractive programming on an exclusive basis. Political, regulatory and competitive pressures may make it more difficult to maintain exclusive rights to programming.

Our growth depends in part upon our ability to attract new video-entertainment customers. New customers are required to purchase the equipment necessary to receive our broadcasts, including a decoder and satellite dish, which costs we partially subsidise. The cost of this equipment may discourage potential subscribers, and our market penetration and growth may be impeded, or we may be forced to increase subsidies, if the cost of this equipment increases.

The roll-out of our DTT infrastructure in sub-Saharan Africa exposes us to risks.

We have invested significant resources and capital to roll-out our DTT network infrastructure in sub-Saharan Africa. This investment has required us to make long-term capital expenditures and may not result in the financial performance or number of new customers that we expect. In addition, fires, floods, earthquakes, power loss, telecommunications failures, break-ins, war, terrorist acts and similar events could damage our DTT infrastructure or cause it to fail completely. Such events could result in increased expenditures and delays and could adversely affect our business.

We generate a portion of our revenue from advertising and the loss of marketers, or reduction in spending by marketers, could harm our business.

We currently generate a portion of our total revenue from third parties advertising on our internet platforms and websites, as well as in our newspapers and magazines. Our advertising revenue comprised 6% of our revenue in FY 2017 (6% in FY 2016 and 7% in FY 2015). Many of our marketers spend a relatively small portion of their overall advertising budget with us. Marketers will not continue to do business with us, or they will reduce the prices they are willing to pay to advertise with us, if we do not deliver advertisements in an effective manner, provide sufficient exposure for their products or services, or if they do not believe that their investment in advertising with us will generate a competitive return relative to other alternatives. Our printed media advertising revenue has been negatively impacted through the increased usage of desktop and mobile internet advertising.

Newspapers and magazines are expected to come under further pressure as audiences shift to online versions and alternative entertainment media, such as Facebook, among others. Our advertising revenue could be adversely affected by a number of other factors, including:

- decreases in user engagement, including time spent on our internet and print platforms;
- increased user access to and engagement with our websites through mobile devices or other new devices where our ability to monetise is less proven than it is from use on personal computers;
- product changes or inventory management decisions we may make that reduce the size, frequency or relative prominence of ads displayed on our websites;
- our inability to increase the quality of ads shown to users, particularly on mobile devices;
- loss of advertising market share to our competitors, including if such competitors offer more integrated products; and
- the impact of macroeconomic conditions and conditions in the advertising industry in general.

Consolidation in the markets in which we operate could place us at a competitive disadvantage.

Some of the markets in which we operate 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. We 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 ongoing consolidation could potentially place us at a competitive disadvantage with respect to scale, resources and our ability to develop and exploit new media technologies.

Our businesses depend on continued innovation and face competition from new technologies and platforms, which could materially adversely affect our business, results of operations and financial condition.

While attention is mostly focused on competition between titles, channels and platforms in each technology sector, one type of medium could potentially erode another. The competition among media types is for consumers' time and discretionary spending. At present, the most notable risks in this regard are:

- satellite-based video-entertainment being eroded by content delivered via broadband internet, cable or wireless technologies, including delivery on mobile phones;
- personal video recorders diluting the traditional television channel and especially its advertising income;
- internet usage shifting from personal computers to mobile devices; and
- printed newspapers, magazines and books being undermined by electronic versions delivered to mobile devices.

Competition among media types for consumers' attention will also intensify the competition for advertising revenue. The importance of internet advertising has increased over the last few years. While this creates opportunities for some of our internet businesses, our video-entertainment and print-media businesses could be adversely affected by increased internet advertising, which in turn could have a material adverse effect on our business, results of operations and financial condition.

We rely on traffic to our internet businesses from third-party search engines. If our products and services fail to rank prominently in their search results, traffic to our websites and applications could decline which could adversely affect our business prospects.

The success of our internet businesses depends in part on our ability to generate traffic to our websites and applications, often achieved through internet search results on third-party search engines such as Google. These search engines frequently update and change the algorithms that determine the placement and display of results of a user's search. These changes could negatively affect the purchased or algorithmic placement of links to our websites. As a result, links to our websites may not be prominent enough to drive traffic to such websites, and we may not be in a position to influence the results. In some instances, search engine companies may change these rankings in order to promote their own competing products or services or the products or services of one or more of our competitors. Any reduction in the number of users directed to our websites (or failure to increase the number of users directed to such websites) could adversely affect our business, results of operations and financial condition.

If we are unable to develop or source popular content and applications, our internet businesses could suffer.

We rely on a number of third parties to provide content in order to make our mobile applications, websites and services more attractive to consumers and advertisers, and thus sustain and grow our various online communities. Third parties providing content to websites and services include both commercial content providers with which we have contractual relationships and registered community members who post articles and other content on our websites. If these third parties fail to develop and maintain high-quality content, our mobile applications and websites could lose viewers and advertisers, which could adversely affect our business. Furthermore, an increase in the prices charged to us by third-party content providers could harm our operating results and financial condition.

The online games market is fast-growing and increasingly competitive. We develop and source online games to our customers. However, if we are unable to develop or source, at a reasonable cost, games that are popular among our consumer base, our online games business could be adversely affected.

Certain of our e-commerce businesses are subject to inventory risk.

Certain of our B2C e-tail businesses sell products directly to consumers. We are faced with the constant challenge of balancing our inventory levels with our ability to meet our customer needs. We purchase inventory based on internally generated projections. These projections are based on many assumptions about consumer demand, preferences, fashion trends, time to manufacture, price sensitivity and pricing, which may prove to be incorrect. If these inventory projections are too high, our inventory may be too high which may result in lower prices and gross margins and risk of obsolescence which in turn may materially adversely affect our financial results. Conversely, if these projections are too low and we underestimate the consumer demand for our products, we may lose business opportunities, which could have a material adverse effect on our business, results of operations and financial condition.

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

We may face difficulties in maintaining or growing our number of subscribers. High levels of churn and decreasing or flat subscriber numbers may be caused by competition from new entrants to the video-entertainment 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 we operate. Increases in prices can also lead to churn and subscriber terminations. In video-entertainment, the loss of DTH subscribers (which we experienced in FY 2016) and falling currencies in sub-Saharan Africa (which we experienced in FY 2016 and FY 2017), may have a significant impact on our earnings and cash flows. While plans implemented to reinvigorate growth and cut costs may have a positive impact, such impacts may take time or may not be achieved at all.

Declining subscriber levels could also adversely affect our digital security business, Irdeto, because our video-entertainment operators constitute some of Irdeto's primary customers. Our media business has experienced declining circulation of some of our more established publications in South Africa due to new competing magazines and newspapers, online and mobile alternatives and a general decline in the printed media industry. Steady or declining subscriber levels make it difficult for us to grow our businesses.

Our advertising revenue is impacted by our video-entertainment subscriber numbers and the audience viewing share of our channels, our internet platform user numbers, and the circulation numbers of our newspapers and magazines. We cannot be certain that these factors will always be favourable to us and any adverse developments or changes could have a negative impact on our advertising revenue. The viewing behaviour of television viewers could also negatively affect our advertising revenue, as viewers with a personal video recorder or viewers of on-demand programming may choose not to view any advertising.

Loss of key personnel could have a negative impact on our operations.

We rely on a number of experienced employees with detailed knowledge of our business and the markets in which we operate. Unanticipated losses of key employees or the inability to identify, attract and retain qualified personnel in the future could adversely affect our business operations. There is a global shortage of suitable talent in many of the industries and markets in which we operate which could constrain our ability to develop our business or achieve the desired scale for our operations.

Our level of debt could adversely affect our business and competitive position.

We have a significant amount of debt that may adversely affect our business in numerous ways. As of 31 March 2017, we had total debt (including finance leases and debt in respect of programme and film broadcasting rights) of $4.26 billion. As of 31 March 2017, we had $2.8 billion of available borrowing capacity under all our credit facilities. Our debt could, among other things:

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

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

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

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

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

The Company depends on access to cash flows from our subsidiaries, associated companies and joint ventures, and limitations on accessing these cash flows may adversely affect our business, results of operations and financial condition.

The Company is a holding company without significant business operations and assets other than interests in our subsidiaries, associated companies, joint ventures and other investments. Accordingly, we rely upon distributions from our subsidiaries, associated companies, joint ventures and other investments to generate the funds necessary to meet the obligations and cash flow requirements of the combined Group. Our subsidiaries, associated companies (including Tencent and Mail.ru) and joint ventures are separate and distinct legal entities that have no obligation to make any funds available to the Company or to each other, whether by intercompany loans or payment of dividends. Our ability to utilise the cash flows from some of our subsidiaries, associated companies and joint ventures is subject, in South Africa, China, Brazil, Nigeria, Angola and other countries, to foreign investment and exchange control laws and also to the availability of a sufficient quantity of foreign exchange. In particular, cash flow generated by our South African businesses cannot currently be utilised outside of South Africa without exchange control approval, and we also have cash trapped in Angola, Mozambique and Zimbabwe, and from time to time in Nigeria, due to, among other things, a lack of sufficient quantity of foreign exchange. In addition, because the consent of some of our joint venture partners is required for distributions from our joint ventures, the possibility to receive distributions from our joint ventures is dependent on the cooperation of our joint venture partners and their interests and objectives may differ from our interests and objectives. The interests of the minority shareholders of some of our subsidiaries and associated companies must be considered when those subsidiaries and associated companies make distributions, as well as any restrictions under applicable laws or any relevant shareholders agreement. Accordingly, we may not be able to obtain cash from our subsidiaries, associated companies, joint ventures and other investments at the times and in the amounts we require. Any failure by us to obtain distributions from our businesses could restrict our ability to provide adequate funding to the Group and otherwise meet our obligations. Our business units may face funding and liquidity difficulties under the terms of the financing arrangements upon which they depend. Each of our businesses relies on its own separate credit facility and financing, to the extent necessary and if the business's balance sheet allows for financing. Several of the credit facilities and other financing arrangements, including the Revolving Credit Facility, 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.

We do not exercise control over our minority investments and the value and liquidity of our stake in such investments could decrease.

We hold minority stakes in a number of companies, including a 33.2% interest in Tencent, a 28.7% interest in Mail.ru, a 42.7% interest in MMT (taking into account MMT's capital increase in May 2017) and a 10.6% interest in Delivery Hero (taking into account the IPO of Delivery Hero in June 2017). Our minority voting position precludes us from controlling the business, limits our ability to implement strategies we favour and allows the business to adopt strategies and take actions which may in some cases be contrary to our preferred strategies and actions. Our results of operations and financial condition are significantly affected by the performance of our associated companies. Any significant impairments, asset sales, changes in operational performance or changes in dividend policy of our associated companies could have a significant impact on our results of operations and financial condition.

Moreover, the Company's share price is significantly affected by the movement in the share price of certain of these associated companies. A prolonged period of decline in the stock price of, or a change in the current or anticipated operational performance of, or an announcement of adverse changes or events by, our associated companies could lead to an impairment charge to our investments and have an adverse effect on our share price.

Government regulations may adversely affect our ability to conduct our businesses and generate operating profits.

Our media and video-entertainment operations are subject to governmental regulation in the countries in which we operate. Governmental regulation can take the form of price controls, service requirements, programming content restrictions, programming rights restrictions, ownership restrictions, licensing requirements and restrictions on the amount or content of advertising. Any of these political and regulatory pressures could adversely affect our business. Failure or delays in obtaining or renewing any necessary regulatory approvals could adversely affect our ability to offer some or all of our services. In most of the countries in which we conduct our video-entertainment businesses, we operate under licences obtained from governmental or quasi-governmental agencies. These licences are subject to periodic renewal, and we may not be able to renew the licences on terms as favourable as the existing licences or at all. Adverse changes in the regulatory framework of any country in which we operate may occur in the short or long term. The media and competition regulatory frameworks of the countries in which we operate are subject to change, and such regulatory authorities may increase their regulation of our businesses in these countries. There are several legislative proposals and other initiatives underway in some markets that could materially impact how we conduct our business. In addition, because of our leading positions in the markets in which we operate, we may be subject to more stringent supervision by the relevant regulators or subject to investigation for alleged abuse of our position in such markets, which could result in adverse regulatory action by the authorities, including monetary fines and negative publicity, which may materially adversely affect our business. Finally, some of our businesses and the companies in which we have invested operate in jurisdictions where interpretation and enforcement of applicable laws involve significant uncertainties. Because certain laws, regulations and legal requirements concerning the internet are relatively new and evolving, their interpretation and enforcement has yet to be determined and could materially impact how we conduct our business. Uncertainties relating to the regulation of internet businesses, such as evolving licensing practices, give rise to the risk that permits, licences or operations may be subject to challenge, which may be disruptive to our business or subject us to sanctions, requirements or other conditions. For a description of certain rules and regulations that impact our business, see Part VII (*Regulation*) of this Prospectus.

Our intellectual property rights may not be adequately protected under current laws in some jurisdictions, which may adversely affect our results and ability to grow our business.

Our products often contain intellectual property content that is delivered through a variety of media, including magazines, newspapers, books, television and the internet. We rely on trademark, copyright, trade secret and other intellectual property laws and employee and third-party non-disclosure agreements to establish and protect our proprietary rights in these products. We conduct business in some countries where the extent of the legal protection for our intellectual property rights is not well-established or is uncertain.

Even where the legal protection for our intellectual property rights is well-established, our intellectual property rights may be challenged, limited, invalidated or circumvented. Despite patent, trademark and copyright protection, third parties may be able to copy, infringe or otherwise profit from our intellectual property rights without our authorisation. The lack of internet-specific legislation relating to trademark and copyright protection creates a challenge for us to protect content delivered through the internet and electronic platforms. If unauthorised copying or misuse of our products were to occur to any substantial degree, our business, results of operations and financial condition could be adversely affected. Litigation may be necessary to protect our intellectual property rights, which could result in substantial costs and the diversion of our efforts away from operating our business.

If we fail to maintain our brand recognition, we may face difficulty in obtaining new consumers and business partners.

We believe that maintaining our brands, especially in our internet business, is a critical aspect of our efforts to grow our customer base and obtain additional business partners. Our main competitors also have established brands and are continuing to take steps to increase and strengthen their brand recognition. If we are for any reason unable to maintain and enhance our brand recognition, this could have a material adverse effect on our business.

If we are unable to protect our internet domain names, our reputation and brand could be impaired and we could lose customers.

We currently hold many internet domain names, which are generally regulated by governmental agencies and internet regulatory bodies. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. As a result, we may not acquire or maintain the use of domain names necessary for our business in all of the countries in which we seek to conduct business.

Legal claims in connection with content that we distribute may require us to incur significant costs or to enter into royalty or licensing agreements, which could materially adversely affect our business and competitive position.

The content we make available to customers through our video-entertainment, internet and media businesses could result in claims against us based on a variety of grounds, including defamation, negligence, copyright or trademark infringement, obscenity or facilitating illegal activities. Similar claims could result from the content generated and published by users of our internet platforms. Any such claims, with or without merit, could result in costly litigation or might require us to enter into royalty or licensing agreements. These royalty or licensing agreements, if required, may not be available on terms acceptable to us or at all. As a result of infringement claims, a court could also issue an injunction preventing the distribution of certain products. We may incur significant costs defending these claims.

The outcome of litigation or governmental investigations may adversely impact our business or results of operations.

Due to the international nature and scale of our operations, we are exposed to a variety of legal risks. These may include, among others, risks relating to claims or governmental investigations relating to competition and antitrust law, labour law, data protection, commercial contracts, tax disputes, compliance matters, acquisitions, disposals, joint ventures and investments. We are party to certain lawsuits and governmental investigations arising in the ordinary course of business. Adverse outcomes in some or all of the claims pending may result in monetary damages, injunctive relief or other remedies that could materially adversely affect our results of operations or ability to conduct business.

The activity of trade unions could materially adversely affect our business.

Trade unions represent some of our employees. Wage or compensation negotiations between our management and our employees could result in work stoppages. The risks and associated costs with labour strikes are difficult to manage and predict. In addition, some of the countries in which we operate have various labour laws that enhance the rights of employees. The cost of complying with labour laws may materially adversely affect our operations.

Certain changes in accounting or financial reporting standards or interpretations issued by standard-setting bodies for IFRS may adversely affect our reported revenue, profitability and financial results.

We prepare our financial statements in accordance with IFRS. IFRS is periodically revised and new accounting pronouncements, as well as new interpretations of existing accounting pronouncements, could affect our reported revenue, profitability and financial results. In general, changes in IFRS could have a significant impact on the amount or timing of our reported earnings, valuation of liabilities or assets, and classification of financial instruments between equity and liability on either a retrospective or prospective basis. Non-compliance with accounting and disclosure requirements could result in significant penalties.

Increases in programming and content costs could materially adversely affect our results.

Programming and content costs represent the single largest expense for our video-entertainment business. Programming and content costs fluctuate from time to time due to factors beyond our control, including international and local competition and exchange rate fluctuations between currencies. An increase in programming and content costs will materially adversely affect our earnings and cash flow.

Failure to maintain our relationships and strategic alliances with our partners, suppliers and local governments could disrupt our businesses.

Many of our operations have been developed in cooperation or partnership with key parties. We are dependent on our partners to provide knowledge of local market conditions and licences and permits. Any failure by us to form or maintain alliances with partners, or the disruption of existing alliances, could adversely affect our ability to penetrate and compete successfully in important markets. Our businesses are dependent on their relationships with suppliers, including major film studios and book publishers.

We rely on a consistent and effective supply chain to meet our business plan commitments and to maintain our network and protect our services. A failure to meet our requirements or delays in the development, manufacture or delivery of products from suppliers, the discontinuance of products or services, or a deterioration in support quality, could adversely affect our ability to deliver our products and services.

Some of our 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 us or who wish to terminate these agreements or understandings. Adverse developments with respect to our relationships with our partners or with local governmental or quasi-governmental entities could adversely affect our business strategy and results of operations in important markets. Such developments could also lead to the introduction of additional taxes.

Some of our business interests are dependent upon indirect relationships with third parties and mobile operators, which are subject to various operational, competitive and regulatory risks.

Companies in which we have invested provide internet, mobile and telecommunications services to subscribers through a series of contracts with companies, which are licensed to operate these services. We, however, do not always hold direct or indirect equity interests in the licensed operating companies and instead rely on a series of contracts in order to recognise and receive the economic benefit of the business and operations of these companies. In addition, the licensed operating companies are subject to governmental regulations with respect to media operations and foreign ownership in the jurisdictions in which they operate. As a result, we may not be able to fully recognise and receive the economic benefits of these businesses and operations and may not be able to effectively control these operations.

The revenue generated by services provided over mobile telephone networks or fixed line networks are principally recognised and received under contracts with mobile telephony and network operators. If these operators commit errors in recording revenue or fail to pay fees due to service providers, or if existing contracts are not renewed or less favourable terms are imposed, the business, results of operations, financial condition and profitability of the companies in which we have invested would be materially adversely affected. Also, if the business conditions of the mobile telephony operators deteriorate or if these mobile operators impose penalties or restraints on service providers, the business operations and financial condition of the companies in which we have invested may be materially adversely affected.

The mobile telecommunications markets are highly competitive, rapidly developing and subject to economic, regulatory and other uncertainties. The size of the future customer base and user activity will be affected by a number of factors, many of which are outside of our control, such as the regulatory regime governing the provision of telecommunication services and the general economic conditions in the region.

Security or privacy breaches in the electronic transactions on our e-commerce platforms may expose us to additional liability or result in a loss of customers, either of which events could harm our business.

Any inability on our part to protect the security of our e-commerce platforms or the privacy of confidential information could have a material adverse effect on our profitability by exposing us to additional liability, increasing our expenses relating to resolution of these breaches and deterring users from using our products. Our systems and operations are vulnerable to damage or interruption from human error, computer viruses, distributed denial of service attacks, spurious spam attacks, intentional acts of vandalism and similar events. We have from time to time experienced disruptions in our systems due to such errors or cyber-attacks that target sensitive information, integrity and the continuity of our services. We cannot assure you that our current security measures will effectively counter evolving security risks, prevent future slowdowns or disruptions, protect against extraordinary attacks or address the security and privacy concerns of existing and potential users. Any system failures, slowdowns or disruptions will likely result in unanticipated disruptions in service to our users, decreased levels of user satisfaction and significant negative effects on our reputation and, as a consequence, we may lose our users to our competitors.

Our possession and use of personal information and the use of credit cards by our customers present risks and expenses that could harm our business. If our security measures are breached or if stored data are improperly accessed, stolen or misused, we could be exposed to costly litigation or incur significant liabilities, which could harm our reputation and negatively affect our results of operations.

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

Interruptions to the availability of our video-entertainment or internet services or increases in the response times of our services caused by the failure of our software or hardware systems could reduce user satisfaction, the amount of internet traffic and our attractiveness to advertisers and consumers.

Our publishing business also depends upon the timely functioning of software and hardware used to print newspapers and magazines and to publish books. We are also dependent upon web browsers, telecommunication systems and other aspects of the internet infrastructure that have experienced system failures and electrical outages in the past. Our operations are susceptible to outages due to fire, floods, acts of war or terrorism, power loss, telecommunications failures, break-ins, industrial actions and similar events. Despite our implementing network security measures, our servers may be vulnerable to computer viruses, break-ins and similar disruptions from unauthorised tampering with our computer systems. We may be required to expend significant capital and other resources to protect our websites against the threat of computer viruses and hackers and to alleviate any problems caused by them. If a computer virus affecting our system is highly publicised, our reputation could be materially damaged and our visitor traffic may decrease. In addition, we rely on information technology systems for our internal communications, controls, reporting and relations with customers and suppliers. A significant disruption due to computer viruses, malicious intrusions, the setting up of shared services centres or the installation of new systems could affect our communications and operations.

Satellite failures could adversely affect our video-entertainment business and our ability to grow it.

Our television programming is transmitted to our customers through various satellites, and in some regions our terrestrial signals are also transmitted to regional broadcast points through satellites. In addition, we receive a significant amount of our programming through satellites. Satellites are subject to significant risks such as 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 our control. Future launch failures or disruption of the transmissions of satellites that are already operational could materially adversely affect our operations. Some satellites used by our video-entertainment operations have experienced technical failures in the past and may experience technical failures in the future. (For example, in April 2015, a satellite used for the contribution feeds to digital terrestrial television transmitter sites and free to air contribution services in sub-Saharan Africa, outside of South Africa, was temporarily out of position which led to the loss of programming to affected subscribers for several hours.)

In addition, our ability to transmit our programming following the end of the expected useful lives of the satellites we currently use and to broadcast additional channels in the future will depend upon our ability to obtain rights to utilise transponders on other or replacement satellites. In the event of a satellite failure, we would need to make alternative arrangements for transponder capacity. We may not be able to obtain alternative capacity rights on commercially reasonable terms or at all. In the event that we have to obtain alternative transponder capacity, we may need customers to realign their satellite dishes to receive the broadcasting signals, which could prove impractical and expensive to implement. If we are unable to obtain sufficient satellite transponder capacity in the future, or if our contracts with satellite providers were to be terminated, this would have a material adverse effect on our business and operations.

Our businesses may suffer if our equipment or other facilities are damaged or fail to perform or if we incur liabilities or other costs in connection with such matters.

Our video-entertainment business is operated through complex broadcast, head-end and computer systems. Although we have disaster recovery plans in the event of damage from fire, floods, earthquakes, power loss, telecommunications failures, break-ins, war, terrorist acts and similar events, these plans may not be effective for such events or other occurrences. If any of the foregoing occurs, we may not be able to recover and may only be able to offer a limited service or no service at all.

Some of our newspapers, magazines and textbooks, and a number of third-party publications, are printed on printing equipment and facilities owned by us. If our printing facilities were damaged or if operations were interrupted due to a natural disaster, catastrophic events or otherwise, the publication of some titles or textbooks could be interrupted and our operating results could be materially adversely affected. We also would need to make alternative arrangements for printing to be outsourced. We may, however, not be able to obtain alternative printing services on commercially reasonable terms or at all in the event of damage to or destruction of our equipment or facilities. We could also incur liabilities or other costs, such as third-party claims, as a result of such incidents.

Our internet businesses have limited backup systems and have experienced system failures and electrical outages from time to time in the past, which have disrupted our operations. We have limited disaster recovery plans in the event of damage from fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, terrorist acts and similar events, and our existing back-up systems may not be effective for such events or other occurrences. If any of the foregoing events occurs, we may experience a system shutdown. To improve the performance and to prevent any disruption of our services, we may have to make substantial investments to deploy additional servers to mirror our online resources.

Fraudulent activities of our members or other users on our e-commerce platforms could harm our business.

The success of our e-commerce businesses depends to a material extent upon sellers accurately representing and reliably delivering their listed merchandise, such merchandise not being illegal, stolen or counterfeit and buyers paying the agreed purchase price. We periodically receive, and anticipate receiving in the future, communications from members or other users who did not receive the purchase price or the merchandise that was agreed to and similar communications from members and other third parties, such as brand owners, regarding the quality and legality of merchandise offered for sale or purchased. While we can suspend the accounts of members who sell counterfeit merchandise or who fail to fulfil their obligations to other members or users, we do not have the ability to require members or other users to deliver merchandise or make payments. We may also experience negative publicity if our payment services are used to facilitate the making of fraudulent or illegal payments. Any negative publicity generated as a result of fraudulent or deceptive conduct by members or other users of our sites could damage our reputation and negatively affect our results of operation.

Online payment systems in certain markets in which we operate are at an early stage of development and may restrict our ability to expand our online services business, and use of our payment services in connection with illegal activities could result in liability for us.

Online payment systems in certain markets in which we operate are at an early stage and these systems are not as widely available or acceptable to consumers in these markets as in countries with more mature online payment systems. In certain developing markets only a limited number of consumers have credit or debit cards. In addition, new regulations for online payment systems could impose restrictions on online payment system operators or require certain licences. Increased regulation and the lack of adequate online payment systems might limit the number of e-commerce transactions that we can service in these markets and have a material adverse effect on our business. In addition, regulations imposing more onerous know-your-customer, anti-money laundering, counter-terrorism or other compliance related requirements could result in additional costs and administrative burden to us. If our procedures are deemed by the relevant regulator to be inadequate, we could be exposed to fines or other penalties.

In addition, use of our payments services in connection with illegal activities could harm our business. For example, a merchant may intentionally or inadvertently facilitate the import or export of illegal goods, resulting in liability for us. Changes in the law in some jurisdictions have increased the penalties for intermediaries providing payment services in relation to illegal activities. Any threatened or resulting claims could result in reputational harm, and any resulting liabilities, loss of transaction volume or increased costs could harm our business.

Unauthorised access to our programming signals may adversely affect our revenue and programming arrangements.

We face the risk that our programming signals will be accessed by unauthorised users. The delivery of subscription programming requires the use of conditional access technology to prevent unauthorised access to programming, or "piracy". We mainly utilise conditional access technology supplied by Irdeto. This conditional access technology needs to be updated continually to remain effective in preventing unauthorised access. We will continue to incur substantial expenditures to replace or upgrade our conditional access technology in the future. Conditional access technology cannot completely prevent piracy, and virtually all video-entertainment markets are characterised by varying degrees of piracy that manifest itself in different ways. In addition, security technology cannot completely prevent the illegal retransmission or sharing of a television signal once it has been decrypted, although it can help trace it and identify its source. If we fail adequately to prevent unauthorised access to our transmissions, our ability to contract for programming services could be materially adversely affected and we may lose subscribers who can receive pirated signals.

RISKS RELATED TO COUNTRIES IN WHICH WE OPERATE

Our international operations expose us to a variety of economic, social and political risks.

There is an element of risk in most of the countries in which we operate. We may be affected by political, social, economic, fiscal, monetary and regulatory changes in the countries where we have operations. Our most significant operations are in China, Central and Eastern Europe, Russia, Africa, Latin America, India and Southeast Asia. Our operations in these markets may involve economic and operating risks. Certain countries in which we operate have in the past experienced difficulties resulting from currency fluctuations, high interest rates, increases in corporate bankruptcies, political instability, stock market declines, terrorist attacks, corruption, threats and ransom demands, epidemics and other factors that may materially adversely affect our business. An example of challenging economic environments in countries that we operate in, is the difficulty we have in accessing cash generated in Angola, Mozambique and Zimbabwe, and from time to time in Nigeria, due to, among other things, a lack of sufficient quantity of foreign exchange. Although many of the countries in which we operate have taken steps toward addressing the problems mentioned above, it is not possible to predict whether or to what extent these steps will succeed in achieving their objectives.

In addition, Russia's annexation of Crimea in March 2014 led the European Union and United States to place sanctions on certain Russian persons; if the scope or targets of these sanctions were to be changed in the future, we could be required to adjust our operations in order to remain in compliance with such sanctions. The failure to comply with European Union and United States sanctions could have a material adverse effect on our business, results of operations and financial condition.

Certain countries in which we operate have historically experienced high levels of unemployment and crime. These problems have impeded inward investment in these countries and have prompted emigration of some skilled workers. As a result, attracting and retaining qualified employees in these countries may be difficult. In addition, the high rate of HIV/AIDS infection and tuberculosis in a number of markets in which we operate could cause us to lose skilled employees or incur additional costs. In 2015, we were forced to delay the launch of our DTT services in Sierra Leone in part because of the outbreak of Ebola in that region. Against the background of political tensions, it is not possible to predict the future economic or political direction of all countries.

We and our two main South African units comply with the current local broad-based black economic empowerment ("**B-BBEE**") ownership requirements. We cannot predict to what extent the government will introduce further legislation or other measures designed to empower previously disadvantaged groups, nor can we assess the potential impact of these reforms on our business or financial condition.

By way of a recent example, the B-BBEE regulations were amended in May 2016 to introduce a requirement for public companies listed on the JSE to report on B-BBEE compliance each year, meaning we are now required to include a B-BBEE scorecard in our annual financial statements.

Continuing uncertainties and challenging conditions in the global economy and the sub-Saharan region may adversely impact our business, results of operations and financial condition.

The current macroeconomic environment is volatile and continuing instability in global markets, including the markets in which we operate, has contributed to a global economic downturn marked by high unemployment rates and inflation in some developing markets. Sub-Saharan Africa has in recent years experienced adverse economic conditions, exacerbated by declining international oil prices, which create challenging market conditions for our sub-Saharan Africa video-entertainment business. Any adverse change in economic, political or social conditions in the countries in which we operate, and a continued deterioration of the economic conditions in sub-Saharan Africa, may have a materially adverse effect on our profitability.

Global credit market conditions may make it difficult for us to borrow money or raise capital needed to finance the expansion of our existing businesses or to finance acquisitions.

Beginning in late 2007, international financial markets experienced significant disruptions which severely impacted the availability of credit. Although lending market conditions have improved, we have experienced, and may in the future experience, more stringent lending criteria, which may mean that it will be more costly or difficult for us to raise funds. As a result, we may not be able to obtain financing for expansions of our existing businesses, for acquisitions or to pursue other business plans. If we are unable to obtain financing on acceptable terms, or the economic climate deteriorates further, we may not be able to pursue certain of our business plans, which could have a material adverse effect on our business, results of operations and financial condition.

South Africa's exchange control restrictions on foreign investment could hinder our normal corporate functioning and our ability to make foreign investments.

South Africa's exchange control regulations provide for restrictions on the exporting of capital and for various other exchange control matters. The orders and rules under the regulations provide for a common monetary area consisting of the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland. Transactions between residents (including corporations) of the Common Monetary Area, on the one hand, and non-residents of the Common Monetary Area, on the other hand, are subject to these exchange control regulations which are enforced by the FinSurv. As a result of the exchange controls, South African residents, including companies, are generally not permitted to:

- export capital from South Africa, hold foreign currency in excess of certain limits or incur indebtedness denominated in foreign currencies without the approval of the South African exchange control authorities; and

- acquire an interest in a foreign venture without the approval of the South African exchange control authorities and subject to compliance with the investment criteria of the same authorities.

Exchange controls may continue to operate in South Africa for the foreseeable future. As a consequence, transactions by a South African company with a non-resident company require exchange control approval. We cannot predict to what extent any future required regulatory approval will be obtained and denial may result in such transactions not being concluded. Exchange controls could therefore hinder our ability to make foreign investments.

Limitations and restrictions on foreign investment and ownership could hinder and limit our operations.

Certain markets in which we operate from time to time review their existing limitations on foreign ownership of businesses. The regulator in these markets could recommend more stringent limitations on foreign investment or propose other limitations and restrictions on foreign investment. We cannot predict to what extent any such limitations or restrictions will come into place, but any limitation or restriction could hinder or limit our operations in these markets, or require us to divest from existing businesses at a suboptimal value.

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

Our reporting currency is the U.S. Dollar but we conduct business transactions in currencies other than our reporting currency. Consequently, we are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Rand, the Euro, the Polish Zloty, the Chinese Renminbi, the Russian Ruble, the Brazilian Real, the Indian Rupee, the Romanian Lei, the Nigerian Naira and the Angolan Kwanza. Fluctuations in these currencies against the U.S. Dollar have in the past affected, and could in the future affect, our revenue, operating costs and general business and financial condition. Since FY 2015, we have seen significant currency weaknesses, primarily related to the average exchange rate of the Nigerian Naira and the Angolan Kwanza, which have depreciated approximately 64% and approximately 65% against the U.S. Dollar since then, respectively (as at 31 March 2017). In addition, fluctuations in the exchange rate of these currencies could affect the comparability of our performance between financial periods, since the vast majority of our sales are in currencies other than U.S. Dollars while our financial statements are stated in U.S. Dollars.

A significant portion of our cash obligations, including payment obligations under transmission equipment and satellite leases, and contracts for video-entertainment programming and channels, is denominated in the currencies of countries in which we have limited operations, such as U.S. Dollars. Also, much of the paper required for the printing of our magazines is available only from international paper suppliers and billed in Euro. In addition, our obligations under most of our credit facilities are denominated in U.S. Dollars. Where our revenue is denominated in local currency, a depreciation of the local currency against the U.S. Dollar adversely affects our earnings and our ability to meet our cash obligations. Many of our operations are in countries or regions where the local currency has fluctuated considerably against the U.S. Dollar in recent years. We cannot assure you that the hedge transactions that we enter into to mitigate currency risk will fully protect us against currency fluctuations or that we will be able to hedge effectively against these risks in the future. We can in most instances only hedge our foreign currency exposures for a limited period and therefore we cannot hedge 100% of our exposure.

In addition, in sub-Saharan Africa and South Africa, our video-entertainment subscription prices are denominated in local currencies, while a significant portion of our cost base is denominated in U.S. Dollars. Many of these markets, in particular Nigeria and Angola, do not offer sufficient liquidity to hedge the foreign currency risk associated with the U.S. Dollar cost base. Furthermore, the ability to pass on the currency risk to our customers is limited, due to market sensitivity around the affordability of our services. As a result we have limited ability to protect ourselves from the impact of a weakening in these currencies. Accordingly, if the local currencies depreciate against the U.S. Dollar, it could have an adverse effect on our business and results of operations.

The currencies of the markets in which we operate have at times in the past depreciated against the currencies of their major trading partners by more than the inflation rate differential between the relevant countries. The value of currencies of the markets in which we operate against the U.S. Dollar remain difficult to predict and vulnerable to depreciation. A relative weakening of these currencies against the U.S. Dollar will decrease the U.S. Dollar-reported earnings of the Group, and increase its U.S. Dollar-reported expenses. We cannot predict the future relative strength of the currencies of the markets in which we operate against the U.S. Dollar and expect that these currencies will remain volatile against major currencies like the U.S. Dollar and the Euro.

Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The tax laws and regulations in the jurisdictions in which we operate may change and there may be changes in enforcement of tax law. Additionally, tax laws and regulations are complex and subject to varying interpretations. We cannot be sure that our interpretations are accurate or that the responsible tax authority agrees with our views. If tax laws change or our tax positions are challenged by the tax authorities, we could incur additional tax liabilities, which could increase our costs of operations and have a material adverse effect on our business, financial condition and results of operations. In some instances, the tax authorities may seek to impose substantial penalties and interest charges, which may result in significantly higher costs if we are unsuccessful in defending the claim, and negotiations proceedings are protracted.

We operate a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. We continue to seek advice and work with our advisers to identify and quantify such tax exposures. Our current assessment of possible withholding and other tax exposures, including interest and potential penalties, amounts to approximately $257 million at 31 March 2017. No provision has been made for these possible exposures. Should we be held liable for these or any other additional tax payments, this may have a material adverse effect on our business, financial condition and results of operations.

Certain business interests of the Group in China are dependent upon indirect relationships with third parties which are subject to various legal and operational risks

Tencent, in which the Group owns a 33.2% interest, primarily provides value-added services to users in China by certain domestic Chinese companies that are licensed to operate these services (the "**Opcos**"). Although Tencent does not own any equity interest in these Opcos, through a series of contractual arrangements (collectively, "**Structure Contracts**") Tencent exercises control over these Opcos and obtains substantially all of the revenue in the form of technical support, consulting, licensing, revenue sharing and other fees. This is because Chinese regulations currently restrict the amount of foreign ownership in companies that provide value-added telecommunications services and other related services in China. This structure is in line with common practice in industries in China subject to foreign ownership restrictions.

In the view of the Tencent's Chinese legal advisors, the arrangement of the Structure Contracts does not violate applicable existing Chinese laws and regulations. However, Tencent's Chinese legal advisors also advised that the relevant PRC regulators have substantial discretion to review, interpret and apply these laws and regulations from time and time, and it is possible that they may take a view that is different from Tencent's Chinese legal advisors.

There is also uncertainty regarding Chinese laws and regulations that may be passed in the future. For example, in early 2015, the Chinese regulatory authority published a draft of the proposed Foreign Investment Law (the "**Draft FIL**") for public comments. The Draft FIL looks at control (including contractual control arrangements similar to those under the Structure Contracts) in determining whether there is foreign investment and whether such arrangement is permitted. The Draft FIL also does not clarify how existing contractual control arrangements would be treated. It is also unclear when, if ever, the Draft FIL would be passed, and whether the Foreign Investment Law that is ultimately passed would contain the same provisions as the Draft FIL.

The Chinese regulatory authorities and Chinese courts may in the future take a view that is contrary to the position of Tencent's Chinese legal advisors concerning the Structure Contracts. If either the Chinese regulatory authorities or the Chinese courts find that the Structure Contracts do not comply with Chinese laws and regulations, or if existing laws and regulations or the interpretation of these laws and regulations change in the future, Tencent could be subject to penalties and, in the worst case, could be forced to relinquish its interest in its value-added telecommunications services business and related business in China.

In addition to the above, the arrangement of the Structure Contracts may not be as effective in providing operational control of the Opcos as direct ownership in Opcos since Tencent cannot exercise any shareholder rights relating to the Opcos.

RISKS RELATED TO THE ADSs

Existing Class A Ordinary Shares of the Company have more voting rights than, and a liquidation preference over, the Class N Ordinary Shares and ADSs of the Company.

The Company's issued capital at 19 September 2017 consisted of 907,128 Class A Ordinary Shares of 20 Rand each and 438,656,059 Class N Ordinary Shares of two SA cents each. The Class N Ordinary Shares are listed on the JSE and on a poll carry one vote per share. The Class A Ordinary Shares are not listed on a stock exchange and on a poll carry 1,000 votes per share. The Company, through Heemstede Beleggings Proprietary Limited ("**Heemstede Beleggings**"), a wholly owned subsidiary of the Company, holds 49.0% of Naspers Beleggings (RF) Limited ("**Naspers Beleggings**"), which, in turn, holds 49.1% of the Class A Ordinary Shares, which carry approximately 33.1% of the total voting rights in respect of the Company's ordinary shares. Keeromstraat 30 Beleggings (RF) Limited ("**Keeromstraat**") holds 30.8% of the Class A

Ordinary Shares, which represents 20.8% of the total voting rights in respect of the Company's ordinary shares. Some of our directors are on the boards of Keeromstraat and Naspers Beleggings, but do not represent the majority of board members. Each of these boards operates independently. Naspers Beleggings and Keeromstraat collectively hold 53.9% of the voting rights in respect of Naspers, exercise their voting rights in consultation with one another in terms of a voting pool agreement and constitute the control structure of Naspers. If they vote together they can vote the majority of the total voting rights in the Company, including in respect of any takeover offer. Under the voting pool agreement, if Naspers Beleggings and Keeromstraat cannot agree on how to vote then they are required to vote against resolutions that would materially change the control, directorate or senior management of Naspers or the nature, scope or size of Naspers's businesses.

If the Company 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. This amounted to approximately Rand 18,142,560 as at 31 March 2017.

In terms of South African company law, resolutions passed by the Company's shareholders and the lower voting rights of the Class N Ordinary Shares relative to Class A Ordinary Shares could deter a change in control.

Some of the provisions of the Companies Act and some of the resolutions passed annually by the Company's shareholders in general meeting may discourage attempts by other companies to acquire or merge with the Company, which could reduce the market value of Class N Ordinary Shares and ADSs. The South African Companies Act requires that 75 per cent. of the total votes exercisable by all shareholders at a meeting (subject to a quorum of shareholders holding at least 25 per cent. of the total number of votes present, in person or by proxy, at the meeting) approve changes to provisions of the Memorandum of Incorporation. In addition, the Company's shareholders in general meeting may annually pass resolutions that authorise the Company's 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, disposal or other business combination involving the Company or discourage a potential acquirer from otherwise attempting to obtain control of the Company.

Trading Market Risk

There can be no assurance as to the liquidity of any market that may develop for the ADSs, the ability of holders of the ADSs to sell their ADSs or the price at which such holders would be able to sell their ADSs. Although the ADSs will be listed, there can be no assurance that, where such listing is obtained, an active trading market will develop or be sustained. In addition, the liquidity of any market for the ADSs will depend on the number of holders of the ADSs, the interest of securities dealers in making a market in the ADSs and other factors.

Limitations on Voting

Holders of ADSs will have no direct voting rights with respect to the Shares represented by the ADSs. If the Company asks the Depositary to ask for the instructions of a holder, the holder will have a right to instruct the Depositary on how to exercise those rights. However, there are practical limitations upon their ability to exercise voting rights due to additional procedural steps involved in the Company's communication with holders. The process of exercising voting rights may take longer for holders of ADSs than for holders of the Shares and there is a possibility that a holder will not receive voting materials or otherwise learn of a meeting of shareholders in time to enable the holder to return voting instructions to the Depositary in a timely manner. See "*Voting Rights*" in Part X (*Information Relating to the ADSs*) of this Prospectus.

Payment of Dividends

The Company's ability to pay dividends to the holders of the ADSs depends on the availability of sufficient distributable profits. There is no assurance that distributable profits will be available in any financial year. Even if there are sufficient distributable profits available, the Company may not pay a dividend for a variety of reasons. Payment of future dividends will depend on the Company's earnings, strategy, future outlook, financial condition and other factors, including regulatory and liquidity requirement, as well as tax and other legal considerations.

Investors may have limited recourse against the Company or the Company's directors and executive officers because they generally conduct their operations outside the United States and the United Kingdom.

The Company's presence outside the United States and the United Kingdom may limit the legal recourse of investors against it or its directors or executive officers. A substantial portion of the Company's assets and the assets of the Company's current directors and executive officers are located outside the United States and the United Kingdom. As a result, investors may not be able to effect service of process within the United States or the United Kingdom upon the Company or its directors and executive officers or to enforce U.S. or U.K. court judgements obtained against the Company or its directors and executive officers in jurisdictions outside the United States and the United Kingdom, including actions under the civil liability provisions of U.S. securities laws. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions outside the United States and the United Kingdom, liabilities predicated upon U.S. or U.K. securities laws. These limitations may deprive investors of effective legal recourse for claims related to their investment in the ADSs.

PART III
IMPORTANT INFORMATION

This Prospectus is being furnished by the Company solely for the purpose of the Application. Any reproduction or distribution of this Prospectus, in whole or in part, any disclosure of its contents or use of any information herein for any other purpose is prohibited.

This Prospectus, including the financial information included herein, is issued in compliance with the Prospectus Rules of the FCA, which comply with the provisions of the Prospectus Directive for the purpose of giving information with regard to the Company and the ADSs.

The Directors of the Company, whose names appear on pages 174 and 175 of this Prospectus, and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus does not constitute an offer to any person or to the public generally to purchase or otherwise acquire the Securities. In making an investment decision regarding the Securities, you must rely on your own examination of us, including the merits and risks involved. The Company has not authorised any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this Prospectus is accurate only as of its date. Our business, financial condition, results of operations, prospects and the information set forth in this Prospectus may have changed since the date of this Prospectus.

We have included our own estimates, assessments, adjustments and judgements in preparing some market information, which has not been verified by an independent third party. Market information included herein is, therefore, unless otherwise attributed to a third party source, to a certain degree subjective. While we believe that our own estimates, assessments, adjustments and judgements are reasonable and that the market information prepared by us approximately reflects the industry and the markets in which we operate, there is no assurance that our own estimates, assessments, adjustments and judgements are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein.

The Company's website is available at www.naspers.com. The contents of the Company's websites, or the websites of any member of the Group, do not form any part of this document.

You should not consider any information in this Prospectus to be investment, legal or tax advice. You should consult your own counsel, accountant and other advisers for legal, tax, business, financial and related advice regarding purchasing the ADSs. The Company does not make any representation to any person or purchaser of the ADSs regarding the legality of an investment in the ADSs by such person or purchaser under appropriate investment or similar laws.

The distribution of this Prospectus may be restricted by law in certain jurisdictions. You must inform yourself about, and observe any such restrictions. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the ADSs or possess or distribute this Prospectus and you must obtain any consent, approval or permission required for your purchase, offer or sale of the ADSs under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. The Company is not making an offer to sell the Securities or a solicitation of an offer to buy any of the Securities.

The information set forth in this document is only accurate as of the date on the front cover of this document. The Group's business, financial condition, results of operations and prospects may have changed since that date. In making an investment decision, prospective investors must rely on their own examination of the Group and the terms of this document, including the risks involved.

NOTICE TO CERTAIN INVESTORS

Notice to United Kingdom and other EEA investors

In any European Economic Area (the "**EEA**") Member State that has implemented the Prospectus Directive, this prospectus is only addressed to and is only directed at persons who are "qualified investors" in that Member State ("**Qualified Investors**") within the meaning of Article 2(1)(e) of the Prospectus Directive (including any relevant implementing measure in each relevant member state of the EEA). In addition, in the United Kingdom, this Prospectus is only directed at (1) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (2) high net worth entities, and other persons to whom it may otherwise lawfully be communicated, falling within Article 49(2)(a)-(d) of the Order (all such persons together being referred to as "relevant persons"). This Prospectus and its contents should not be acted upon or relied upon (1) in the United Kingdom, by persons who are not relevant persons or (2) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors.

This Prospectus has been prepared on the basis that all offers of the ADSs in the United Kingdom following approval by the UKLA will be made pursuant to an exemption under the Prospectus Directive, as implemented in the member states of the EEA, from the requirement to produce a prospectus for offers of the ADSs. Accordingly, any person making or intending to make any offer within the EEA of the ADSs should only do so in circumstances in which no obligation arises for the Group to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive. The Company has not authorised or authorises the making of any offer of the ADSs through any financial intermediary.

For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to United States investors

Because of the following restrictions, purchasers in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of ADSs or Shares.

Neither the ADSs nor the Shares have been or will be registered under the U.S. Securities Act of 1933, as amended, (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or outside the United States in offshore transactions in reliance on Regulation S of the Securities Act. Prospective investors are hereby notified that sellers of the Shares may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Neither the ADSs nor the Shares have been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Notice to South African investors

No South African resident or offshore subsidiary of a South African resident may purchase any of the ADSs or beneficially own or hold any of the ADSs unless such purchase or beneficial holding or ownership is otherwise permitted under the South African exchange control regulations or the rulings promulgated thereunder or specific prior written approval has been obtained from the Financial Surveillance Department ("**FinSurv**") of the South African Reserve Bank ("**SARB**").

This Prospectus does not, nor is it intended to, constitute an offer or form part of any offer or invitation to purchase, subscribe for, sell or issue, or a solicitation of any offer to purchase, subscribe for, sell or issue, any securities in South Africa, including an offer of securities to the public or section of the public (as envisaged in the South African Companies Act, No. 71 of 2008 (as amended) (the "**Companies Act**")) and is not a prospectus prepared and registered under the Companies Act and filed with the Companies and Intellectual Property Commission. As a result, this Prospectus does not comply with the substance and form requirements for a prospectus set out in the Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with Companies and Intellectual Property Commission.

FORWARD-LOOKING STATEMENTS

This document contains certain "forward-looking statements", including statements about current beliefs and expectations of the Directors. In particular, the words "expect", "anticipate", "estimate", "may", "should", "plans", "intends", "will", "believe" and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward-looking statements. These statements are based on the Board's expectations of external conditions and events, current business strategy, plans and the other objectives of management for future operations, and estimates and projections of the Company's financial performance. Though the Board believes these expectations to be reasonable at the date of this document they may prove to be erroneous.

Forward-looking statements involve known and unknown risks and uncertainties and speak only as of the date they are made. Investors are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of the Company or industry results to differ materially from those expressed or implied in forward-looking statements. These factors include, but are not limited to, those described in Part II (*Risk Factors*) of this Prospectus.

Save as required by law, the Listing Rules or the Transparency and Disclosure Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Board's expectations or to reflect events or circumstances after the date of this Prospectus.

INCORPORATION BY REFERENCE

The following documents, shall be deemed to be incorporated in, and form part of, this Prospectus, with the exception of any documents incorporated by reference thereto:

- the Company's audited consolidated annual financial statements for the year ended 31 March 2017 and auditors' report thereon (the "**2017 Audited Consolidated Financial Statements**");

- the Company's audited consolidated annual financial statements for the year ended 31 March 2016 and auditors' report thereon (the "**2016 Audited Consolidated Financial Statements**"); and

- the Company's audited consolidated annual financial statements for the year ended 31 March 2015 and auditors' report thereon (the "**2015 Audited Consolidated Financial Statements**" and together with the 2016 Audited Consolidated Financial Statements and the 2017 Consolidated Financial Statements the "**Audited Consolidated Financial Statements**").

For ease of reference, the table below sets out the relevant page references for the 2017 Audited Consolidated Financial Statements, the 2016 Audited Consolidated Financial Statements and the 2015 Audited Consolidated Financial Statements, together with the auditors' reports thereon.

For the avoidance of doubt, any information that is not listed in the cross-reference table below or outlined above but

i. is included in the publication in which the document incorporated by reference appears,

ii. is included in the document incorporated by reference itself, or

iii. is a document incorporated by reference within the document incorporated by reference hereby,

does not form part of this Prospectus for the purposes of the Prospectus Directive, except where such information or documents are stated within this prospectus as specifically being incorporated by reference or where this prospectus is specifically defined as including such information. The non-incorporated parts of the documents incorporated by reference are either not relevant for investors or covered elsewhere in the Prospectus.

The 2017 Audited Consolidated Financial Statements

Independent Auditors' Report on the Financial Statements for the year ended 31 March 2017	Pages 13 to 20 of the 2017 Audited Consolidated Financial Statements
Consolidated Statement of Financial Position	Page 21 of the 2017 Audited Consolidated Financial Statements
Consolidated Income Statement	Page 22 of the 2017 Audited Consolidated Financial Statements
Consolidated Statement of Comprehensive Income	Page 23 of the 2017 Audited Consolidated Financial Statements
Consolidated Statement of Changes in Equity	Page 24 of the 2017 Audited Consolidated Financial Statements
Consolidated Statement of Cash Flows	Page 25 of the 2017 Audited Consolidated Financial Statements
Notes to the Consolidated Annual Financial Statements	Pages 26 to 137 of the 2017 Audited Consolidated Financial Statements

The 2016 Audited Consolidated Financial Statements

Independent Auditors' Report on the Financial Statements for the year ended 31 March 2016	Page 15 of the 2016 Audited Consolidated Financial Statements
Consolidated Statement of Financial Position	Page 16 of the 2016 Audited Consolidated Financial Statements
Consolidated Income Statement	Page 17 of the 2016 Audited Consolidated Financial Statements
Consolidated Statement of Comprehensive Income	Page 18 of the 2016 Audited Consolidated Financial Statements
Consolidated Statement of Changes in Equity	Page 19 of the 2016 Audited Consolidated Financial Statements

Consolidated Statement of Cash Flows	Page 20 of the 2016 Audited Consolidated Financial Statements
Notes to the Consolidated Annual Financial Statements	Pages 21 to 146 of the 2016 Audited Consolidated Financial Statements

The 2015 Audited Consolidated Financial Statements

Independent Auditors' Report on the Financial Statements for the year ended 31 March 2015	Page 11 of the 2015 Audited Consolidated Financial Statements
Consolidated Statement of Financial Position	Page 12 of the 2015 Audited Consolidated Financial Statements
Consolidated Income Statement	Page 13 of the 2015 Audited Consolidated Financial Statements
Consolidated Statement of Comprehensive Income	Page 14 of the 2015 Audited Consolidated Financial Statements
Consolidated Statement of Changes in Equity	Page 15 of the 2015 Audited Consolidated Financial Statements
Consolidated Statement of Cash Flows	Page 16 of the 2015 Audited Consolidated Financial Statements
Notes to the Consolidated Annual Financial Statements	Page 17 to 153 of the 2015 Audited Consolidated Financial Statements

Copies of documents incorporated by reference may be obtained from (i) the website of the Company and (ii) the registered office of the Company.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

The Audited Consolidated Financial Statements have been incorporated by reference into this Prospectus as outlined above. The Audited Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board.

Our results of operations for the year ended 31 March 2015 were restated in our financial statements for the year ended 31 March 2016 to reflect the change in the Group's presentation currency of its consolidated financial statements from the South African Rand to the U.S. Dollar. Accordingly, the selected financial information relating to the Group in this Prospectus as of and for the year ended 31 March 2015 has been derived from the comparative prior period information for the year ended 31 March 2016, such that all financial information presented in this Prospectus is presented on a consistent basis.

Our media segment was previously referred to as our print media segment. Our financial statements for the year ended 31 March 2016, incorporated by reference elsewhere in this Prospectus, applies the name "Media" for this segment.

Associated Companies and Joint Ventures

For purposes of this Prospectus, investments in associated companies and joint ventures have been accounted for under the equity method for all periods throughout this Prospectus, unless otherwise indicated. Associated companies are those companies over which we exercise significant influence, but which we do not control or jointly control. Joint ventures are arrangements in which the Group contractually shares control over an activity with others and in which the parties have rights to the net assets of the arrangement. This approach is consistent with the application of the equity method of accounting required by IFRS in our Audited Consolidated Financial Statements. References to "consolidated revenue" or "consolidated EBITDA" therefore exclude our share of revenue or EBITDA from investments in associated companies and joint ventures. This approach has also been followed throughout Part VI (*Operating and Financial Review*) of this Prospectus but we have also included certain information based on the proportionate consolidation of associated companies and joint ventures in that section, as indicated therein and as further explained below.

In accordance with IFRS 8, Operating Segments ("**IFRS 8**"), which aligns the reporting of operating segments with internal management reporting, we report investments in associated companies and joint ventures on a proportionately consolidated basis for segmental reporting purposes only. Proportionate consolidation is a method of accounting whereby our share of each of the income and expenses of associated companies and joint ventures is combined line by line with similar items in our operating segments, and we refer to revenue or EBITDA measures that include our share of revenue or EBITDA from investments in associated companies and joint ventures as "proportionately consolidated" or on an "economic interest" basis.

Most major foreign associates and joint ventures do not have year-ends that are coterminous with that of the Group, and the Group's accounting policy is to account for an appropriate lag period in reporting their results. The maximum lag period is three months. Any significant transactions occurring between December and the Group's March year-end are taken into account. In this Prospectus, references to our consolidated segmental revenue refer to our external revenue only and do not include any intersegmental revenue, which are eliminated on consolidation.

Non-IFRS Measures

In this Prospectus, we present certain financial measures that are not recognised by IFRS and which may not be permitted to appear on the face of the primary financial statements, or footnotes thereto.

The following are the primary non-IFRS financial measures that are used in this Prospectus:

- **EBITDA**: We define EBITDA as earnings before interest (finance costs-net), taxation, depreciation, amortisation, other gains/losses, retention option expenses and share-based compensation charges from equity-settled share compensation plans. Net finance costs include interest paid on borrowings and finance leases, interest received on cash balances, preference dividends received, profits and losses on foreign exchange translations and fair value adjustments on derivative instruments (mainly foreign exchange contracts). Other gains/losses include dividends received from investments, profits and losses on sale of assets, fair value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities.

- **Adjusted EBITDA**: We define Adjusted EBITDA as EBITDA as adjusted for transmission equipment and satellite lease charges and the inclusion of dividends received from equity-accounted and other investments. In accordance with IFRS, we capitalise transmission equipment and satellite leases. Our consolidated income statements therefore reflect the depreciation arising from the use of such capitalised assets as well as interest expense on the associated liability.

- **Free Cash Flow**: We define Free Cash Flow as cash generated from operations, plus investment income received, minus capital expenditure, capital finance leases repaid (gross) and taxation paid. Free Cash Flow reflects an additional way of viewing our liquidity that we believe is useful to investors because it represents cash flows that could be used for distribution of dividends, repayment of debt or to fund our strategic initiatives, including acquisitions, if any.

We use EBITDA, Adjusted EBITDA and Free Cash Flow as internal measures of performance to benchmark and compare performance, both between our own operations and as against other companies. These measures are used by the Group, together with measures of performance under IFRS, to compare the relative performance of operations in planning, budgeting and reviewing the performance of various businesses. We believe EBITDA-based measures and Free Cash Flow are useful and commonly used measures of financial performance in addition to net profit, operating profit and other profitability measures under IFRS because they facilitate operating performance comparisons from period to period and company to company. By eliminating potential differences in results of operations between periods or companies caused by factors such as depreciation and amortisation methods, historic cost and age of assets, financing and capital structures and taxation positions or regimes, we believe EBITDA-based measures and Free Cash Flow can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. For these reasons, we believe EBITDA-based and similar measures are regularly used by the investment community as a means of comparison of companies in our industry. Different companies and analysts may calculate EBITDA-based measures and Free Cash Flow differently, so making comparisons among companies on this basis should be done very carefully. EBITDA-based measures and Free Cash Flow are not measures of performance under IFRS and EBITDA-based measures and Free Cash Flow should not be considered in isolation or construed as substitutes for operating profit or net profit as an indicator of our operations in accordance with IFRS.

Development Spend

Development spend ("**Development Spend**") consists of the trading losses that certain of our subsidiaries, divisions or operating units ("**Development Businesses**") incur in a reporting period. Trading loss is defined as operating loss, as adjusted to include interest charges on transponder leases and to exclude amortisation of intangible assets (other than software), retention option expenses linked to business combinations, capital gains and losses and equity-settled share based compensation charges.

The trading losses of a Development Business are included in Development Spend only until the Development Business has reached trading profit (once a Development Business has reached profitability we no longer include its results in Development Spend) or until we determine that it is unlikely to reach profitability and is either sold or we otherwise exit the business.

Development Businesses include our subsidiaries that have yet to achieve scale that are operating at a loss but that we believe will become profitable in the future and certain start-up projects in subsidiaries that are otherwise profitable. Development Businesses include many of our e-commerce businesses and new business ventures, such as DTT and the digital media and e-commerce ventures in our media segment.

We use Development Spend as an internal measure of performance to benchmark and compare performance, including between our own operations. This measure is used by the Group, together with measures of performance under IFRS, to compare the relative performance of operations in planning, budgeting and reviewing the performance of various businesses. Different companies in our industries and analysts may calculate Development Spend differently, so making comparisons among companies on this basis should be done very carefully. Development Spend is not a measure of performance under IFRS and should not be considered in isolation or construed as a substitute for indicators of our results of operations calculated in accordance with IFRS.

Subscribers and ARPU

Subscriber numbers represent a key measure for evaluating our performance in the video-entertainment segment. Subscriber numbers are a non-IFRS unaudited operating measure of the actual number of paying subscribers, regardless of the type of programming package to which they subscribe. Average revenue per unit ("**ARPU**") represents a non-IFRS unaudited operating measure of the average revenue per subscriber (or unit) in our video-entertainment segment on a monthly basis. We calculate ARPU by dividing average monthly revenue for the period (total revenue during the period divided by the number of months in the period) by the average number of our subscribers for the period. We calculate the average number of our subscribers for the period by dividing the sum of the total number of subscribers at the beginning and end of the period by two. Subscriber numbers and ARPU serve as additional indicators of our performance and not as replacements for measures such as revenue or any other performance measures derived in accordance with IFRS. We believe that subscriber numbers and ARPU are measures commonly used by analysts and investors in our industry and, accordingly, have presented them throughout this Prospectus to permit a more complete analysis of our operating performance.

MARKET, RANKING AND OTHER DATA

The data included in this Prospectus regarding markets and ranking, including our position and our competitors within these markets, are based on independent industry publications, reports of government agencies or other published industry sources and our estimates based on our management's knowledge and experience in the markets in which we operate. The data included in this Prospectus relating to Tencent, Mail.ru, MMT and certain of our other associates and joint ventures have been derived from Tencent's, Mail.ru's, MMT's and certain of our other associates' and joint ventures' publicly available information. Where information has been sourced from a third party, this information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Notwithstanding the foregoing, such third- party information has not been independently checked and verified, and the Company does not make any representation or warranty as to the accuracy or completeness of such information set forth in this Prospectus. Certain information in this Prospectus regarding the e-commerce industry is from independent market research using the sources referenced below, and such information should not be relied upon in making, or refraining from making, any investment decision.

- Ampere Analysis Ltd, 2016 dataset ("*Ampere Analysis (2016)*");
- Business Monitor International a Fitch Group Company Research, 2017 dataset ("*BMI Research (2017)*");
- Economist Intelligence Unit, April 2017 dataset ("*EIU*");
- eMarketer Inc., 2016 dataset ("*eMarketer (2016)*");
- Macquarie, Sub-Saharan Africa pay TV, 2017 ("*Macquarie Research*");
- McKinsey & Company, Brighter Africa, The growth potential of the sub-Saharan electricity sector, February 2015 ("*McKinsey Report*");
- PwC, Emerging Markets: Driving the payments transformation, 2016 ("*2016 PwC Report*");
- PwC, Entertainment and media outlook: 2015-2019, 2015 ("*2015 PwC Report*"); and
- Zenith Optimedia, 2017 dataset ("*Zenith Optimedia (2017)*").

Certain of our internal estimates have been based on information obtained from customers, suppliers, trade and business organisations and other contacts in the markets in which we operate. We believe these estimates to be reliable. However, this information may prove to be inaccurate because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other inherent limitations and uncertainties.

EXCHANGE CONTROLS APPLICABLE TO INVESTORS

The South African exchange control framework is one of total prohibition from dealing in foreign currency, other than in accordance with certain permissible thresholds and exemptions which are in place. The exchange control regulations provide for, among other things, a common monetary area consisting of the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland (the "**Common Monetary Area**"). Any transaction which is undertaken by a resident of the Common Monetary Area is subject to the relevant regulations, if such transaction includes dealing in foreign currency.

An acquisition of the ADSs will constitute the acquisition of an investment in a foreign currency and the exchange control restrictions will accordingly be applicable. The following exchange controls rules apply to prospective holders of the ADSs:

- Residents of the Common Monetary Area:
    - All residents of the Common Monetary Area are subject to exchange control restrictions and may only acquire and hold the ADSs if an exemption or allowance is available.
    - South African individuals, companies and trusts will not be permitted to acquire the ADSs.
    - South African institutional investors may acquire and hold the ADSs in terms of their portfolio investment allowances.
- Non-residents of the Common Monetary Area:
    - Exchange control restrictions are not imposed on non-residents. Non-residents may freely acquire and hold the ADSs.
- Emigrants from the Common Monetary Area:
    - Emigrants may acquire the ADSs utilising foreign funds derived offshore. Emigrants may not acquire the ADSs with the use of funds which are blocked for exchange control purposes.

LIMITATION ON ENFORCEMENT OF JUDGEMENTS

Our presence outside the United States and the United Kingdom may limit your legal recourse against us. Most of our directors and executive officers named in this prospectus reside, and many of their assets are located, outside the United States and the United Kingdom. As a result, you may not be able to effect service of process within the United States or the United Kingdom upon us or our directors and executive officers or to enforce U.S. or U.K. court judgements obtained against us or our directors and executive officers in jurisdictions outside the United States and the United Kingdom, including actions under the civil liability provisions of U.S. securities laws. In addition, it may be difficult for you to enforce, in original actions brought in courts in jurisdictions outside the United States and the United Kingdom, liabilities predicated upon U.S. or U.K. securities laws.

AVAILABLE INFORMATION

The Company is not subject to informational requirements of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). The Company will make available, upon request, to any holder, beneficial owner or prospective purchaser of an ADS the information required pursuant to Rule 144A(d)(4) under the Securities Act, during any period in which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt by virtue of Rule 12g3-2(b) thereunder. Any such requests should be directed to Group Company Secretary, Gillian Kisbey-Green, Naspers, c/o MultiChoice City, 144 Bram Fischer Drive, Randburg, 2194 (PO Box 1502, Randburg, 2125), the Republic of South Africa.

CERTAIN DEFINED TERMS

The following words and expressions used in this Prospectus have the following meanings, unless the context otherwise requires or unless otherwise defined:

"**Admission**" means the admission of the Additional ADSs to the Official List and unconditional trading on the London Stock Exchange;

"**ADS**" means an American depository share representing an interest in an N Ordinary Share of the Company and "**ADSs**" shall be construed accordingly;

"**Ambatana**" means Ambatana Holdings B.V.;

"**Application**" means the application to list on the Official List and to admit to trading on the regulated market of the London Stock Exchange up to 182,540,135 additional ADSs;

"**ARPU**" means average revenue per subscriber/unit;

"**Audited Consolidated Financial Statements**" means the Group's consolidated financial statements as of and for the year ended 31 March 2017 including comparative information as of and for the year ended 31 March 2016; the Group's consolidated financial statements as of and for the year ended 31 March 2016 including comparative information as of and for the year ended 31 March 2015; and the Group's consolidated financial statements as of and for the year ended 31 March 2015 including comparative information as of and for the year ended 31 March 2014;

"**Avito**" means Avito AB;

"**B2C**" means business-to-consumer;

"**B-BBEE**" means broad-based black economic empowerment;

"**BEE**" means black economic empowerment;

"**Board**" means the board of directors of the Company;

"**C2C**" means consumer-to-consumer;

"**Citrus Pay**" means Citrus Payment Solutions Private Limited, one of our subsidiaries, in which we held a 100.0% equity interest as at 31 March 2017;

"**Commission**" means the South African Competition Commission;

"**Common Monetary Area**" means the common monetary area consisting of the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;

"**Companies Act**" means the South African Companies Act, No. 71 of 2008;

"**Depositary**" means The Bank of New York Mellon;

"**Deposit Agreement**" means the deposit agreement between the Company and the Depositary dated 5 November 2002, as amended;

"**DTH**" means direct-to-home;

"**DTT**" means digital terrestrial technology;

"**FCA**" means the Financial Conduct Authority;

"**FinSurv**" means the Financial Surveillance Department of the South African Reserve Bank;

"**FY 2013**" means our financial year ended 31 March 2013;

"**FY 2014**" means our financial year ended 31 March 2014;

"**FY 2015**" means our financial year ended 31 March 2015;

"**FY 2016**" means our financial year ended 31 March 2016;

"**FY 2017**" means our financial year ended 31 March 2017;

"**Flipkart**" means Flipkart Limited;

"**Group**" means Naspers Limited and its subsidiaries on a consolidated basis;

"**HKD**" means Hong Kong Dollars;

"**ICASA**" means Independent Communications Authority of South Africa;

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board;

"**JSE**" means the Johannesburg Stock Exchange;

"**Konga**" means Konga Online Shopping Limited;

"**London Stock Exchange**" and "**LSE**" mean London Stock Exchange plc;

"**M-Net**" means Electronic Media Network Limited;

"**Mail.ru**" means Mail.ru Group Limited, one of our associates, in which we held a 28.7% equity interest as at 31 March 2017;

"**MMT**" means MakeMyTrip Limited, one of our associates, in which we held a 43.2% equity interest as at 31 March 2017. Taking into account MMT's capital increase in May 2017, we held a 42.7% equity interest as at 31 May 2017;

"**MCA**" means MultiChoice Africa Limited;

"**MCSA**" means MultiChoice South Africa Holdings Proprietary Limited;

"**Media24**" means Media24 Holdings Proprietary Limited.

"**Naspers**" or the "**Company**" each means or refers to Naspers Limited and its subsidiaries on a consolidated basis;

"**Novus**" means Novus Holdings Limited;

"**Official List**" means the official list of the FCA;

"**PayU**" means PayU Global B.V., one of our subsidiaries, in which we held a 97.6% equity interest as at 31 March 2017;

"**PSP**" means payment system provider;

"**PVR**" means personal video recorder;

"**RMB**" means Renminbi;

"**Revolving Credit Facility**" means the revolving credit facility made available pursuant to the $2.5 billion restated multicurrency facility agreement dated 5 November 2015 among, *inter alios*, the Company, Citibank International PLC, as agent, and the lenders from time to time party thereto. The Revolving Credit Facility is governed by English law and matures on 9 November 2020;

"**SARB**" means the South African Reserve Bank;

"**Schibsted**" means Schibsted ASA Media Group;

"**Share**" means an N Ordinary Share of the Company and "**Shares**" shall be construed accordingly;

"**Souq**" means Souq Group Limited;

"**SuperSport**" means SuperSport International Holdings Proprietary Limited;

"**SVOD**" means subscription video on demand;

"**Takealot**" means Takealot Online (RF) Proprietary Limited;

“**Tencent**” means Tencent Holdings Limited, one of our associates, in which we hold a 33.2% equity interest as at 31 August 2017;

“**TSP**” means technology system provider;

“**UKLA**” means the U.K. Listing Authority, being the FCA acting in its capacity as competent authority for the purposes of Part IV of FSMA;

“**US$**” and “**$**” means U.S. Dollar;

“**U.S. GAAP**” means generally accepted accounting principles in the United States of America;

“**Wallapop**” means Wallapop S.L; and

“**we**”, “**us**” and “**our**” means Naspers Limited or, where the context requires, the Group.

PART IV
THE BUSINESS

OVERVIEW

We are a global internet and entertainment group and one of the largest technology investors in the world. We operate in over 120 countries and markets that we believe have long-term growth potential and aim to build leading companies that empower people and enrich communities. For more than 100 years we have grown by investing in, acquiring and building leading companies with what we believe to be sustainable competitive advantages. We have evolved from publishing a single newspaper in South Africa to what we believe to be one of the leading technology investors globally. We typically focus on large consumer trends where we try to identify changes early, adapt suitable business models for the high-growth markets we are focusing on and aim to leverage our position to build great businesses that have scale, are profitable and generate healthy cash flows.

Naspers is an international group.

- We believe that approximately 18% of the world's population uses the products and services of companies we have built and in which we have invested. Many of these customers use the products of more than one of our companies.

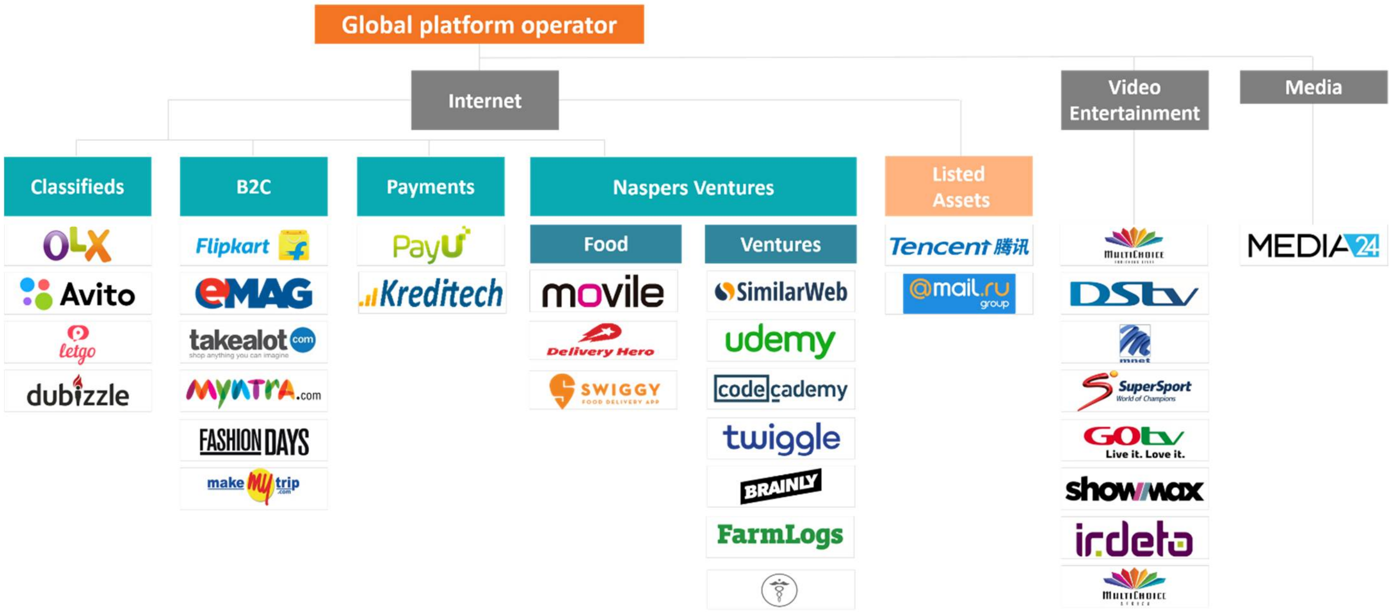
- 80% of our revenue on an economic interest basis is generated outside of South Africa.

- 72% of our revenue on an economic interest basis comes from our internet and e-commerce activities.

- As of 31 March 2017, the businesses we control employed around 25,000 people across the world.

Our principal operations are in internet services and e-commerce (in particular, online classifieds, e-tail, payments, online food delivery and online travel services), video-entertainment and media. We are market leaders in many of the businesses and markets in which we operate. Our most significant markets are China, Central and Eastern Europe, Russia, Africa, North America, Latin America, India, Southeast Asia and the Middle East.

We deliver our content and services in a variety of forms and through a variety of platforms. Our platforms provide services that connect people, distribute media products and allow people to engage in e-commerce. We achieve this by packaging key content, creating communities and building brand names around them. The chart below shows our operational structure:



*Organogram depicts major brands

In FY 2017, we generated consolidated revenue and EBITDA of $6,098 million and $72 million, respectively. On a consolidated basis, our investments in associated companies and joint ventures are accounted for under the equity method, whereby our proportionate share of associated companies' and joint ventures' results are included in our consolidated results. Our video-entertainment, internet and media segments generated 56%, 36% and 9%, respectively, of our consolidated revenue during this period. In FY 2017, 46% of our consolidated revenue was derived from subscription revenue, 36% was derived from e-commerce revenue and 6% was derived from advertising revenue. Our international operations continue to grow and South Africa accounted for 47% of our consolidated revenue during this period (48% in FY 2015).

For segmental reporting purposes, we report investments in associated companies and joint ventures on a proportionately consolidated basis (economic interest basis). See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus. On this basis, we generated revenue and EBITDA of $14,562 million and $3,252 million, respectively, in FY 2017. Our video-entertainment, internet and media segments generated 23%, 73% and 4% of our revenue, and 16%, 83% and 1% of our EBITDA before corporate services, respectively, during this period. On this basis, South Africa accounted for just 20% of revenue in FY 2017, down from 28% in FY 2015.

Our major listed associate investments include our 33.2% effective interest in Tencent, the leading provider of internet and mobile telecommunication services in China, our 28.7% effective interest in Mail.ru Group Limited, one of the two leading internet, entertainment and social network platforms in Russia, our 42.7% effective interest in MMT (taking into account MMT's capital increase in May 2017), one of the largest online travel groups in India, and our 10.6% effective interest in Delivery Hero (taking into account the IPO of Delivery Hero in June 2017). Tencent is listed on the Hong Kong Stock Exchange with a market capitalisation of approximately HKD 3,125 billion, or approximately $399.3 billion (based on an exchange rate of HKD 7.8 to $1.00), as of 31 August 2017. Mail.ru is listed on the London Stock Exchange with a market capitalisation of approximately $6.5 billion as of 31 August 2017. MMT is listed on the NASDAQ with a market capitalisation of approximately $3.5 billion as of 31 August 2017. In FY 2017, we received dividends from Tencent of $191 million. We also have a 14.2% effective interest in Flipkart, an unlisted leading e-commerce marketplace in India.

The following sections provide an overview of our major business segments.

Internet

We operate internet businesses across a variety of platforms and geographies, and many of our internet businesses are market leaders in their sectors. We own the OLX and letgo brands, under which we operate classifieds businesses in more than 40 countries; we also own the PayU brand, under which we provide payment solutions in 17 countries; through Tencent and Mail.ru, we also have large ownership interests in leading providers of internet entertainment and communication services in China and Russia, respectively. Our internet assets are spread across China, Russia, Central and Eastern Europe, Brazil and the rest of Latin America, India, Southeast Asia, Africa and the Middle East. Our platforms and communities offer e-commerce, communication, social network, entertainment and mobile value-added services, but our focus is on e-commerce.

We generate revenue from our user base through various methods, including transaction fees, subscription fees and online gaming fees, as well as through online advertising and sales of services and consumer products. We are expanding across the value chain, increasing the number of products and services we offer to customers, with mobile internet services a priority.

Our internet activities comprise:

- *Listed investments:* Tencent and Mail.ru

  We own a 33.2% interest in Tencent, the leading provider of internet entertainment and communication services in China, and a 28.7% interest in Mail.ru, one of the two leading internet entertainment and social network platforms in Russia.

- *E-commerce platforms:* online classifieds, e-tail, payments, online travel, food delivery and Naspers Ventures

  We have expanded our e-commerce operations through a combination of organic (i.e., growth in local currency excluding the effects of acquisitions and disposals) and acquisitive growth. Operations now cover a total of more than 50 countries across the world. Operating under various brands to build local trust, we provide transactional functionality to consumers and merchants to trade online through classifieds, e-tail, payment and other platforms.

  Major operating companies are as follows:

  - **Classifieds:** OLX is the leading online classifieds platform across growing markets in more than 40 countries (Russia (through the Avito brand), Poland, Portugal, UAE (through the Dubizzle brand), India and Brazil being the key markets), with more than 330 million monthly active users during FY 2017. letgo is a hyperlocal classifieds marketplace app in North America, Europe and Africa. Dubizzle is the leading online classifieds and community portal in the Middle East and North Africa, with over 28 million visits in March 2017. Avito is the leading classifieds site in Russia, with over 10 billion page views in March 2017.

  - **E-tail:** Flipkart is India's leading e-commerce marketplace, offering over 80 million products to around 120 million registered users (based on Flipkart's internal estimates). eMAG is one of the biggest e-commerce platforms in Romania and has operations in Poland, Bulgaria and Hungary. Takealot is the leading general e-tail destination in South Africa.

  - **Payments:** We continue to roll-out payment systems under the PayU brand, with operations now in 17 markets, mainly in Eastern Europe, the Middle East, Latin America, Africa and India. In FY 2017, daily payment transactions on PayU increased by 38% compared to FY 2016. Kreditech is a provider of consumer lending and financial services.

- **Travel:** MMT, which merged with ibibo in January 2017, is India's leading online travel group in terms of transactional volumes.

- **Naspers Ventures:** Naspers Ventures partners with entrepreneurs to build leading technology companies in high-growth markets and identifies companies and founders with high potential to scale globally. Naspers Ventures has invested in technology segments including education (Codecademy, Brainly and Udemy), health and agriculture. We have a 70.7% interest in Movile, which we believe is a leader in the online food delivery market in Brazil under its brand iFood. Movile's portfolio also includes PlayKids, which is in an early-stage but growing kids' educational application, with a profitable mobile value-added services business in Latin America. We have expanded our global food delivery business through recent investments in Delivery Hero, operating in over 40 countries globally, and Swiggy, a first party food delivery marketplace in India. SimilarWeb provides web analytics services.

Video-entertainment

We offer digital satellite television, digital terrestrial television, on demand online television and other video-entertainment services through MCSA in South Africa and MCA in 49 countries across the rest of sub-Saharan Africa. We believe we are the market leader in African video-entertainment services with over 11.9 million subscribers as of 31 March 2017 and $3,398 million in consolidated revenue in our video-entertainment segment. We strive to maintain our leading market position through a customer-centric focus and continued investment in technological advancement. By establishing DTT infrastructure in 10 sub-Saharan African countries, we believe we have prepared our business to maintain this position as video-entertainment grows and evolves in Africa. In FY 2017, 81% of our video-entertainment revenue came from subscription revenue, of which $1,870 million (67%) was generated in South Africa and $901 million (33%) was generated in sub-Saharan Africa.

Through our subsidiary, Irdeto, we also provide content protection solutions and software security to content owners, platform operators, device manufacturers and other providers of digital content, including our affiliates. These products and services are used to secure and enable the delivery of valuable content and access to systems in our video-entertainment and internet businesses. We have been providing encryption technology for more than two decades.

Showmax is the Group's SVOD service. It was launched in August 2015 and offers a wide selection of movies and TV series from leading Hollywood studios, as well as local African shows. Showmax is fully localised in South Africa, Kenya and Poland, and is available in over 60 additional countries.

Media

We have been active in the media industry for over 100 years. This segment comprises our magazine, newspaper, printing, distribution, online news and book-publishing businesses in South Africa. We own 85% of Media24, a leading publisher in South Africa, with more than 80 newspapers, almost 40 magazine titles, and substantial digital media properties which reach more than 18 million monthly unique browsers across its platforms.

HISTORY AND DEVELOPMENT OF THE COMPANY

Naspers Limited was incorporated and registered in Cape Town on 12 May 1915, under the laws of the then Union of South Africa as a public limited liability company, with the name "De Nationale Pers Beparkt". The Company first changed its name to Nasionale Pers Beperk on 16 January 1922 and then on 12 August 1998 to Naspers Limited and currently bears the registration number 1925/001431/06. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder. We conduct our operations primarily through our subsidiaries and other affiliates. The registered office and principal place of business of the Company is located at 40 Heerengracht, Cape Town, 8001, the Republic of South Africa.

We started as a printer and publisher of newspapers and magazines in 1915. We first published the Afrikaans language daily De Burger (later renamed Die Burger) in June 1915 which was followed by our first magazine De Huisgenoot (later Die Huisgenoot) in 1916. In 1918, book publishing operations followed and our print media operations continued to develop, making the company one of the most significant media hubs in Africa at the time. Our printing and publishing operations continue to operate under the Media24 brand.

With the advent of electronic media, we expanded our activities to incorporate video-entertainment in the 1980s and internet platforms in the 1990s.

In 1985, we and several other South African media companies formed Africa's first pay-television business, M-Net, which was listed on the JSE in 1990. In October 1993, M-Net was divided into two companies. The subscriber management, signal distribution and cellular telephone businesses were placed into a new company called MultiChoice Limited (later re-named MIH Holdings Proprietary Limited), while video-entertainment content remained in M-Net. In 1992, MultiChoice began expanding outside of South Africa into other sub-Saharan countries with the launch of an analogue service, which was delivered via satellite to more than 20 African countries. In 1995, Digital Satellite TV services were launched across Africa with an improved channel offering.

In April 2000, MIHH disposed of its cellular telephone interests and in return acquired a controlling stake in M-Net and SuperSport. In 2007, we finalised our acquisition of 39.88% interests in M-Net and SuperSport, which are now wholly owned subsidiaries within the MCSA group.

In 2001, we acquired a 50% interest in Tencent, the operator of an instant-messaging platform in China called QQ. The business developed into the leading instant-messaging business in China. Tencent was listed on the Hong Kong Stock Exchange in June 2004, and, as a result, our interest was diluted. Our ownership interest as at 31 March 2017 was 33.3%; it is currently 33.2% owing to the issue of employee stock options.

In 2002, we carried out a reorganisation pursuant to which the minority interests in MIH Holdings and MIH Limited were swapped for shares in Naspers itself. MIH Limited shareholders resident in countries other than South Africa received their interest in Naspers's shares in the form of Naspers's ADSs. MIH Holdings' shares were delisted from the JSE and MIH Limited's shares were delisted from the NASDAQ. At the same time, Naspers's ADSs were listed on the NASDAQ. We acquired additional interests in M-Net and SuperSport, which were both subsequently delisted from the JSE and Nigerian Stock Exchange with effect from 15 April 2004. In 2007, we delisted our ADSs from the NASDAQ and subsequently listed them on the LSE.

In December 2006, we acquired a 30% interest in Port.ru Inc., a leading Russian internet company, which operates a Russian website servicing the global Russian-speaking community. We subsequently acquired further interests of 2.6% in October 2007 and 10.3% in December 2008. In November 2009, we exchanged our 42.9% interest in Port.ru Inc., together with a cash contribution of $104 million, for a 39% interest in Mail.ru, which, subsequent to a share swap, holds 100% of the Mail.ru business and Astrum Online Entertainment Holdings business, the leading Russian online games developer. In 2010, we consolidated our internet interests in Russia, acquiring a 28.7% interest in DST, a prominent internet company in Russian-speaking markets. DST was renamed Mail.ru Group Limited and listed on the London Stock Exchange in November 2010. Our ownership interest in Mail.ru was 28.7% as at 31 March 2017.

In 2008, we began to sharpen our focus on e-commerce and advanced our internet e-commerce business by investing in Tradus plc, a company providing online consumer trading platforms and related e-commerce services through their Allegro and Ricardo branded websites, for a consideration of $1.9 billion.

In 2010, we acquired a 67.8% interest in OLX Inc. on a fully-diluted basis, a global online classifieds platforms business with operations primarily in Brazil and India. We used the OLX platform to establish ourselves as a leading global online classifieds player.

In 2011, we acquired a 100% interest in Slando Limited, an online classifieds company in Russia and Ukraine. In March 2013, we contributed our Slando.ru and OLX.ru assets, as well as $50 million in cash, in exchange for a 22.2% interest in Avito Holdings AB. Avito.ru is the leading general classifieds platform in Russia. This was followed up in December 2015 with the acquisition of a controlling interest in Avito Holdings AB for a total cash purchase consideration of $1.67 billion, giving us a 67.5% interest on a fully-diluted basis and solidifying our position in the Russian market.

Our e-tail businesses continued to grow with the acquisition of a 79% interest in Netretail Holding B.V., an online retailer with operations in the Czech Republic, Slovakia, Slovenia and other Central and Eastern European markets, for a cash consideration of $215 million in June 2012. During October 2012, we further invested cash of $82 million in total, to acquire a controlling stake of Dante International S.A., trading as eMAG, a leading online retailer in Romania.

In August 2012, we acquired a 10% interest in Flipkart Limited, a leading e-commerce site in India, for $102 million in cash. During FY 2015, the Group also participated in two funding rounds of its associate Flipkart Limited. These funding rounds, carried out in May and August 2014, resulted in additional cash investments of $52 million and $250 million, respectively. The Group invested a further $71 million for an additional interest in April 2017. The Group now holds a 13.1% interest in Flipkart on a fully-diluted basis.

In October 2012, we acquired a 29.6% interest in Souq Group Limited, an online retailer, marketplace and payment platform business, with operations in the United Arab Emirates, Saudi Arabia, Egypt and Kuwait, for $37 million in cash.

In January 2015, the Group entered into agreements with Schibsted, Telenor Holdings ASA and Singapore Press Holdings Limited for the establishment of joint classifieds business activities in Brazil, Indonesia, Bangladesh and Thailand. The Group also acquired Schibsted's classifieds business in the Philippines as part of this transaction. During February 2015, the Group entered into further agreements with Schibsted regarding the acquisition of Schibsted's Romanian classifieds business and the sale of the Group's Hungarian classifieds business.

During February 2015, the Group acquired a 46.5% interest in Takealot Online (RF) Proprietary Limited, which operates a leading South African e-tail business, in exchange for the contribution of its South African e-tail business Kalahari.com. In August 2015, we invested a further $54 million. In August 2017, the Group acquired a controlling stake in Takealot for $74 million. Following the investment, the Group holds a fully-diluted interest of 53.6%.

In May 2015, we invested $10 million in Ambatana Holdings B.V., an entity operating a hyperlocal classifieds marketplace app under the letgo brand. Following a further $50 million investment in September 2015, the group held a 67.5% interest on a fully-diluted basis. We continued to invest in the letgo brand and strengthened our position in the U.S. by absorbing the U.S. operations of Wallapop S.L. in July 2016. We have invested a total of $313 million in Ambatana at the end of FY 2017. The Group currently holds a 73.4% interest in the business.

In our travel business, we acquired a 100% interest in redBus, an Indian online bus ticketing platform, in FY 2014 for $101 million in cash. Our travel business continued to grow and in January 2017, we merged our Indian travel business, ibibo, with NASDAQ-listed MakeMyTrip Limited, and invested an additional $92 million in cash in exchange for a 40% fully-diluted interest in MakeMyTrip Limited. This merger allows us to focus on growing the online travel market by building the largest online travel agent in India. The Group invested an additional $132 million in MakeMyTrip Limited, during May 2017.

We believe that we remain disciplined in our allocation of capital and therefore continue to evaluate our portfolio. This evaluation has led to the disposal of a number of businesses including: our Czech online comparison-shopping platform Heureka for a cash consideration of $67 million in May 2016; our Czech online retail and e-commerce platform Netretail for a cash consideration of $102 million in July 2016; and our shareholding in our subsidiary Ricardo for $248 million in September 2015. In January 2017, we concluded the disposal of Allegro and Ceneo, the leading online marketplace and price comparison businesses in Poland, for a consideration of $3.2 billion. In May 2017, the Group completed the disposal of its investment in Souq Group Limited for a consideration of $173 million.

In May 2017, we acquired a 10% fully-diluted interest in Delivery Hero GmbH, an online food-ordering and delivery marketplace business operating in 40 countries, for $426 million. On 30 June 2017, Delivery Hero listed on the German stock exchange, at which time we invested a further $47 million and currently hold a 10.6% interest in the business.

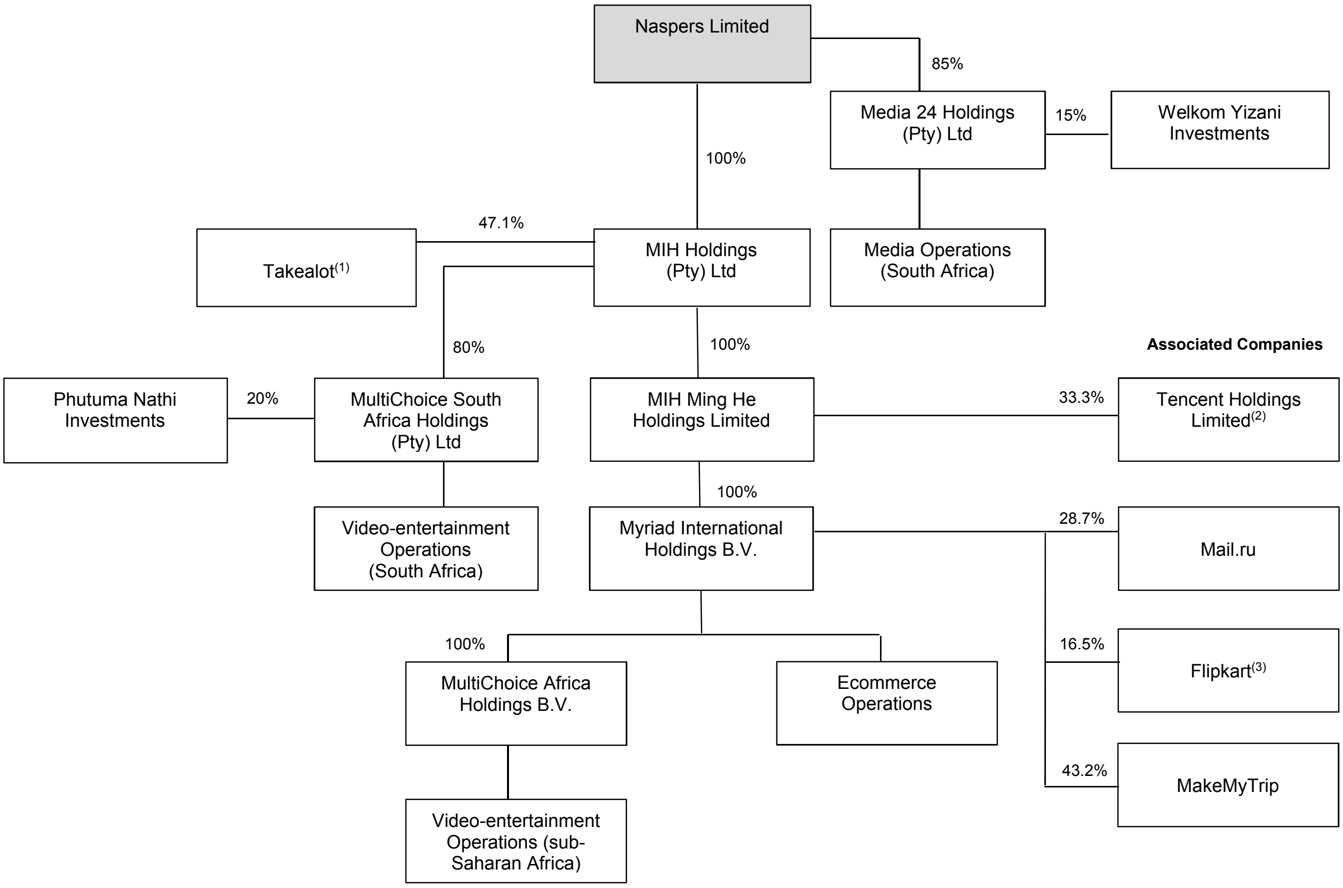
In May 2017, we acquired a 37.6% interest in Kreditech Holding SSL GmbH, a provider of consumer lending and financial services, for a cash consideration of $99 million and we committed a further $22 million in respect of future funding through convertible loans.

In June 2017, we acquired a 14.8% fully-diluted interest in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food delivery marketplace in India, for a cash consideration of $61 million.

In September 2017, the Group entered into an agreement to acquire an additional 13% stake in its associate Delivery Hero GmbH for approximately €660 million ($775 million). Following the investment, the Group will hold an effective interest of 23.6% in Delivery Hero. The transaction is subject to regulatory approval.

ORGANISATIONAL STRUCTURE

The diagram below depicts, in simplified form, our corporate structure as of 31 March 2017. The diagram presents the Company and certain of our significant subsidiaries, associated companies and joint ventures. Various intermediate holding companies have been omitted for presentation purposes.



(1) In August 2017, we acquired a controlling interest Takealot. Following the investment, we consolidated Takealot as a subsidiary and hold a fully-diluted interest of 53.6%. See "*Segments—Internet—E-Commerce*" in this Part IV.

(2) Our current effective interest is 33.2%.

(3) Our current effective interest is 14.2%.

The following table presents each of our significant subsidiaries over which we have voting control through our direct and indirect interests in respective intermediate holding companies and other entities, the percentage of shares of each subsidiary owned by us as of 31 March 2017, their area of business and their country of incorporation.

Name of subsidiary	*Percentage ownership*[1]	*Business*	*Country of Incorporation*
Investment holding companies			
MIH Holdings Proprietary Limited	100.0	Investment holding	South Africa
MIH Ming He Holdings Limited	100.0	Investment holding	Hong Kong
Myriad International Holdings B.V.	100.0	Investment holding	The Netherlands
Video-Entertainment			
MultiChoice South Africa Holdings Proprietary Limited	80.0	Subscription television	South Africa

Electronic Media Network Proprietary Limited	80.0	Video-entertainment content provider	South Africa
SuperSport International Holdings Proprietary Limited	80.0	Video-entertainment content provider	South Africa
Showmax B.V.	100.0	Subscription video-on-demand	The Netherlands
MultiChoice Africa Holdings B.V.	100.0	Investment holding	The Netherlands
Irdeto B.V.	100.0	Technology development	The Netherlands
Internet			
Avito AB	70.5	Classifieds	Sweden
Ambatana Holdings B.V. (letgo)	69.7	Classifieds	The Netherlands
letgo USA B.V.	41.6	Classifieds	The Netherlands
PayU Global B.V.	97.6	Internet payments platform	The Netherlands
Buscapé.com Inc.	100.0	Comparative shopping and e-commerce	Brazil
Movile Internet Movel S.A.	70.7	Mobile value added services	Brazil
OLX B.V.	99.9	Classifieds	The Netherlands
FixeAds Servicos de Internet S.A.	99.9	Classifieds	Portugal
Silver Indonesia JVCo B.V. (OLX Indonesia)	40.5	Classifieds	The Netherlands
Netrepreneur Connections Enterprises Inc. (OLX Philippines)	91.6	Classifieds	Philippines
Dubizzle Limited (BVI)	53.7	Classifieds	UAE
MIH B2C Holdings B.V. (previously Intervision (Services) Holdings B.V.)	100.0	Investment holding	The Netherlands
Dante International S.A. (eMAG)	77.1	Retail and e-commerce	Romania
TekTravel Private Limited (Travel Boutiques Online)	47.3	Online travel portal	India
Vipindirim Elektronik Hozmetler ve Ticaret A.S. (Markafoni)(2)	100.0	Retail and e-commerce	Turkey
Citrus Payment Solutions Private Limited	100.0	Payments	India
Media			
Media24 Holdings Proprietary Limited	85.0	Investment holding	South Africa
Media24 Proprietary Limited	85.0	Publishing	South Africa
Novus Holdings Limited(3)	52.0	Printing	South Africa

(1) The percentage interest shown is the financial effective interest, after adjusting for the interests of the Group's equity compensation plans treated as treasury shares and taking into account retention options. The Group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

(2) Markafoni discontinued its operations effective 30 June 2017 and is in the process of being liquidated.

(3) Media 24 reduced its shareholding in Novus to a 19% non-controlling minority shareholding as a condition to the approval of the merger between Media 24 and Novus. See further "*Legal and Other Proceedings*" in this Part IV.

The following table presents each of our significant associated companies, our percentage interest as of 31 March 2017, their area of business and their country of incorporation.

Name of associated company	*Percentage ownership*	*Business*	*Country of Incorporation*
Listed companies			
Tencent Holdings Limited	33.3(1)	Internet related services	China
Mail.ru Group Limited	28.7	Internet related services	Russia
MakeMyTrip Limited	43.2	Online travel	Mauritius
Unlisted Companies			
Flipkart Limited (previously Flipkart Private Limited)(2)	16.5	E-commerce	India
Silver Bangladesh JVCo B.V. (Ekhanei)(3)	49.7	Classifieds	The Netherlands
Silver Thailand JVCo B.V. (Kaidee)	44.1	Classifieds	The Netherlands
SimilarWeb Limited	28.8	Internet metrics	Israel
Takealot Online (RF) Proprietary Limited	47.1(4)	Retail and e-commerce	South Africa
Udemy Inc.(5)	12.0	Education technology	United States
Twiggle Limited(5)	13.9	E-commerce search	Israel
Ryzac Inc. (Codecademy)	21.3	Education technology	United States
Brainly Inc.	26.0	Education technology	United States
Agrisight Inc. (Farm Logs) (5)	11.7	Agriculture technology	United States

(1) The percentage ownership is currently 33.2%.

(2) The percentage interest shown is the financial effective interest, after adjusting for the interests of the Group's equity compensation plans treated as treasury shares and taking into account retention options. The Group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

(3) Closed down in May 2017.

(4) The percentage ownership is currently 53.6% on a fully-diluted basis; since consolidated as a subsidiary.

(5) The Group accounts for its interest as an investment in an associate on account of its board representation.

The following table presents each of our significant joint ventures, over which we have joint voting control through our direct and indirect interests in respective intermediate holding companies and other entities, our percentage interest in the joint venture as of 31 March 2017, their area of business and their country of incorporation.

Name of joint venture	*Percentage ownership*(1)	*Business*	*Country of Incorporation*
Souq Group Limited(2)	36.4	E-commerce	Singapore
Konga Online Shopping Limited	50.9	E-commerce	Nigeria
Silver Brazil JVCo B.V.	49.9	Classifieds	The Netherlands
El Cocinero a Cuerda S.L. (iFood Mexico)	23.1	E-commerce	Spain

(1) The percentage interest shown is the financial effective interest, after adjusting for the interests of the Group's equity compensation plans treated as treasury shares and taking into account retention options. The Group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

(2) The Group completed the disposal of its investment in Souq Group Limited in May 2017.

OUR STRENGTHS

We believe that our principal strengths are the following:

Diversified Player across Geographies and Media Platforms

We have attained what we believe to be sustainable leadership positions in certain of our markets that we believe present above average growth opportunities due to their economic growth, scalability and relatively low, but fast-growing, broadband and mobile penetration levels. We estimate that approximately 18% of the world's population use products and services of companies that Naspers has built, acquired or invested in. We have established leading positions in online classifieds services in nine of the 15 most populous countries in the world through our subsidiaries, associates and joint venture companies. Most of our global traffic, in some markets over 80%, comes from mobile devices. We also believe we are the leading video-entertainment service provider in South Africa and sub-Saharan Africa. With more than 11.9 million subscribers across 50 African countries, we offer subscription video-on-demand services in South Africa and Kenya as well as more than 60 other countries, including Poland, and we have leading e-commerce and internet platforms in China, Russia, Central and Eastern Europe, Brazil, India, Southeast Asia and the Middle East.

Our diverse platforms have reduced our reliance on any single technology or business model and led to increased revenue diversification from subscription, advertising, e-commerce, technology, printing, circulation and other sources of revenue. In FY 2017, subscription revenue made up the largest portion of our total consolidated revenue (46%), followed by e-commerce revenue (36%).

We are also diversified geographically, reducing our exposure to any single currency or country. Our most significant operations are in China, Central and Eastern Europe, Russia, Africa, Latin America, India, Southeast Asia and the Middle East. Attractive demographics in our markets offer growth opportunities for new products and services. In particular, our e-commerce platforms offer opportunities for an enhanced range of internet transactions and services in the territories in which we operate, as well as possible expansion into new territories.

Leading Video-entertainment Operations in Markets with Growth Potential

We believe we are the leading provider of video-entertainment services in South Africa and sub-Saharan Africa, where we have operations in 50 countries. At the end of FY 2017, we had 11.9 million subscribers, growing at a compounded annual rate of approximately 18% from the end of our 2008 financial year, when we had 2.6 million subscribers. During FY 2017, we generated $3,398 million in consolidated revenue in the video-entertainment segment.

Our South African video-entertainment business has consistently delivered steady growth in subscribers for 30 years. Since 2008, our South African subscriber base has grown at an annual compounded rate of approximately 14% reaching 6.4 million subscribers at the end of FY 2017. In recent years we have marketed our lower priced content packages which has expanded our customer base across the socioeconomic spectrum, providing future upgrade potential.

Many sub-Saharan African countries, outside of South Africa, have under-penetrated video-entertainment markets as a result of relatively low incomes and low internet penetration. This offers growth potential in the region. We have been successful in unlocking part of this growth potential through our expanded product offering over the past few years, which includes more lower tiered packages, including GoTV, our digital terrestrial television product offering in 10 countries in sub-Saharan Africa. This segment of the market continues to offer good growth potential and future upgrade potential to some of our other product offerings. At the end of FY 2017, we had 5.6 million subscribers in sub-Saharan Africa, outside of South Africa, and a compounded annual growth rate of 30% from the end of our 2008 financial year, when we had 0.7 million subscribers. We hope to increase our revenues by offering additional products and services to our subscribers and continuing to focus on customer retention.

Established Internet Platforms in Markets with Growth Potential

We are a leading provider of internet and e-commerce services in several markets that we believe have significant growth potential. Our OLX brand is the leading classifieds brand in several countries, has operations in more than 40 countries and had garnered more than 330 million monthly active users during FY 2017. We have established leading positions in online classifieds services in nine of the 15 most populous countries in the world through our subsidiaries, associates and joint venture companies. We have continued to strengthen our position in India, where we consolidated our travel business through the merger with MMT, as well as acquiring Citrus Pay, a leading Indian online payment service provider. We also own a minority interest in Flipkart, a leading online e-tailer in India. We have also expanded our reach in Russia, through the acquisition of a majority interest in Avito, Russia's leading online classifieds platform.

We believe our e-commerce businesses, particularly our e-tail, classifieds, online food delivery, payments and travel businesses, have significant potential for future growth, principally as a result of increasing internet access in underpenetrated markets and the proliferation of mobile devices and connectivity. In recent years, we have increased our focus on expanding our e-commerce businesses into markets with growth potential. We believe iFood is a leader in the online food delivery market in Brazil. In FY 2015, iFood formed a joint venture with the number two player in the market, Just Eat. Building further on our presence in global food-delivery, we recently acquired a 10.6% interest in Delivery Hero, the largest online food-delivery company by orders globally, and a 14.8% interest in Swiggy, an Indian first-party food delivery provider. In September 2017 we entered into an agreement to acquire an additional stake of 13% in Delivery Hero. This transaction is subject to regulatory approval. During FY 2017, we merged our letgo operations in the United States with Wallapop to create what we believe to be a category leader in the app-only classifieds space based on monthly active users for March 2017.

We have leveraged our existing expertise in other growing markets and believe that part of our success in these markets has been our emphasis on taking a local approach, involving competent local partners and management teams, and incorporating linguistically and culturally tailored local content in our service offerings. We concentrate on media, e-commerce, entertainment and communication needs of individual users and understand how to integrate and market related services to them. Our expertise lies in packaging content and creating communities, building brands around them and running platforms that distribute products, support e-commerce and sell advertising.

Our internet business is currently our largest and fastest growing segment, bolstered by our large and active internet user base, which provides large communities for our users to interact with via e-commerce, online gaming and other consumer services.

Strong Track Record of Developing Profitable Internet Businesses

We believe that we have a strong track record of creating value through investing in and further developing internet businesses. We have established strong positions in internet entertainment and communications in China and Russia through our investments in our associates, Tencent and Mail.ru. Both Tencent and Mail.ru illustrate our ability to identify successful internet investment opportunities early in their development and help grow them into leading platforms. In 2001, we purchased a 50% stake in Tencent and, as of 31 August 2017, our current 33.2% stake was worth approximately $132.5 billion (based on an exchange rate of $1 to HKD 7.8). In 2006, we purchased a 30% stake in Mail.ru for $166 million, and as of 31 August 2017, our current 28.7% stake was worth approximately $1.8 billion.

In addition, we have also selectively acquired, and made minority investments in e-commerce companies in several growing markets. For example, in financial year 2008, we advanced our internet e-commerce business by investing $1.9 billion in Tradus Plc, a company providing consumer trading platforms and related e-commerce services through their Allegro and Ricardo branded websites. In FY 2017, we disposed of Allegro (including Ceneo) for $3.2 billion. Ricardo was disposed of in FY 2016 for $248 million.

We currently have 21 profitable e-commerce businesses, including 10 online classifieds businesses in Russia, Poland, UAE, Portugal and various Eastern European countries, our payments business in Poland, Chile and Romania and our mobile content and online food delivery business in Latin America. A further three of our online classifieds businesses are currently being monetised and, we believe, are on a path to profitability. Avito, our profitable Russian classifieds business, continues to deliver results above our expectations through strong revenue growth (54% in local currency in FY 2017) and an EBITDA margin of 56% for FY 2017. We continually develop innovative consumer services (such as marketplace tools and shopping solutions for our e-commerce platforms and online games, virtual items and communication services for Tencent and Mail.ru) to enrich the experience of our users and to increase their loyalty to our internet communities. Our large, active and loyal user communities also allow us to market our consumer services to a significant customer base through advertising and word-of-mouth marketing in our online communities.

Resilient Business Model with Established Infrastructure and Strong Brands

As a leader in the African media sector, we have gained significant knowledge and depth of experience in each of our major business segments. We have been able to leverage that knowledge and experience to establish successful operations in geographies around the world while keeping our content and services locally focused. We have also been able to replicate our global best practices across products and borders, enabling us to build market- leading positions in multiple geographies.

Within our video-entertainment operations we have a well-established infrastructure to deliver video content via satellite transmission, over digital terrestrial networks and online. This technology allows us to reach subscribers across geographies and socioeconomic status and provide differentiated content and unique services. In addition to our well-established infrastructure, we believe that we also have attractive content, such as first run movies and live sports, which we provide on an exclusive basis. We believe that we have the ability to offer attractive content and programming on an exclusive basis due to our strong brand in Africa.

We expect that future entrants to the e-commerce industry would also need to devote significant resources to developing their brand and website/apps infrastructure in order to drive traffic to their platforms. Entrants to the e-tail sector in particular will also have to devote resources to establishing logistics infrastructure and, in some cases, build up inventory to be sold to customers. Moreover, the classifieds sector has strong network effects, and we believe that the top one or two classifieds players in each market will be able to establish significant market shares.

Rapid technological advancement in recent years has forced media companies to invest continually in new products and platforms to remain competitive and to keep pace with changing consumer demands. Our economies of scale, ability to draw large audiences and relatively stable and predictable cash flows, driven by our established businesses, have helped us sustain significant investments in new platforms and technologies with a view to supporting businesses that become leading or profitable, thus enabling us to remain competitive as the media and internet industries grow and evolve.

Financial Flexibility to Pursue Our Strategy

Our leverage profile and potential sources of liquidity provide us with the necessary flexibility to allow us to pursue our business strategy of organic growth and strategic acquisitions. As of 31 March 2017, our net leverage ratio (calculated as adjusted net debt divided by adjusted EBITDA) was negative 8.01x (2.51x in FY 2016) since we had an adjusted net cash position of $1,105 million. Our net leverage ratio calculation does not reflect any EBITDA generated by Tencent and Mail.ru, which are equity-accounted, rather than proportionally consolidated. As of 31 March 2017, we had a total of $2.8 billion in undrawn commitments under our credit facilities, including approximately $2.5 billion of undrawn commitments under our Revolving Credit Facility which matures in 2020. Most of our credit facilities mature between 2020 and 2025. Our bonds mature between 2017 and 2027. Our ownership stakes in Tencent, Mail.ru, MMT and Delivery Hero, all publicly listed companies with a liquid secondary market free float, provide us with further financial flexibility. A sale of a small portion of our holdings would be sufficient to cover our debt obligations. As of 31 March 2017, we had total debt of $4,261 million, and the aggregate market value of our interests in Tencent, Mail.ru and MMT was $93 billion (based on the Federal Reserve exchange rates as of 31 March 2017 of $1 to HKD7.7714), representing a gross debt to value ratio of only 4.6%. Our management also maintains a financial policy focused on managing currency risk with a prudent foreign exchange strategy.

Stable and Predictable Cash Flows

We are focused on building a cash generative portfolio over time and already operate several video-entertainment and e-commerce businesses that generate significant cash flows for the Group.

Our Development Spend is primarily focused on growth markets outside of South Africa and sub-Saharan Africa and on the growth of our e-commerce business. Our diverse business portfolio also generates revenue across multiple products and geographies, mitigating the risks associated with the current volatility in certain sectors of the media industry. In FY 2017, 53% of our consolidated revenue was generated outside of South Africa, and our internet segment accounted for 36% of our consolidated revenue.

For segmental reporting purposes, we report investments in associated companies on a proportionately consolidated basis. See “*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*” in Part III (*Important Information*) of this Prospectus. On this basis, 80% of our revenue was generated outside of South Africa, and our internet segment accounted for 73% of our revenue in FY 2017.

Our South Africa video-entertainment business is our main cash-generative business, with a consolidated EBITDA margin of 30% and a consolidated cash conversion rate (calculated as cash from continuing operations less capital expenditures, repayment of capitalised leases and taxation paid, plus investment income received as a percentage of EBITDA) of 67% in FY 2017. Within the internet segment, and without taking Allegro and Ceneo into account, 21 of our classifieds, payments, mobile content, food delivery and online comparative shopping businesses are profitable and cash-generative. These 21 profitable businesses contributed $210 million to our operating profit in FY 2017. Our e-tail businesses and the majority of our classifieds businesses have been consuming cash in recent years as we work to expand, build and scale them. The Development Spend in our existing e-tail and classifieds businesses has been declining in the past two years, which has been offset by investments in new areas such as letgo, Showmax and online travel in India. Importantly, a significant portion of Development Spend in the internet segment is discretionary. Our free cash flows from our South African video-entertainment business have been relatively stable over the past five years. Our annual dividend received from our investment in Tencent has grown at a compounded annual growth rate of 32% over the same period to $247 million in June 2017.

Experienced Management Team with a Proven Ability to Build Market Leading Businesses

We have an entrepreneurial and experienced management team that has demonstrated its ability to improve Naspers’s competitive position by building and maintaining leading market positions through organic growth and selected portfolio acquisitions and disposals, and we have regional and business-level leadership teams with local industry experience that has helped us maintain our local approach.

We seek to hire and retain key executives across our geographies and business lines that are accomplished and recognised in their respective fields. Our e-commerce team has been significantly strengthened with leading industry experts over the past few years.

Our management team has repeatedly demonstrated its ability to organically build leading businesses in each of the industries in which we operate. We have built many of our businesses into market leaders in their industries and geographies. We believe we are the leading provider of video- entertainment services in Africa, with operations in 50 countries. OLX is a leading classifieds brand operating in over 40 countries and PayU is a leading online payments platform in India.

Our management team has demonstrated its ability to create value for our investors by selectively acquiring businesses with growth potential and disposing of successful non-core assets. On occasion over the past two decades, we have sought to monetise our businesses by publicly listing subsidiaries while remaining a significant shareholder. Driven by our continued focus on capital allocation and returns, we disposed of Allegro and Ceneo (marketplaces), Netretail (online retail and ecommerce) and Heureka (online comparison shopping) in FY 2017.

Our management team has demonstrated its pragmatism and willingness to work with our competitors when it makes strategic and financial sense for us. In May 2016, we merged with the U.S. operations of Wallapop under our letgo brand, which has resulted in letgo becoming one of the fastest growing mobile classifieds platforms. We have also merged our travel business, ibibo, with MMT in India to create India's leading online travel business as well as consolidated our Indian payments business through the acquisition of Citrus Pay, which enhanced our market position, particularly in the airline and telecom sectors, and increased our merchant count, among other benefits. In May 2015, we completed a merger between Kalahari, our subsidiary, and Takealot, one of our competitors in the South African e-tail industry, to create a leading South African e-tail company. Moreover, in November 2014, we established a joint venture with Schibsted, to create the leading online classifieds services provider in certain key growing markets, including Brazil, Indonesia and Thailand, allowing us to grow our classifieds businesses in those markets more quickly as a result of the economies of scale presented by cooperation with Schibsted. We also expect that these acquisitions and mergers will provide us with an incremental return on investment while reducing our financial exposure due to shared costs, expertise and personnel. We believe this will accelerate the overall development of the internet businesses and allow us to focus on product improvement rather than competing for market share.

OUR STRATEGY

Due to a market environment of global platforms, we intend to continue to focus on building platforms that address major societal needs in high-growth markets. During the recent years, our strategy has shifted from a focus on high-growth markets, which we continue to pursue, to a heightened focus on high-growth opportunities. To achieve this, we in general:

- partner with founders and/or entrepreneurs to build growth businesses with scale, which then provides strong and defensible leadership positions (as well as healthy financials);

- offer services that address something fundamental for customers, as this approach makes customers use these platforms regularly; and

- focus on growth markets, as this approach gives us two sources of future growth: the rapidly growing markets themselves and the business model reaching its full potential.

Our objective is to sustain the organic growth of our business, supplemented by a focus on selected investments and acquisitions, while providing a quality service and a local approach. We plan to achieve these objectives in the following ways:

Reinforcing Leadership Positions by Focusing on Consumer Driven Platforms

We believe that platform businesses are the most valuable in the media and internet industries because they often deliver attractive financial profiles, together with strong consumer engagement. We have made substantial investments in recent years, especially in our e-commerce business, to scale our subscriber and user platforms, and we intend to continue such investments to consolidate our leading positions in certain markets and expand into others. We have numerous attractive consumer platforms in our global portfolio, from Tencent and Mail.ru to our video-entertainment segment, our classifieds and online food-delivery businesses; these platforms address and monetise real consumer needs and allow us to reach into new markets. Given the rapid technological changes in the video-entertainment and e-commerce markets, we will continue developing our businesses to accommodate services and products and to further adapt to changing technologies, markets, competitive environments and consumer preferences.

We have consistently sought to adjust our business to meet changing consumer demands and have transformed our business from a single-country newspaper company and an early investor in mobile telephony in South Africa to a multinational leader in video-entertainment and a leading global consumer e-commerce company. We will continue to focus on dedicating significant engineering capacity to build superior products that solve a consumer need and that can be distributed through an ecosystem of other businesses based on the distribution power of our existing platforms. These differentiators reinforce our leadership positions. Our video-entertainment segment, in particular, has experienced rapid change over the past 10 years, from the introduction of targeted lower-priced packages in 2006, to the introduction of HDTV in South Africa in 2008 and the introduction of personal video recorders and on demand online services in 2010. In 2016, we introduced subscription video-on-demand services (Showmax) to supplement our offering due to changing consumer behaviour. Our e-commerce business has grown increasingly important as more consumers gain access to, and become more dependent upon the internet, especially through the use of mobile devices. Our mobile service offerings have expanded, in particular in our classifieds business where letgo has become the fastest growing hyperlocal mobile classifieds app for second-hand goods in the United States. Our media segment has similarly become more focused on electronic delivery of content. We intend to continue our focus on addressing consumer demands and maintaining strong leadership positions in our key markets as the media and internet industries continue to evolve in the future.

Continuing to Grow and Scale Our Global Internet Business

Focusing on e-commerce, we intend to develop and expand our range of internet services in the markets in which we operate (China, Russia, Central and Eastern Europe, Brazil, India, Southeast Asia, Africa and the Middle East) and possibly into new geographies. We believe that our focus on our e-commerce businesses in these markets will offer us significant benefits because, as the economies and internet penetration in these markets grow, the use of e-commerce products should grow; and as leading providers of internet services in these markets, we are well positioned to take advantage of the growth in e-commerce. We believe that we have been able to grow our variety of internet businesses into market leaders, mainly because our approach allows us to take e-commerce concepts that have been successfully implemented by major international players or by our home-grown start-ups and make them work in local communities all over the world.

We plan to further diversify the revenue sources within our existing internet businesses. In the near term, we will seek to consolidate and expand our existing e-commerce platforms and to achieve leadership positions in our C2C and B2C platforms through organic growth, driven by expanded geographic and product footprints. There are also clear opportunities to expand in vertical sub-segments that complement our existing businesses, like our expansion into real estate and vehicles in our classifieds business, which have the potential to scale globally (for example, in FY 2017, we launched several auto and real estate vertical businesses under the Storia and Stradia brand names). In addition, we continue to experiment and invest in businesses which have the potential to contribute towards the next wave of growth for the Group, including investments in food delivery, education, healthcare, agriculture and consumer credit technologies.

We intend to continue expanding our online user base, as we believe the large size of our communities is a competitive advantage. Users generally prefer to trade on the largest platforms to ensure selection, convenience and maximum value and efficiency, as exemplified by the success of our classifieds e-commerce platform. As our internet platforms become larger and achieve scale, we expect to generate increased revenue from our customers and will look to build additional revenue opportunities, such as advertising, extended warranties and financing options within our e-tail and payment operations. In recognition of the importance of mobile technology, and the access that it provides our customers (particularly in growing markets), to the future of internet business, we have a strategy that focuses on mobile devices (mobile-first strategy) and we seek to create products that work efficiently and primarily on mobile devices. We also plan to grow our online user base by increasing the relevance and attractiveness of our platforms through more innovative product offerings, sharing best practices across our global operations and continuing technological development.

Growing Our Video-entertainment Subscriber Base and Expanding Our Services

We intend to continue growing our digital video-entertainment subscriber base with the addition of new customers, and by upgrading existing customers to personal video recorders, on demand online television services and subscription video-on-demand services. We also intend to continue to grow our video-entertainment business by leveraging our investment in content and our existing subscriber base to roll-out over-the-top subscription video on demand services to our customers. We experienced significant subscriber growth following the introduction of DTT services in various countries and cities, and we expect that our subscriber base will continue to increase as our DTT services become more established and well-known and as the middle class grows in many parts of sub-Saharan Africa. We anticipate growth in the lower priced programming packages, but limited opportunity in the premium programming package.

We target customers by offering programming packages across the price spectrum and by adding interactive and online services to various programming packages. We also target customers in our geographies by purchasing and producing linguistically and culturally tailored local content. We intend to continue to promote our lower-priced programming packages, in particular our Compact and Family packages, to target the growing middle class in Africa, which we expect can contribute to subscriber growth. Our GoTV (DTT) packages are targeted at the lower end of the market in an effort to create a customer base that reaches across the socioeconomic spectrum and has future upgrade potential.

Selectively Pursuing Investment, Acquisition and Disposal Opportunities While Maintaining Our Local Approach

We believe that our leading market positions, in particular in our internet segment, provide us with a strong platform from which to expand our businesses. Our disciplined expansion strategy is focused on developing our existing businesses and sourcing potential investment and acquisition targets in growing markets where we believe we will be able to attain and sustain leading market positions. We carefully evaluate, select and pursue expansion opportunities, primarily through investments in our existing businesses (including bolt-on acquisitions to deepen and widen our existing businesses) and selectively through strategic acquisitions.

We have a successful track record of establishing, investing in and acquiring businesses in growing markets, while maintaining a conservative capital structure. We believe that a component of our success in these markets is our emphasis on a local approach, often involving local partners and management teams and incorporating linguistically and culturally tailored local content in our service offerings. We encourage local entrepreneurs to retain a stake in the business to ensure that they are incentivised to further develop their businesses. We believe that local partners and management teams are generally better able to understand the local media, trading and communication needs of individual users in local markets. For this reason, one key criterion in our assessment of potential acquisitions is the competence, strength and commitment of the local partners and management teams involved. We intend to continue to emphasise a local approach as we expand our businesses. Other investment criteria include: the target’s capacity to become and remain a market leader; its ability to service any acquisition debt; a favourable political and regulatory environment; a top entrepreneurial management team; and our ability to obtain a strategic stake in the target company. We continue to follow a very stringent assessment and selection process for all of our investments and acquisitions and closely monitor operational and financial performance of such investments and acquisitions against targets after closing an investment or acquisition.

In addition, we also have a successful track record of selling businesses profitably. For example, during January 2017, following the receipt of regulatory approval, we concluded the disposal of Allegro and Ceneo, the leading online marketplace and price comparison businesses in Poland for net proceeds of $3.2 billion. The sale of these businesses led to a gain on disposal of $1.9 billion in our income statement. As part of our strategy, we continue to evaluate the potential sale of select businesses and we strive to achieve value through any such disposals.

SEGMENTS

The core of our business evolves around platforms that connect people, help them improve their daily lives and entertain audiences with the best of local and global content. We operate our business through a number of platforms divided between our internet, video-entertainment and media segments. This leads to increased revenue diversification between subscription, advertising, e-commerce, printing, circulation and other revenue. We have established or invested in businesses in numerous growth markets, which has allowed us to also diversify geographically. Our businesses are at varying stages of growth. Our video-entertainment businesses have historically generated relatively stable EBITDA margins and strong cash flow and our e-commerce businesses have over the past three FY years experienced strong revenue growth.

Internet

Our platforms offer customers fast, intuitive and secure environments to communicate, be entertained and shop. Our e-commerce services span general and vertical classifieds, B2C e-tail, specialised online services, such as food delivery, travel and payments platforms.

Our internet assets are spread across China, Russia, Central and Eastern Europe, North America, Brazil and the rest of Latin America, India, Southeast Asia, Africa and the Middle East. Most of our businesses are market leaders in their sectors. Our listed assets (Tencent and Mail.ru) cover a wide variety of internet services which are built around core communication and social networking platforms operating mainly in China and Russia.

Customers are at the core of our internet businesses. Our large and active user base forms an important business driver, as it provides sizeable platforms for our users to interact with one another via the various services we provide. This in turn enables us to retain our existing users and attract new customers. We generate revenue from our user base through various methods, including transaction fees, subscription fees and online gaming fees, as well as through online advertising revenue and sales of services and consumer products. The majority of our internet businesses are not reliant on online advertising.

Investing in new companies is an inherent part of our strategy and we plan to continue experimenting and investing in businesses that we believe have the intrinsic value to become the next wave of growth. It is essential for our long-term ability to keep renewing ourselves. These investments are the primary domain of our Naspers Ventures unit.

Listed Assets

Tencent

Established in 1998, Tencent is a leading provider of useful and entertaining internet services in China. Users interact, share and communicate, and are connected to a broad range of online and offline services on Tencent's social and communication platforms. Tencent's core market is mainland China, with services also deployed in Taiwan, Thailand, India, Indonesia, Hong Kong, Malaysia and South Africa. Tencent's acquisition of game developers and publishers such as Riot Games and interests in Supercell and Paradox Interactive over the past few years has provided it with a global presence in online games.

In 2001, we acquired a 50% stake in Tencent. The company was listed on the Hong Kong Stock Exchange in June 2004. On listing and through subsequent share issues, our interest was diluted to the current 33.2%. Since then, Tencent's EBITDA has grown from RMB 0.5 billion in 2004 to RMB 62.5 billion in 2016. As of 31 August 2017, Tencent had a market capitalisation of approximately HKD 3,125 billion, or approximately $399.3 billion (based on an exchange rate of $1 to HKD7.8). Tencent has no formal dividend policy and dividends received on our investment over the last five years have been: $191 million in FY 2017; $146 million in FY 2016; $98 million in FY 2015; $81 million in FY 2014 and $61 million in FY 2013.

Tencent's leading internet platforms in China include:

- *Communication platforms:* including QQ instant messaging (850 million monthly active user accounts as of 30 June 2017, of which 662 million used the service via mobile devices) and Weixin/WeChat (963 million monthly active users as of 30 June 2017);

- *Social platforms:* including QZone (606 million monthly active users, of which 586 million used the service via mobile devices) and Weixin Moments;

- *Media platforms:* including Tencent News, Tencent Video, Online Music and Online Literature;

- *Online games platforms:* including desktop, internet and mobile games;

- *Advertising platforms:* including branded display advertising, performance-based social advertising, and video advertising on the aforementioned platforms.

Tencent also has strategic investments and co-operation agreements in place with the following major companies:

- JD.com – China's leading first party B2C e-commerce company;

- Meituan-Dianping – China's leading online-to-offline service provider with a focus on lifestyle and entertainment services;

- 58.com – China's leading online classifieds marketplace enabling local sellers and service providers to publish information and advertise their service offerings to local communities;

- Didi Chuxing – China's leading car-hailing service platform resulting from a merger between Didi Dache and Kuaidi Dache. Didi Chuxing acquired Uber China in August 2016;

- Sogou – Operates a search engine in China and offers internet value-added services for online games developed by third-party developers. Primary products include a search engine, Sogou Pinyin input, Sogou browsers and a directory;

- WeBank – An online bank that officially started business in January 2015. WeBank aims to serve urban young customers, the blue-collar segment and micro-enterprises; and

- Supercell – A leading global mobile games company, focused on developing free-to-play mid-core mobile games. Founded in 2010, it has made four global hit games in six years.

We believe Tencent's revenue stream to be well diversified. Tencent provides mobile and internet value-added services to meet the various needs of internet users including communication, information, entertainment, e-commerce and others. It generates revenues primarily from games, subscriptions, micro-payments and online advertising. Its strategic goal is to provide users with "one-stop online lifestyle" services.

Tencent's largest revenue contributor is its value-added service offering, which made up 71% of Tencent's total revenue for the year ended 31 December 2016. These services include, among others, online games, community value-added services and applications across various internet and mobile platforms. The second-largest revenue contributor is online advertising, which accounted for 18% of Tencent's total revenue for the year ended 31 December 2016. Online advertising revenue is mainly derived from branded display advertising, performance-based social advertising, and video advertising on the aforementioned platforms operated by Tencent. Various other smaller revenue streams, including from payment related and cloud services, accounted for the remaining 11% of total revenue earned for the year ended 31 December 2016.

Mail.ru

We hold a 28.7% indirect interest in Mail.ru, a leading provider of online communication products and entertainment services in Russia and to Russian language users throughout the world.

Since our acquisition, Mail.ru's EBITDA has grown from Russian Ruble 473 million in 2006 to Russian Ruble 17,914 million in 2016. Dividends were not paid in FY 2015 to FY 2017.

Mail.ru offers a variety of online communication products and entertainment services, including:

- *Email, portal and instant messaging services:* Mail.ru is the largest email service in Russia and the sixth largest email service in the world, with 52.6 million monthly active users as of 31 March 2017. Mail.ru operates the most popular portal in Russia, with 73.8 million active users as of 31 March 2017. Mail.ru also operates two instant-messaging services, Mail.ru Agent and ICQ;

- *Social networks:* Mail.ru operates the three leading Russian language social networks, Vkontakte (VK.ru), Odnoklassniki (OK.ru) and My World. In June 2017, Vkontakte and Odnoklassniki reached 91 million and 71 million monthly active users, respectively;

- *Online games:* Mail.ru operates the leading online game business in Russia. The portfolio includes leading massive multiplayer online ("**MMO**") games such as Warface, War Robots, Armored Warfare, Perfect World, ArcheAge, Allods Online, Skyforge, Legend: Legacy of the Dragons and Revelation. Mobile games are becoming a more important component of the gaming business; and

- *E-commerce:* Mail.ru operates Youla, their online classifieds business, which it has integrated with OK.ru. In June 2017, Youla reached 20 million monthly active users and over 4 million daily active users on all platforms. Mail.ru acquired Delivery Club, a food delivery service in Russia, in November 2016 for $100 million. The business has been fully integrated into Mail.ru. We believe that all relevant metrics reflected stable growth since the acquisition. Monthly orders increased 2.5 times compared to the prior year to 957,000 monthly orders in May 2017 and the number of restaurants exceeded 5,750. In May 2017, Mail.ru acquired Am.ru, one of Russia's largest auto classifieds websites for Russian Ruble 542 million. Mail.ru further strengthened its food-delivery by acquiring ZakaZaka, the number two food delivery company in Russia, for Russian Ruble 1,042 million.

Mail.ru's largest revenue contributor is online advertising, which made up 43% of its total revenue during the 2016 financial year. Community internet value-added services and MMO games contributed 28% and 27%, respectively, of total revenue during the same period.

E-commerce Platforms

We believe online shopping of goods and services is a major global consumer trend and expect it to become the single largest revenue segment in the internet market in years to come. Consequently, we have sharpened our focus on e-commerce in recent years.

We have expanded our e-commerce operations through a combination of organic and acquisitive growth. Our operations now cover a total of more than 80 countries across the world. Operating under various brands to build local trust, we provide transactional functionality to consumers and merchants to trade online through classifieds, e-tail, payment and other platforms.

During FY 2017, revenue in local currency (on an economic interest basis) from these businesses increased by 27%, as compared to FY 2016, to $2,929 million. While our e-tail operations currently generate the bulk of our e-commerce revenue, we plan to continue to grow our classifieds, online travel, food delivery and payments platforms. Our e-tail businesses record revenue on the sale of goods and services, while revenue in our other e-commerce platforms is driven by subscription commissions and advertising on their sites.

The following diagram provides an overview of the categories of operations within our e-commerce sub-segment and certain key platforms and businesses that we own within each category, and a description of each category follows.

Classifieds

We operate online classifieds platforms in over 40 countries under our main brand, OLX and in four additional markets under different brands, mainly Avito, Dubizzle and letgo; the platforms allow consumers to list items for sale and items wanted for purchase. Accordingly, we create a local, online exchange between buyers and sellers, offering value to all parties. In FY 2017, for our Classifieds operations as a whole, monthly unique listers grew by 22% year-on-year to 19.6 million in March 2017. We have also observed a significant increase in activity through our mobile app, where monthly active users increased by 49% year-on-year to 83.8 million users in March 2017. We have started to monetise our leading position in 12 markets, of which 10 were profitable in FY 2017. We also have leading positions in terms of monthly active users in 23 additional markets where we have not yet started monetising. Our revenue from classifieds includes listing and promotional fees.

We own 99.9% of OLX, which is one of the world's leading classifieds online platforms. OLX is the world's largest brand for C2C trade, with operations in Eastern Europe, Portugal, Southeast Asia, Latin America, Africa and the Middle East.

Poland is one of our most mature markets on the OLX platform and has delivered consistent growth and profitability, showcasing the attractiveness of the classifieds business model.

We operate classifieds businesses in Brazil, Indonesia and Thailand through joint ventures with Schibsted, Telenor and Singapore Press Holdings. We own 49.9% of our joint venture in Brazil, the most significant in our portfolio. As the leader in the market we have been able to accelerate revenue growth while cutting our investment in brand marketing.

In India, one of our key markets, OLX has established itself as the leading horizontal C2C classifieds player. We have also launched an auto vertical classifieds offering under our global brand Stradia.

We own a 67.5% interest, on a fully-diluted basis, in Avito, the leading classifieds site in Russia. The platform spans five key areas, including auto, real estate, jobs, services and general goods. Avito is currently thought to be the third largest classifieds platform in the world behind Craigslist (United States) and 58.com (China), generating more than 120 billion page views in 2016. Having introduced new monetisation methods this year, Avito continues to see steady growth in both user metrics and financials. For FY 2017, Avito grew its total revenue by 65% compared to FY 2016. In addition, Avito operates a leading real estate portal in Russia under the name Domofund.

We own a 69.7% interest, on a fully-diluted basis, in Ambatana, an entity operating a hyperlocal mobile classifieds marketplace app under the letgo brand in North America, Europe and Africa. In June 2016, we consolidated our United States operations with our competitor Wallapop, strengthening our competitive position. We continue to invest in our product.

The importance of product and technology in classifieds cannot be overestimated. Users are critical and have high expectations and low switching barriers. Therefore we plan to continue to be a product-first company to complement our brand positions. Part of our product roadmap strategy is to build vertical businesses which cater to more professional sellers, such as car dealers and real estate agents. In FY 2017, we launched several auto and real estate vertical businesses in our more mature markets under the Storia and Stradia brand names.

We are increasingly leveraging common product platforms across markets to enable speed to market for new product functionality and scale of operations. Given the local nature of the classifieds service, we also build in-country teams to drive brand awareness and customer interaction. We focus on building liquidity on the platforms for users through increased penetration and engagement, which in turn drives network effects. Our business model requires significant upfront investment to build market leadership and, as the market matures, we are able to introduce monetisation in the form of user fees for listings, value added services or advertising to deliver returns on capital invested.

Payments

Under the PayU brand, we offer solutions that enable safe and easy payment for goods and services bought online. PayU offers payments services in 17 countries which collectively represent a population base of 2.3 billion. PayU offers two broad services, payment system provider ("**PSP**") services and technology service provider ("**TSP**") services. PSP services are merchant arrangements where PayU provides payments processing technology platforms and also facilitates reconciliation and settlements for merchant partners. We serve both local and international merchants in the markets in which we operate, catering to both large enterprise merchants and small and medium sized businesses. TSP services are merchant arrangements where PayU only provides the processing technology and does not carry out any settlements. For TSP services, take rates or commissions on processed volumes, given our limited role, are lower than traditional PSP business. TSP services are primarily provided to large merchants, where PayU provides the technology to enable the merchant with direct connections to banks and payment networks. Recently PayU has also expanded into online consumer credit products in key markets including Poland, India and Colombia.

The PSP and TSP services are available to consumers on our e-commerce platforms and on platforms operated by third parties. Payment solutions enable and encourage participation in e-commerce, especially for customers with limited alternatives. We differentiate our payment solutions by offering a broad range of local payment options for our customers and good conversion of interest to sales for our merchants. Revenue from our payment platforms is derived from transaction fees.

We operate payment platforms, with over 250 payment options, in 17 markets around the world and provide payment services to over 300,000 merchants. Our business enables and empowers merchants and consumers in Central and Eastern Europe, Africa, India and Latin America to safely transact online. PayU is regulated as a financial institution and holds all necessary licences from national banks and local regulators. The company's products include a localised digital consumer wallet, a Payment Card Industry Data Security Standard certified payment gateway, anti-fraud systems and an online Visa/MasterCard acquirer.

We aim to continue to strengthen our position organically by driving operational efficiencies through automation, improving sales productivity to global benchmarks and continuing to invest in platform consolidation and security globally. At the same time, we have moved to consolidate our position in key markets such as India with acquisitions such as Citrus Pay. While strengthening our payments franchise, we also have plans to expand into cross-border payments and credit business. In May 2017, we acquired a 37.6% interest in Kreditech Holding SSL GmbH, a provider of consumer lending and financial services, for a cash consideration of $99 million and we committed a further $22 million in respect of future funding through convertible loans. The acquisition of Kreditech is consistent with our credit business ambitions.

PayU's total payments volume exceeded $16 billion in FY 2017, with more than 400 million transactions being processed. Our PSP business is profitable in Poland and we aim to achieve profitability in our global PSP and TSP business in the aggregate within the coming years.

B2C E-commerce

Naspers's B2C e-commerce is focused on market leading and scalable B2C marketplaces. Our B2C consists of three market leading local and regional businesses which we believe share common characteristics such as a leadership position in the market, strong management teams and a path to long-term profitable growth at viable unit economics. Collectively, these businesses operate in retail markets worth $840 billion and are well positioned to continue to benefit from the global shift from offline B2C commerce to B2C e-commerce.

We are building B2C businesses that enable consumers to purchase goods and services through our platforms. The business model for B2C e-commerce businesses typically requires scale to ensure success, as scale drives down per-unit costs, increasing contribution margins and allowing for more competitive pricing to consumers.

Providing fast delivery and a reliable and consistent level of customer service is the standard towards which all our companies are aiming. In order to create a market-leading position, B2C e-commerce businesses need to provide the same immediacy and comfort as traditional, offline retailers.

Mobile devices offer a unique opportunity to provide anytime, anywhere service and access to the broadest audience in a streamlined and easy-to-use fashion. All our companies have embraced "mobile first" strategies in their development plans across functions and are seeing their businesses shift dramatically from desktop to mobile access.

All our general B2C e-commerce businesses continue to focus on growth and scale and on additional monetisation streams to bolster the low margins that are typical of general retail. In addition, many of our B2C e-commerce businesses operate in markets where competitive and cost efficient logistics services do not yet exist, especially in the last mile of delivery.

We facilitate third-party B2C transactions through our proprietary marketplace platforms. We provide the platform and offer, among other things, sales management tools and traffic generation. In some instances, we will also purchase and hold inventory directly. Revenue from marketplace services is derived from percentage take rates from success fees on each transaction, as well as listing and promotional fees.

Our global footprint in B2C e-commerce currently covers eight operating companies in 14 markets. Some of our major businesses are set out below:

- We have a 78.5% interest in eMAG, which is one of the biggest e-commerce platforms in Romania and has operations in Bulgaria and Hungary. eMAG is building a highly efficient technology-led e-commerce platform, supported by a network of showrooms (which carry a limited amount of stock), and aims to become the leader in all Central and Eastern European markets. eMAG operates a general online retail business with a growing private label component that is already operating at scale in Romania, providing strong margins and cash flow from working capital, coupled with a highly structured marketplace business supporting approximately 4,500 merchants who can provide the same level of service. Fashion Days, which has been integrated into the eMAG operations, manages both the fashion category of eMAG as well as a dedicated offering under the eMAG umbrella. In FY 2017, eMAG acquired PC Garage, a specialised online retailer focused on gamers. eMAG has delivered strong growth rates over the last years, and in FY 2017, eMAG grew revenue by 41% in local currency. Romania accounts for the largest portion of eMAG's revenue and the Romanian business is close to break even. eMAG's international businesses are still in an early phase.

- We currently own an effective 14.2% of Flipkart, India's leading e-commerce marketplace offering over 80 million products across more than 80 categories of goods. Flipkart operates a structured first party and third party, B2C e-commerce platform, which includes a dedicated fashion business (Myntra/Jabong), a logistics business (eKart) and a payments business (PhonePe). Flipkart and Myntra offer consumers a broad selection of quality products at affordable prices across all major product categories from mobile phones to large appliances and apparel. PhonePe and eKart, Flipkart's payments and logistics businesses, are strategic enablers in the e-commerce value chain, which support the strategic targets of the core consumer retail businesses, while serving both Flipkart and non-Flipkart consumers. The market in India continues to provide a significant long term opportunity for online retail, as the online retail market is expected to reach $66.5 billion by 2020, up from $21.6 billion in 2016 (based on our internal estimates).

- In South Africa, we merged the Kalahari business with our competitor Takealot, a general online retail and marketplace platform. After the merger was completed, we received a 47% interest in Takealot. The merger increased the scale of the combined business, creating the leading general B2C e-commerce destination in the country. In addition to its core business, the Takealot group operates Superbalist, a footwear and apparel online retail platform, Mr D Courier, a point-to-point delivery platform, and Mr D Food, a food marketplace where restaurants sell food to consumers. In August 2017, we acquired a controlling stake in Takealot for approximately $74 million. Following the investment, we consolidated Takealot as a subsidiary and hold a fully-diluted interest of 53.6%.

In January 2017, we completed the merger of ibibo and redBus with MakeMyTrip ("**MMT**"), ibibo's main competitor. Following completion of the transaction, we received a 43.2% interest in MMT, a NASDAQ traded company, which is now India's leading Online Travel Agent ("**OTA**") as a result of the merger. MMT owns and operates well recognised online brands, including MakeMyTrip.com, goibibo.com, RightStay.com and redbus.in. Its comprehensive products and services allow customers to research, plan and book a wide range of travel services and products in India as well as internationally. Its services and products include air ticketing, hotel and alternative accommodations bookings, holiday planning and packaging, rail ticketing, intercity bus ticketing, car hire and ancillary travel requirements such as facilitating access to third-party travel insurance and visa processing.

MMT provides its customers with access to all major domestic full-service and low-cost airlines operating in India and all major airlines operating to and from India, over 40,000 hotels, 13,500 alternative accommodation properties in India and more than 240,000 hotels and properties outside India, Indian Railways and all major Indian bus operators. MMT's development and investment focus moving forward will continue to be in the hotel segment, where increased hotel coverage as well as driving customer acquisition and retention through service and technological innovation will be prioritised.

Naspers Ventures

There are a few historic platforms that have been part of the group for some time that fall under our Naspers Ventures group as listed below.

Separately we explore new initiatives in which Naspers Ventures partners with entrepreneurs to build leading technology companies in high-growth markets and identifies companies and founders with high potential and the ambition to scale globally. Naspers Ventures' goal is to identify the next phase of growth for the Company, identifying trends, technologies, segments and geographies to invest in that will experience significant growth in the coming decades.

Naspers Ventures evaluates consumer trends to understand engagement at a deep level, using this information to identify investment opportunities. Our focus is on the creation of global platforms that address complex societal needs of consumers and, through Naspers Ventures, we aim to explore these opportunities in new market segments. Specific segments demonstrating viable investment opportunities that have emerged are "Edtech", "Healthtech" and "Agtech".

Food delivery

We have a 70.7% interest in Brazil-based Movile, a leading provider of mobile consumer services. Movile's core market is Brazil but it also offers services in Mexico, Argentina, Peru and Uruguay. Movile owns 63.7% in iFood, which we believe leads the food-delivery market in Brazil and in FY 2015 formed a joint venture with the number two player in the market, Just Eat. In March 2017, iFood registered almost 3.7 million orders in Brazil and Mexico. This resulted in revenues for the profitable iFood business increasing by 229% from FY 2016 to FY 2017. The growth was supported by additional investments to expand the user base and add new restaurants to the platform. iFood now covers over 15,000 restaurants in Brazil, Argentina, Colombia and Mexico.

Ventures

Most of Movile's revenue comes from content services billed through mobile carriers, including content download, payment services and subscription services for alerts, education and leisure content and games for feature phones. In mobile commerce, Movile operates platforms that provide useful services to mobile users. Sympla Internet Soluções SA ("**Sympla**"), a joint venture that was acquired by Movile, is the leading self-service ticketing platform in Brazil after it acquired Eventick. The market for feature phones is, and has for some time been, declining, due to feature phones being replaced by smartphones with more advanced functions.

We own 28.8% of SimilarWeb, a leading international online competitive intelligence provider. SimilarWeb PRO unlocks traffic statistics for any website. SimilarWeb's proprietary classification algorithms create unmatched industry benchmarks and insights into competitive marketing strategies. SimilarWeb is used every day to help businesses, publishers, marketers and analysts to benchmark performance and find successful marketing strategies, driving more traffic and opportunities to their websites. SimilarWeb provides both mobile traffic statistics as well as desktop statistics.

Within the Edtech segment we have made investments in three fast growing entities that are at different stages of development. We acquired 21.3% and 26% in Codecademy and Brainly, respectively, which are focused primarily on growing user engagement through innovative learning platforms, whereas Udemy, in which we acquired a 12% interest, is already monetising and starting to scale their global marketplace for education, which is serving more than 12 million students globally.

Within the Agtech segment we own 11.7% of FarmLogs, which helps row-crop farmers use data science to make smarter, more efficient crop production decisions. More than 30% of U.S. farms are using FarmLogs on more than 64 million acres (25.5 million hectares) of farmland.

Within Healthtech, we have acquired a minority stake in the Human Diagnosis Project (Human Dx), which facilitates the creation of a machine-interpretable health database and ontology to map health problems and their possible diagnoses.

We own 11.7% of Twiggle. Twiggle is using artificial intelligence and natural language processing to transform searches for commerce companies, enabling an easier, more natural way to search.

In May 2017, we acquired a 10% fully-diluted interest in Delivery Hero GmbH, an online food-ordering and delivery marketplace business operating in 40 countries, for $426 million. On 30 June 2017, Delivery Hero listed on the German stock exchange, at which time we invested a further $47 million and currently hold a 10.6% interest in the business. In September 2017, the Group entered into an agreement to acquire an additional 13% stake in its associate Delivery Hero GmbH for approximately €660 million ($775 million). Following the investment, the Group will hold an effective interest of 23.6% in Delivery Hero. The transaction is subject to regulatory approval.

In June 2017, we acquired a 14.8% fully-diluted interest in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food delivery marketplace in India, for a cash consideration of $61 million.

Online Comparison Shopping

We own a 100% stake in Buscapé, headquartered in São Paulo. Buscapé offers online price-comparison services to enable consumers to obtain specifications, reviews, availability and pricing on products offered by multiple vendors. Buscapé receives a fee from vendors for buyer leads generated and purchase transactions completed. Buscapé generated more than 400 million visits during FY 2017.

Video-Entertainment

Overview

We operate video-entertainment subscriber platforms in sub-Saharan Africa. Our strategy is to deliver quality entertainment "anytime, anywhere and on any device". Various technologies are used to offer DTH satellite, DTT, as well as online and mobile services. We also develop content protection and access-management technologies for internet, video-entertainment and mobile platforms.

As a pioneer in pay-television on the African continent, MultiChoice has played an important role in making information and entertainment easily accessible, and as an African business, its investments have brought both social and economic benefits to the communities where it operates, through access to information, job opportunities, partnerships and training.

Packages

In fulfilling our strategic objective to deliver quality entertainment "anytime, anywhere and on any device", we offer digital satellite, digital terrestrial and other video-entertainment services for all income groups. Our products and services are provided to several market segments through six DStv packages to suit various lifestyles and viewing tastes, and range from the entry-level DStv EasyView package to the top-end DStv Premium package. Other packages on offer include Extra, Compact, Family and Access. The Analog package is a legacy package only available to existing customers.

We continue to provide content that resonates with customers across our various packages. M-Net remains focused on the production and acquisition of the most compelling local and international programming. Through the commissioning of local content, we are building an African library which can be used into perpetuity on all of our owned platforms.

The programming packages we offer in the rest of sub-Saharan Africa, outside of South Africa, contain many of the same channels as are included in our South African programming packages, supplemented with local content specifically developed for the targeted markets in the rest of sub-Saharan Africa. Our current content offerings are strong and we will continue to invest in maintaining the quality and appeal of our programming packages.

Our Premium package targets higher income individuals and includes some of the best entertainment programming available, from across the world. This package includes over 136 world-class television channels and over 90 audio channels. Programming includes live sport coverage, news, documentaries, international blockbuster movies, series, lifestyle, kids' entertainment and a variety of music channels. Our Compact, Family and Access packages cover the growing middle and lower income groups, which have experienced the fastest growth in subscriptions in the past two years. Our Compact package is our mid-tier package and includes more than 90 television channels, including two dedicated football channels. Our Family and Access packages offer subscribers a selection of up to 69 television channels and a number of audio channels, with the main focus being local content. Our EasyView package is our most affordable package and includes up to 26 television channels covering news, general entertainment, religious programming and the free-to-air channels. Our Analog package consists of two television channels.

Through our DTT offer, GOtv, we offer three different content packages; GOtv Plus, GOtv Value and GOtv Lite. These packages are designed per country to serve the mass market and offer great value local and international content together, without the need for a satellite dish installation.

Products and Services

To meet rising demand for changing consumption patterns, we offer applications on tablets, smartphones and feature phones that give our subscribers access to the DStv Catch Up services, linear channels, live sport streaming, information, communication and self-service functions (including payments). We also offer PVRs, transactional video-on-demand (BoxOffice), Catch Up services to the PVR and online and DStv over Fibre. In FY 2017, our BoxOffice subscribers rented around 625,000 titles per month, on average.

In 2014, we also launched DStv Now, which allows DStv Premium customers to watch the latest movies, series, live sport and DStv Catch Up content on their tablets or smartphones anywhere and at any time. We continue to create on-demand services, accessible on as many devices as possible. DStv Now has over 60 streaming channels, together with catch up content and various other on-demand offers.

In 2016, we launched the second generation of our flagship personal video recorder, the DStv Explora 2, available to customers at increasingly competitive prices. In addition to the Explora 2, we launched DStv over Fibre, which enables customers to receive our services over a fibre connection rather than by satellite. We are working with network owners to offer this on their network infrastructure as fibre networks become more widely available.

In August 2015, we launched our SVOD service (Showmax) in Africa and have subsequently launched it in Poland and other countries. Showmax is available to our DStv Premium customers as part of their programming package.

Giving our customers uninterrupted viewing is essential to our business. To ensure this happens, we have successfully launched the IS20B satellite, satisfying disaster recovery requirements as well as providing increased transponder capacity in order to grow content and HD offerings.

Over the next few years we expect video-entertainment to continue to shift to online video-on-demand services, which creates an opportunity for us to launch new services and expand our existing business using the relevant technology. Other products and services we are currently developing or plan to develop include new television channels focused on local content, expanded HD channels, enhanced DStv Catch Up services, both through the PVR and online, and several video-on-demand services, to satisfy changing consumer preferences and the digital landscape. Our traditional pay-television skills, together with our online capabilities, should support our efforts to transition online.

The following table sets out our video-entertainment subscriber numbers for the periods indicated.

	As of the financial year ended 31 March (In thousands)		
	2015	2016	2017
	Unaudited	Unaudited	Unaudited
Subscribers	**10,225**	**10,411**	**11,942**
South Africa DTH	5,406	5,732	6,358
Rest of sub-Saharan Africa DTH	2,563	2,275	2,583
Rest of sub-Saharan Africa DTT *(GoTV)*	2,256	2,404	3,001

From FY 2015 to FY 2017, we increased our subscribers by 17% from 10,225,313 subscribers at the end of FY 2015 to 11,941,952 subscribers at the end of FY 2017, yielding a compound annual growth rate of 8%. In particular, our lower-priced programming packages, Compact, Access, Extra, GoTV and Family, which target the growing middle-income group in our countries of operation, experienced the fastest growth in subscriptions over these years. As of 31 March 2017, subscribers of our Premium, Access, Compact, Family and GoTV programming packages represented 16%, 18%, 27%, 4% and 25% of our total subscribers, respectively. Our DTT services under our GoTV brand in various sub-Saharan African countries have experienced growth since their establishment in 2012, expanding from 376,591 subscribers at the end of our 2013 FY year to 3,000,725 subscribers at the end of FY 2017.

Operational Focus

Total customer experience remains pivotal to our success and customer retention, customer service and general cost control remained key focus areas for our business. In order to receive a digital signal, a subscriber is required to acquire a decoder and satellite dish, or in the case of our DTT services, a decoder and antenna. We partially subsidise the decoder acquisition costs, which in turn stimulates our expansion into and penetration of the digital video-entertainment market. Decoder costs form a large cost item in our video-entertainment business, second only to programming content costs. We treat our decoder subsidies as a discretionary marketing expense.

Our operations across the African continent experience a good degree of operating and commercial synergies between markets. Synergies are realised through certain centralised functions, including IT and broadcast infrastructure, the acquisition of programming content, the use of satellite capacity, and an integrated research and development department.

South Africa

MultiChoice South Africa Holdings Proprietary Limited ("**MCSA**"), which operates our video-entertainment segment in South Africa, is a South African company that has grown into a successful media and video-entertainment business.

MCSA's major brands (DStv, M-Net and SuperSport) continue to play an important role in growing the subscriber base through the delivery of content and services through a variety of platforms. MCSA, through DStv, offers sports, movies, series and general entertainment channels to our customers in South Africa and across the continent. The genres covered include sport, movies, children's entertainment, education, lifestyle and culture, general entertainment, documentaries, news and commerce, music, religion and consumer affairs. Content is bundled into packages with a mix of channels.

M-Net delivers thematic channels and exclusive content (sourced from international content owners and commissioned localised productions) to DStv customers in South Africa and the rest of the continent. SuperSport is the continent's leading aggregator of local and global sporting content, showcasing the best on-field action and sporting commentary. M-Net has output agreements with most of the major film studios, enabling it to screen quality movies, series and mini-series. M-Net compiles 40 entertainment channels for broadcast across sub-Saharan Africa, and SuperSport produces 30 sports channels for distribution across sub-Saharan Africa. The SuperSport mobile application provides information and live streaming (with live scores and statistics) of specific sporting events.

DStv Media Sales handles commercial airtime sales and on-air sponsorship across M-Net, SuperSport and the majority of DStv's international channels. DStv Digital Media gives life to DStv's streaming and video-on-demand services via DStv Now, to bring customers what we believe is the best possible entertainment experience. It is dedicated to finding new ways of connecting customers to their favourite shows. It also manages the various portals, websites and mobile broadcasting activities of the Group.

The marketing efforts of MCSA's South African video-entertainment business are focused on growing the emerging middle class subscriber base through the promotion of the lower and mid-tier priced programming packages, while retaining the premium base.

MCSA services its South African subscriber base through its customer care and billing centres in Johannesburg, Durban, Cape Town and Centurion. In addition, 123 independent agencies across the country allow DStv subscribers to make payments and provide a point-of-contact for decoder and other services. MCSA has a network of 1,156 accredited installers across South Africa.

MCSA received its 15-year broadcasting licence on 4 August 2008. The licence is platform neutral and therefore allows broadcast via any medium, subject to obtaining a frequency licence where required. As of 1 April 2013, the annual broadcasting licence fee was revised from 1.5% of gross profit to a sliding scale based on turnover, up to a maximum of 0.35% of annual turnover of the licensable activities. The licence further requires a black economic empowerment shareholding of 30%, with which MCSA complies. The remainder of the conditions relate to training, skills development and contributions to the broadcasting sector. In addition, South African "must carry" rules require us to broadcast the public broadcaster's free-to-air channels on our pay-television services.

Our video-entertainment, communication and network businesses operate in highly regulated industries, particularly in South Africa, and the legislative environment continues to develop. The Group's strategy and operations are affected by key regulatory developments, including an ongoing review of the information and communication technology sector and the current review of the broadcasting sector by the communications ministry. The South African Competition Commission (the "**Commission"**) is continuing with its investigation of the complaint laid which alleges abuse of dominance and excessive and predatory pricing. The investigation is ongoing and there have been no significant further developments.

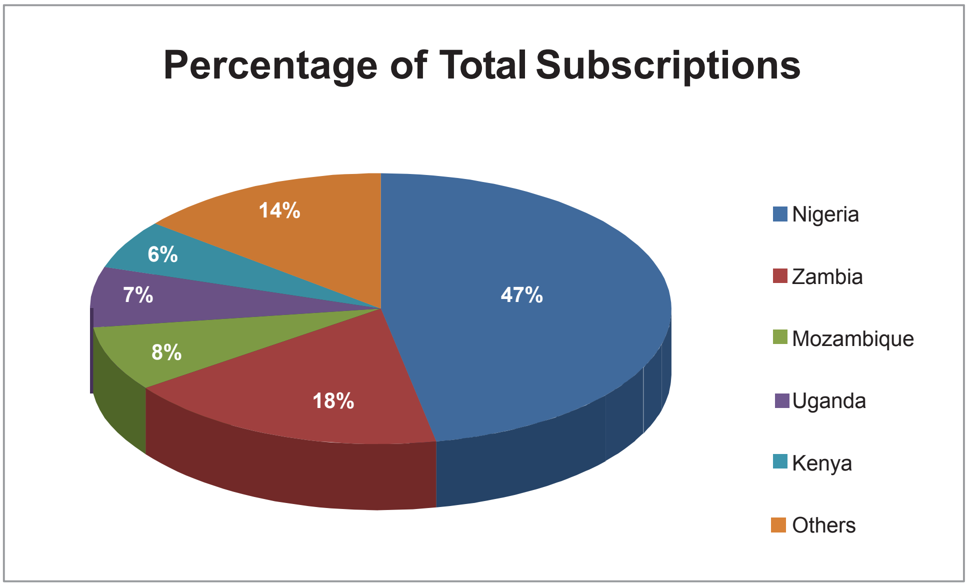
ICASA is conducting an inquiry into competition in the subscription broadcasting market in South Africa. The objective of the inquiry is to determine whether there are competition issues in the sector which require action by ICASA through imposition of pro-competitive licence conditions on licensees that have significant market power. MultiChoice is working on its response to the discussion document that ICASA published on 25 August 2017.

The continued global shift to increased mobile viewing of video content, together with technological developments, has resulted in a dramatically more competitive landscape across the continent. We continue to add to our already-strong content and customer offerings with innovation being the cornerstone of our strategy to retain and grow our customer base across Africa.

Rest of Sub-Saharan Africa

We offer digital satellite video-entertainment services to sub-Saharan Africa through MultiChoice Africa Limited ("**MCA**") and various subsidiaries, joint ventures, agents and franchises. MCA has also built a digital terrestrial network in 10 sub-Saharan African countries. MCA offers many of the same channels in sub-Saharan Africa as MCSA offers in South Africa, including those broadcasting exclusive films and popular sports. MCA's programming line-up includes more than 200 video channels (including the customised M-Net channel and many major international network channels) and up to 65 audio channels. We provide video-entertainment and subscriber management services in 49 countries in sub-Saharan Africa and adjacent islands. We also have ownership interests in subsidiaries and joint ventures operating in Nigeria, Kenya, Ghana, Uganda, Tanzania, Zambia, Namibia, Mozambique and Botswana.

The following chart sets out our subscriber breakdown by sub-Saharan African country, excluding South Africa, as of 31 March 2017.



The following table sets out our video-entertainment presence in sub-Saharan Africa as of 31 March 2017.

Country	Presence
Nigeria	79% subsidiary
Ghana	50% subsidiary
Kenya	60% subsidiary
Tanzania	60% subsidiary
Uganda	75% subsidiary
Zambia	51% subsidiary
Botswana	51% subsidiary
Namibia	49% subsidiary[(1)]
Angola, Zimbabwe, Malawi, Ethiopia, Mozambique, Swaziland	Franchises
Benin, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Republic of Congo, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Gabon, Gambia, Guinea (Conakry), Guinea Bissau, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, São Tomé & Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Sudan, Saint Helena (British Overseas Territory), Sudan and Togo)	Agents

(1) Naspers has management and board control of the relevant entity.

The marketing efforts of MCA's sub-Saharan video-entertainment business are focused on the major cities in each of the countries served on the basis that households in these major metropolitan areas are more likely to be able to afford video-entertainment services. The introduction of our lower priced packages and our GOtv service enabled MCA to address a broader market segment, and we implemented aggressive pricing policies to help drive subscriber growth following analogue switch-off delays in certain of our sub-Saharan African markets. One of the major factors that distinguishes MCA from other video-entertainment providers in the region is that it offers customised programming packages and local language packages to countries where the predominant language is not English. English, Portuguese, French and/or Asian packages are available in 50 countries across the continent and adjacent Indian Ocean islands. The Group has intensified its focus on providing localised programming to subscribers.

In 2016, we strengthened our Compact Package by including the English Premier League at the compact tier level, together with other improved content propositions. We also aligned pricing across the continent to demonstrate more value in the lower segments. This has helped accelerate growth in the middle segments of the market.

MCA and its joint ventures, agents and franchises operate under the necessary licences where required, which generally are long-term in nature, and work with regulatory bodies on the development of suitable legislation and regulations in those countries where legislation and regulations are still to be finalised.

Video-entertainment attracts ongoing regulatory scrutiny in several territories on the continent, particularly South Africa, Angola, Malawi, Nigeria, Kenya, Tanzania, Uganda and Zambia. As regulators are key stakeholders in our video-entertainment business, MultiChoice actively supports developments in the broadcasting regulatory landscape while monitoring events, such as elections, that may increase business complexity.

Irdeto

Irdeto's products and services help its customers manage new technology implementations, such as 4K Ultra HD, combat the growing scale and sophistication of online piracy and cyber security threats, and accommodate consumer demand for high quality, multi-screen experiences. Its products and services include conditional access, multi-DRM, piracy control as well as watermarking solutions and cybercrime prevention. Its products and services are used to secure and enable the delivery of valuable content and access to systems in our video-entertainment businesses. Irdeto also delivers security solutions to our online and mobile payment provider, PayU. Irdeto has customers worldwide and its products and services are used across digital broadcast, broadband and mobile platforms.

Showmax

Showmax is our SVOD service. It was launched in August 2015 and offers a comprehensive selection of movies and TV series from leading Hollywood studios, as well as local African shows produced on the continent. Customers are able to watch Showmax on mobile devices such as smartphones and tablets, on laptops as well as smart TVs and other media players.

Showmax launched Showmax Select in Africa in September 2016 to address the emerging segment in a mobile-first play. This product is bundled with a discounted data package provided by South African telecommunications company Telkom, which makes viewing more accessible for mobile data consumers.

Showmax also launched in Poland in 2017, with a tailored content offer designed specifically for that country.

Media

The Media24 group has undertaken a significant restructuring of its operations over the past few years. We continue to invest in innovative digital and mobile solutions to accelerate the migration of our print media audiences and advertisers to digital platforms and to diversify our revenue streams with new revenue streams such as online recruitment classifieds, e-fashion and e-commerce fulfilment.

Media24 is South Africa's leading newspaper and magazine publisher, with almost 40 magazines and more than 80 newspaper titles; it operates several significant digital media platforms, including News24, Netwerk24 and recently also Huffington Post South Africa, and reaches more than 18 million monthly unique browsers across its digital platforms. Our activities also include printing, distribution, book publishing, e-commerce and online job classifieds. These activities are conducted primarily in South Africa, with some operations in neighbouring countries. We are also considering expansion into select territories in the rest of Africa, such as Nigeria. The mature print media portfolio has been streamlined through the closure of loss-making titles and consolidation of functions, systems and processes. In addition, several initiatives are being implemented to drive efficiencies and further reduce the cost base.

Media24 currently has a 19% in Novus Holdings (formerly Paarl Media Group).

24.com

24.com is South Africa's largest digital publishing network and provides online services across desktop, mobile devices and apps. The network is centred around digital flagship News24, a popular news destination. News24 is the country's top-ranked free local news app on both iOS and Android.

E-commerce

Media24's online fashion venture, Spree, was launched in April 2013 and has since grown into a sizeable player in the local e-fashion market. During FY 2017, the business recorded strong growth in sales and orders, especially via its shopping app, and increased its market share.

Recruitment classifieds

Media24's online recruitment classifieds portal, Careers24, maintains the number two position behind market leader PNet and continues to track ahead of CareerJunction, both owned by Axel Springer (measured in terms of page views and visitors).

Publishing

News

Media24 News is the leading newspaper publisher in South Africa, publishing six of the country's top 10 titles. The division publishes six daily newspapers (Daily Sun, Die Burger, Beeld, Volksblad, Son and The Witness), four Sunday newspapers (Rapport, City Press, Sunday Sun and Son op Sondag), five weekly newspapers (Beeld Saterdag, Die Burger Saterdag, Volksblad Saterdag, Weekend Witness and Soccer Laduma) and 69 local newspapers.

With a weekly circulation figure of more than 284,276 at the end of FY 2017, Soccer Laduma is the country's largest newspaper, followed by Times Media's Sunday Times. The daily circulation of Media24's second most popular newspaper, Daily Sun, was 174,483 per day, making it the largest daily newspaper in South Africa.

The South African print industry has largely followed the declining trend seen in developed markets, albeit more gradually than most developed markets due to lower internet penetration rates. Community titles have been driving most of the growth in the industry in recent years.

The significant newspaper titles published by Media24 are summarised below:

	Circulation[1]	Year established	Region	Language
Dailies				
Daily Sun	174,483	2002	National	English
Son	73,757	2003	Eastern Cape, Western Cape	Afrikaans
Die Burger	49,483	1914	Eastern Cape, Western Cape, Northern Cape	Afrikaans
Beeld	41,286	1974	Gauteng, Mpumalanga, Limpopo, N West	Afrikaans
Weeklies				
Soccer Laduma	284,276	1997	National	English
Rapport	124,854	1970	National	Afrikaans
Sunday Sun	86,081	2001	National	English
City Press	71,710	1982	National	English

(1) Average circulation per issue for the three months ended 31 March 2017. (Source: ABC January-March 2017.)

Lifestyle (Magazines)

Media24 is a leading publisher of consumer magazines in South Africa, publishing six of the top 10 consumer magazine titles in South Africa, including the top four titles. This division publishes a portfolio of more than 60 consumer and B2B magazines (including special interest standalone editions and annual brand extensions) for local markets.

Globally, the magazine market continues to contract. Publishers are focusing on streamlining print portfolios and managing their margins, while investing heavily in digital content and offering a larger variety of digital advertising solutions to take advantage of digital audience and commercial growth.

The South African market follows similar, but typically moderated, trends. As a result, Media24 relinquished the publishing rights to the international titles Grazia SA and Top Gear at the end of 2016, while closing TopCar and transferring the publishing rights to Ideas/Idees and Lééf to the former respective editors. The following is a summary of the significant titles published by Media24's magazine division:

Magazine	Circulation[(1)]	Year established	Frequency	Language
Huisgenoot	208,322	1916	Weekly	Afrikaans
YOU	107,108	1987	Weekly	English
tvplus	60,147	1999	Fortnightly	English/Afrikaans
DRUM	51,227	1951	Weekly	English
Men's Interest				
Men's Health	29,305	1997	Monthly	English
Women's Interest				
Kuier	100,214	2009	Fortnightly	Afrikaans
Move!	82,421	2005	Weekly	English
SARIE	71,463	1949	Monthly	Afrikaans
True Love	33,216	1972	Monthly	English
Women's Health	40,083	2009	Monthly	English
FAIRLADY	40,611	1965	Monthly	English
Creative Living				
Tuis/Home	77,966	2004	Monthly	Afrikaans/English
Other Niche				
Weg!/go!	57,710	2004	Monthly	Afrikaans/English
Landbouweekblad	31,001	1919	Weekly	Afrikaans

(1) Average paid copies per issue for the three months ended 31 March 2017. (Source: ABC January-March 2017.)

Books

Media24's Books division comprises several business units that cater to distinct market segments, such as general interest books as well as basic and higher education publishing (i.e., curriculum- approved school textbooks and tertiary education books). Publishers and agents focus on editorial activities relating to purchasing or developing content, creating or reworking and packaging or repackaging textual content in formats ranging from hardcopy books to interactive e-books. On the digital front, our publishers continue to convert their backlists into e-books, and new titles are published simultaneously in print and e-book format. In line with international trends, e-book sales have plateaued whereas the past year saw an increase in print sales by online retailers.

Printing and Distribution

Novus

Media 24 currently has a 19% interest in Novus. It provides a comprehensive range of commercial printing services through 10 specialised printing plants and tissue manufacturing through one plant in South Africa.

On the Dot

On the Dot is a multichannel media logistics company that distributes mainly Media24 magazines and newspapers to outlets in South Africa and neighbouring countries. It also manages subscriptions (including the call centre) on behalf of Media24's publishing divisions and provides digital fulfilment services through online platform MySubs. During the past FY year, we expanded our pamphlets network by acquiring a Namibian distribution operation. In light of declining print media volumes, efforts to realign the cost base and improve the distribution network to reduce the distribution cost of newspapers and magazines are ongoing.

MARKET TRENDS, COMPETITORS AND COMPETITIVE POSITION

Our diverse media operations face competition from a wide variety of sources. Below is an overview of the industries in which each of our businesses operates and the competitive landscape that each of our businesses faces.

Internet – Market Trends

Overview

Our internet assets are spread across China, Russia, Central and Eastern Europe, North America, Brazil and the rest of Latin America, India, Southeast Asia, Africa and the Middle East. Most of our businesses are market leaders in their sectors. Our listed assets (Tencent and Mail.ru) cover a wide variety of internet services which are built around core communication and social networking platforms operating mainly in China and Russia, while MakeMyTrip is India's leading online travel agent. Our remaining internet operations are structured around sub-sectors of the e-commerce value chain, covering classifieds, B2C, e-commerce, payments and online services.

The increasing use of e-commerce in our targeted markets is underpinned by two growing trends: increased internet penetration and the proliferation of mobile devices. Global internet penetration grew to an estimated 44.6% in 2016, according to eMarketer (2016), mainly driven by growth in more developed markets. The next wave of adoption is currently occurring in certain emerging markets, particularly in the Asia-Pacific region, Middle East and Africa, and in Latin America where the number of internet users is expected to grow at CAGRs of 11.4%, 10.8% and 3.9%, respectively, between 2016 and 2020, according to EIU.

E-commerce traffic and sales in emerging markets are increasingly driven by mobile devices and applications, given local constraints in infrastructure (e.g., the relatively low number of fixed internet access points), and the advent of low-cost smartphones and tablets. According to the Pew Research Center, emerging markets are catching up to the United States in terms of smartphone adoption, particularly among adults in the 18-34 year age range. This reinforces the long-term trend towards online purchases. In particular, consumer shopping experiences are evolving such that consumers are relying more on online searches to conduct a range of online transactions. E-commerce has increasingly converged with traditional, offline commerce as a result of improvements in last-mile delivery. As a result we expect an ongoing secular trend whereby more online purchases will be made as successive generations of consumers become more comfortable with e-commerce.

We believe the growth of e-commerce in the growing markets where we have a presence will be driven by a number of underlying trends, including GDP growth, population growth, growth in the middle class, continued growth in internet/broadband and mobile penetration.

In addition, as our target markets continue to develop, their middle classes are projected to expand as well, and we think the middle class will spend more time consuming various forms of media and engaging in online commerce. The rapidly-growing middle classes in China, Brazil and India are expected to increase to 42.7%, 46.9% and 41.4% of the respective overall population by 2020, according to the European Commission; by 2030, 80% of the global middle class will live outside the European Union and the United States., according to a Bank of America Merrill Lynch report (2016).

Internet access in certain countries where Naspers has operations is growing rapidly and internet penetration is expected to increase from an estimated 32.7% in 2014 towards penetration levels seen in more developed economies, according to BMI Research (2017). Brazil, Russia, India and China are also enjoying rapid growth in the number of smartphone users, with an expected CAGR of 6.8% for the period from 2016 to 2020, according to BMI Research (2017), and we believe this trend is likely to contribute to increased internet penetration over the medium-term.

E-tail (B2C)

E-tail includes the sale of goods directly to customers through online platforms, the operation of online marketplaces for third parties to buy and sell goods and price comparison websites. Driven by both technological advances and lower cost structures, e-commerce platforms allow customers to both transact with other customers and engage in businesses at a significant scale. As a result, Brazil, Russia, India and China, for example, have seen e-tail spend as a percentage of overall retail spend increase from 1.3%, 1.8%, 0.3% and 7.2%, respectively, in 2012 to 2.5%, 3.0%, 2.5% and 18.4%, respectively, in 2016, according to eMarketer (2016).

Direct e-tail, in which operators own the goods they sell, is dependent on the timely and cost-effective distribution of goods. Scale, efficient logistics and optimised working capital management (including with respect to inventory) are critical to success, as they enable e-tailers to offer competitive pricing and timely delivery to customers. As direct e-tailers own the goods they sell, they generate revenue through the sale of these goods and as such carry inventory risk. Given the characteristics of online commerce, and the importance of scale to it, we believe that there will likely be only a small number of players with sufficient scale in a given market as it matures. As such, securing and building upon a first-mover advantage impacts the relevance of the platform in the future.

In contrast to direct e-tailers, operators of online marketplaces do not own the goods they sell but rather provide a platform for buyers and sellers to transact. Revenue is typically generated by charging transaction fees to buyers and sellers.

Classifieds

Classifieds spend has been shifting from traditional print media to online following the emergence of online classifieds platforms. These are designed to help people trade on a local level similar to offline classifieds. Within the online classifieds segment, we operate in over 40 countries, primarily through our OLX platform. Our companies OLX, Avito and letgo have market leadership in 35 countries.

Online classifieds have shown good historical growth and, we believe strong growth prospects for the future. Our classified platforms are well positioned to benefit from the ongoing print-to-online shift. The tools available in online platforms enhance the classifieds business by making it easier than it would be in print classifieds for buyers and sellers to find, connect and interact with each other. With internet penetration and time spent online increasing, we expect classifieds will represent a growing share of the overall advertising market going forward as advertisers shift spend away from traditional print and television. Online advertising expenditure accounted for 34% of the total global advertising market in 2016, a share which is expected to reach 42% in 2019, according to Zenith Optimedia (2017). The upside potential in this market is underpinned by growing mobile time spent online and higher usage of smartphones and tablets. High mobile usage enhances platforms' data mining capabilities that are valuable to buyers and professional sellers generating opportunities for new value-added revenue streams.

Payments

Our online payment system operations seek to create a fast, simple and efficient payment process for merchants and buyers. We operate across 17 markets in Asia, Central and Eastern Europe, Latin America, the Middle East and Africa, with an aggregate population of more than 2.3 billion people. Emerging market economies have the lowest rates of financial penetration globally, with an estimated 3 in 5 adults being unbanked (an even greater number if we include the 'underbanked' segments of the population), and over half of all economic transactions conducted in cash, according to a 2016 PwC Report. Such demographic factors pave the way for payments and other innovative financial services offerings. In addition, governments hoping to enhance financial inclusion and accessibility tend to open the market to non-bank players.

Given the increasing growth of internet and e-tail businesses, online payments are becoming a more important part of the e-commerce ecosystem, not just through the capture of customer/merchant information, but also through improving the ease of purchase. Non-cash payment transactions have grown significantly in recent years, and this growth is expected to accelerate as electronic transactions increasingly displace cash and checks. The rapid growth in online e-commerce is expected to be a major driver of continued growth in non-cash payment transactions. Furthermore, mobile commerce has the potential to increase the number of payment transactions as mobile phones are able to be used as payment devices.

Efficient delivery systems and payment methods are critical to e-commerce in emerging markets. Because consumers in emerging markets may not have access to payment methods such as credit or debit cards, new payment systems must be developed or adapted to allow consumers to transact online. As a technology that facilitates transactions, payment systems are an integral part of the e-commerce ecosystem.

Trends in the Company's Key Regions

We operate in several key growing markets including China, Central and Eastern Europe, India, Southeast Asia, Latin America and Russia. In each of these markets, we expect further growth of e-commerce due to increasing internet penetration, driven by GDP growth.

E-commerce composed 4% of total retail in the United States and 8% in the United Kingdom in 2010, according to eMarketer (2016). In 2016, e-commerce comprised 8% and 17%, respectively, of total retail in those markets according to eMarketer (2016). Many of the countries in which we operate, especially Central and Eastern Europe, currently exhibit low levels of e-commerce penetration, similar to those of the United States and United Kingdom in 2010, and could experience significant growth in the next decade. The following table shows certain key economic indicators and internet data for some of our key geographical markets, as well as for Western Europe and the United States.

Data as of 2016	Brazil	China	India	Nigeria	Poland	Russia	South Africa	Western Europe	USA
Economic Data									
Population (million)	210	1,382	1,327	187	39	143	55	441	324
CAGR 2016-20E	0.8%	0.4%	1.2%	2.5%	(0.1)%	(0.1)%	0.8%	0.2%	0.7%
GDP at PPP (US$, billion)	3,143	20,632	7,942	1,109	1,064	3,341	743	16,026	18,567
CAGR 2012-16E	0.4%	7.7%	6.3%	5.1%	4.5%	(2.0)%	3.1%	(2.2)%	3.5%
CAGR 2016-20E	2.5%	7.8%	8.7%	5.2%	5.8%	1.6%	3.4%	2.0%	4.0%
Internet Data									
Internet penetration	12.9%	20.5%	3.0%	10.0%	39.0%	37.6%	15.4%	45.2%	34.3%
CAGR 2016-20E	3.8%	4.5%	4.7%	0.0%	2.4%	2.6%	1.1%	1.7%	2.9%
Smartphone penetration	31.1%	40.4%	17.7%	9.2%	44.0%	42.3%	33.0%	58.0%	63.9%
CAGR 2016-20E	7.9%	6.8%	13.0%	11.1%	7.1%	5.8%	9.7%	4.1%	3.1%
E-commerce (% total retail)	2.5%	18.4%	2.5%	3.0%	4.3%	3.0%	2.5%	8.3%	8.2%
CAGR 2016-20E	8.1%	16.7%	18.9%	16.3%	6.4%	9.6%	14.1%	7.0%	11.0%
Advertising (% GDP at PPP)	71.3%	66.7%	32.5%	9.4%	37.4%	38.6%	103.1%	62.2%	102.8%
CAGR 2016-19E	(5.5)%	(0.5)%	(1.2)%	(9.5)%	(2.3)%	3.5%	(0.3)%	0.0%	(0.9)%
Online Advertising (US$, million)	3,090	42,632	728	N/A	479	1,831	52	37,254	60,394
CAGR 2016-19E	5.0%	12.9%	23.2%	N/A	12.3%	15.0%	13.2%	8.1%	13.0%

(Source: BMI Research (2017); Ampere Analysis (2016); Zenith Optimedia (2017); eMarketer (2016).)

Features of the e-commerce market in which we operate

Brand recognition, scale and market leadership, network effects and logistics infrastructure are factors which are beneficial for businesses in the high-growth geographies where we operate.

- *Strong Brand:* An established brand plays a key role in attracting cheaper organic traffic to an e-commerce website, which becomes crucial given the global trend of increasing cost of customer acquisition. Paid searches where companies pay to promote their website remain the principal channel of customer acquisition online. With increasing online advertisement inventory competing for the same customer base, the "cost per click" that companies pay has risen in recent years. This in turn has been the key driver of rising cost of customer acquisition. The brand is the most obvious way for market participants to differentiate themselves from competition, thereby driving organic traffic through consumer word-of-mouth. In the medium term, established destinations that can use existing customer relationships to drive sales are likely to emerge as more successful market players.

- *Scale and Market Leadership:* In e-commerce and online classifieds businesses, first movers have an inherent advantage over subsequent entrants, as new entrants to the market require significantly higher investments to gain the same traction with customers when compared to existing players. New entrants have difficulty in achieving profitability prior to reaching sufficient scale. Market leaders typically have higher monetisation, profitability and cash flow generation driven by meaningful operational leverage when compared to late moving competitors.

- *Network Effects:* Online classifieds platforms and business-to-consumer marketplaces have two-sided network effects that reinforce leadership positions. We believe that these network effects support the emergence of few leading classifieds players, largely to the exclusion of smaller players. These businesses require liquidity both on the side of buyers and sellers, who trust the platform and frequently return to make transactions.

- *Logistics Infrastructure:* E-tail businesses depend on efficient logistics infrastructure, which is often scarce in emerging markets, requiring many operators to build their own logistics network which, once established, becomes an differentiating factor between established and new market participants. Moreover, an extensive logistics network serves the additional purpose of increasing scale and efficiency (e.g., reducing shipping costs).

Internet – Competition

Listed Associates

Tencent: The market for internet and telecommunications value-added services in China is highly competitive, and competition is expected to increase. Tencent's main competitors in online gaming include Netease, Soho, Perfect World and Shanda. In online video, iQiyi, Tencent Video and Youku compete intensely against each other. Tencent competes with a range of internet services that sell advertising space online. For example, Baidu in search, Sina Weibo in social network, iQiyi and Youko in video, and Today's Headlines in news. Alibaba and Alibaba's Alipay are Tencent's main competitors in e-commerce and online payment systems.

Mail.ru: Mail.ru competes with all websites that sell advertising space online, but its primary competitors are those that offer a broad range of products including games, social network services, communication and search products. Internet companies such as Yandex, Rambler, Facebook, Skype and Google constitute the most significant competition for Mail.ru.

E-commerce

Due to increased internet penetration and growing adoption of e-commerce among internet users in the markets where we operate, competition has recently intensified. We are facing an increasing number of entrants, including both local players and international competitors.

Classifieds

We are currently the market leader in a number of territories but are still competing for market leadership in others (such as South Africa and Argentina). Over the course of the past financial year, we have claimed the leading position against Quikr in India (one of our biggest markets). Currently, our significant competitors include eBay (Gumtree in South Africa), Quikr, Craigslist and OfferUp (in the United States). In Turkey, we are competing through our letgo app against the existing online classifieds leader sahibinden. In Russia, we also compete against Youla, while Facebook, through its Marketplace and trade in Facebook groups is a competitor for our classifieds business in general. Schibsted is also a competitor in certain markets.

B2C E-commerce

B2C is a very competitive business model. Competition increases pressure on product margins, marketing costs and talent retention. Global players such as Amazon and Alibaba have been expanding their geographical footprint. The main competitors of Flipkart in India are Amazon and Snapdeal. We believe that eMAG is the market leader in the general B2C category in Romania with some offline retailers such as Altex as main competitors. Takealot.com is a well-positioned general online retail and marketplace platform in South Africa. Amazon, which serves South Africa cross-border, is the number two.

After MMT consolidated its business with ibibo, it became the online leader across the key travel segments in India and competes against a range of local and global competitors such as Booking, Yatra or Oyo.

Payments

Due to the complexities associated with international money transfers, we are currently facing predominantly local competitors in the regions where we operate. These include local banks, telecommunications operators (who offer mobile payment solutions) and regular PSPs. PayU's current direct competitors continue to be domestic PSPs that focus on providing online payments to merchants in a single country.

Adyen is the most notable global competitor in the merchant business, with other notable global competitors being Stripe and Braintree.

PayU, India's merchant business faces competition from two key competitors: BillDesk and CCAvenue. Other competitors include TechProcess (recently acquired by Ingenico), Razorpay and several other small PSPs. Our Indian consumer business mainly faces competition from Paytm, FreeCharge and MobiKwik.

In Poland, Przelewy24 (P24), eCard and Dotpay are key competitors. In Russia, our main competition is from Yandex Money. However, we have the advantage of being the only international payment service provider in Russia. In the Czech Republic and Hungary, banks are the main competitors, while Romcard is our main competitor in Romania.

Our competitors in Latin America include global companies such as Adyen, PayPal, Worldpay and Ingenico as well as strong regional players like Mercado Pago and PagSeguro.

Naspers Ventures: food delivery

iFood is a food delivery marketplace and restaurant delivery service predominantly operating in Brazil. The company is the leader in this segment in Brazil in terms of number of orders processed with PedidosYa and Uber Eats being competitors.

Delivery Hero operates in a highly competitive environment. In the majority of its markets, it experiences competitive pressure from one or two major players in the online food industry, for example Deliveroo and Takeaway in most of its European markets as well as Deliveroo, UberEats and Zomato in the United Arab Emirates.

Video-entertainment – Market Trends

Overview

Our video-entertainment segment has operations in South Africa and the rest of sub-Saharan Africa. We offer digital satellite television, digital terrestrial television, on demand online television and other video-entertainment services. Video-entertainment is a commercial service that provides packages of television and audio programming to consumers typically for a monthly charge or a per-program fee. The video-entertainment business model generates revenue primarily through subscription fees and, to a lesser extent, through advertising revenue. The industry's reliance on subscription revenue has resulted in a change in the type of content that is broadcast by networks, enabling the creation of much more specialised and customised types of shows to influence viewers to subscribe. Video-entertainment operators contract with content providers such as motion picture distributors, sports leagues, event promoters, and other programming rights holders for the right to distribute programming to subscribers on an exclusive or non-exclusive basis. Some video-entertainment operators also have their own production facilities that they use to produce content.

The two main video-entertainment distribution channels in South Africa and the rest of sub-Saharan Africa are direct to home and digital terrestrial television. In addition, we have launched our SVOD service, Showmax.

Digital Terrestrial Television

DTT broadcasts terrestrial digital signals from multiplex transmitters, allowing the reception of multiple channels on a single frequency range. To date, we have established DTT networks in 10 sub-Saharan African countries spanning 119 cities. DTT has significant expansion potential in Africa where the technology allows for relatively inexpensive entry-level programming packages.

Other early stage emerging platforms include Internet Protocol Television ("**IPTV**"), whereby digital television service is delivered over a packet-switched network infrastructure. IPTV is still in its formative period and wider adoption in Africa is expected to be constrained in the near-term by limited broadband penetration across the region.

As digital television continues to increase its penetration in television households, developments in technology continue to benefit consumers in viewing video-entertainment. The trend towards multi- screen viewing is causing overall television viewing to remain robust. Time shift viewing is increasingly becoming an integral part of how consumers view television. Increasing personal video recorder ("**PVR**") ownership and familiarity of PVR will lead to increased time shift viewing among consumers.

Although PVR penetration is still the main driver of non-linear viewing, on-demand services on non-television set devices, such as tablets, smartphones and laptops, offering different types of catch-up content, are also becoming available ways of delayed viewing. South Africa and sub-Saharan Africa will continue to face the same evolution as other markets around the world with video-entertainment consumption not only though television, but also via mobile devices and the internet. Penetration on these platforms has been at a slower rate than expected, primarily due to the limited availability of high speed bandwidth in the African region.

Direct to Home

Direct to Home ("**DTH**" or "**Satellite**") is television delivered by means of a communications satellite and received by a satellite dish and decoder (also known as a set-top box). This distribution channel is particularly popular in remote and difficult to reach areas where cable and, in some cases, terrestrial television services are limited or non-existent.

Unlike many developed countries, which utilise the full spectrum of distribution channels, video-entertainment in South Africa and the rest of sub-Saharan Africa is mainly distributed via the DTH platform. DTH provides high-quality and reliable viewing, as its signals are received directly from satellites. DTH is also popular in remote and difficult to reach areas because it requires less infrastructure and is, accordingly, more available than DTT in those areas.

DTH transmission begins at a broadcast centre, which converts all of the video-entertainment operator's programming into a compressed digital stream. The content is then encrypted in order to limit consumption to paying users and prevent piracy. Encryption scrambles the digital data in such a way that it can only be decrypted if the receiver has the corresponding decoding satellite receiver with decryption algorithm and security keys. Once the signal is compressed and encrypted, the broadcast centre beams it directly to one of its satellites. The satellite picks up the signal, amplifies it and beams it back to Earth, where viewers can receive it via a satellite dish. When a beam hits the curved dish, radio waves are focused onto the feed horn. The central element in the feed horn is the low noise blockdown converter ("**LNB**"). The LNB amplifies the signal bouncing off the dish and filters out signals not carrying programming. The LNB passes the amplified, filtered signal to the satellite receiver inside the viewer's house. The end component in the entire satellite TV system is the receiver, which has several essential roles including:

- *De-scrambling the encrypted signal:* In order to unlock the signal, the receiver needs the proper decoder chip for that programming package; and

- *Converting the digital signal:* The receiver picks up the digital signal and converts it into an analogue format that a standard television can recognise.

Video-entertainment subscribers in South Africa and the rest of sub-Saharan Africa buy decoders directly from us or from various third-party distributors who also source the decoders from us. Once subscribers have signed up to the various packages on offer, they can either pay their subscription fee monthly, quarterly, bi-annually or annually.

Subscription Video on Demand

Showmax is our SVOD service. It was launched in August 2015 and offers a comprehensive selection of movies and TV series from leading Hollywood studios, as well as local African shows produced on the continent. Customers are able to watch Showmax on mobile devices such as smartphones and tablets, on laptops as well as smart TVs and other media players.

Market Drivers for Video-entertainment in Africa

Demand for video-entertainment in countries in Africa has historically been lower than in more developed countries, primarily due to lower GDP per capita and disposable income. The development of the DTT network has led to more choices for consumers and increased demand for video-entertainment, especially among lower income individuals, as DTT programming packages tend to be less expensive than DTH packages and the lower initial entry cost and ease of installation of a DTT decoder makes the product more accessible to consumers.

A range of demographic characteristics pave the way for strong expansionary potential in the video-entertainment segment over the medium and long-term. By 2040, sub-Saharan Africa is projected to consume four times the electricity that it consumed in 2010, according to the McKinsey Report. This fourfold increase in the demand and supply of power, a parallel fivefold increase in GDP, a doubling of population, and rising levels of urbanisation over the course of the same period will play a pivotal role in driving the growth of PayTV services in the underpenetrated markets comprising sub-Saharan Africa. The following table shows summary population and video-entertainment market data for certain key countries in which we operate.

Data as of 2016	**Angola**	**Ghana**	**Kenya**	**Nigeria**	**South Africa**	**Tanzania**	**Uganda**	**Zambia**
Population (million)	26	28	47	187	55	55	40	17
GDP at PPP (US$, billion)	143	122	163	1,109	743	156	75	66
GDP/Capita at PPP (US$)	5,539	4,339	3,438	5,930	13,519	2,822	1,865	3,974
PayTV Household Penetration (2017E)(1)	40.9%	6.0%	13.0%	32.4%	34.2%	19.7%	23.8%	30.0%
Broadband Penetration (2017E)(2)	3.1%	4.8%	2.7%	11.8%	15.7%	6.1%	1.6%	4.0%

(1) Defined as revenue generating PayTV units per 100 households.

(2) Defined as the number of broadband internet subscribers as a proportion of total inhabitants. Sources: BMI Research (2017); Ampere Analysis (2016).

Features of the video-entertainment market in which we operate

The emergence of DTT provides further expansion potential in Africa, where DTT technology has facilitated access to the video-entertainment market by reducing the costs to businesses and the costs to consumers of video-entertainment services. The majority of sub-Saharan countries are either currently initiating a transition from analogue to digital broadcasting or are looking to undertake a transition in the future.

While DTT has facilitated access to the market, there are still costs relating to, among other things, capital intensity, level of expertise, regulatory environment, high cost of content and lack of infrastructure.

- *Capital Intensity:* Developing a video-entertainment business is capital intensive, and video- entertainment businesses tend to have relatively high fixed-cost bases. These fixed costs include programming costs (particularly for sport events), satellite transponder lease costs and staff costs. There are also high marketing costs related to building out a new brand.

- *Level of Expertise:* Video-entertainment operations demand a high level of industry-related experience and expertise regarding infrastructure.

- *Regulatory Framework:* Success of new entrants is heavily influenced by the framework that is created by the competition and regulatory authorities and the licences needed to operate. New entrants will need to invest significant resources to create regulatory compliance regimes and may have difficulty obtaining licences from regulatory authorities prior to reaching scale and establishing robust subscriber bases.

- *High Cost of Content:* Successful video-entertainment franchises require exclusive content, which includes local content, significant sports broadcasting rights and movies to achieve mass market penetration. New entrants will have to secure such content on commercially favourable terms prior to reaching scale and establishing substantial subscriber bases.

- *Lack of Infrastructure:* We believe it will be difficult for cable operators to compete with our DTT and DTH infrastructures, as low population densities may make it hard to recoup the costs associated with establishing the necessary infrastructure for cable operations.

Competitive Landscape

We compete with several video-entertainment providers in sub-Saharan Africa. Our primary competitor is StarSat (subsidiary of the Chinese provider StarTimes); smaller players include Freevision, MYTV, OpenView, ZapTV and Wananchi. More recently, non-traditional, local PayTV providers have started to emerge: Safaricom in Kenya launched an internet TV service in 2015, MTN launched MTN TV in Nigeria in 2016 and Econet Wireless launched Kwese TV in Zimbabwe. We also compete with multinational platforms, like Netflix, in respect of video online delivery. We also compete with free-to-air television, the internet, live sporting events, motion picture theatres, video rental stores, mobile telephones, gaming and other forms of entertainment. The present lack of high quality free-to-air offerings in most markets ensures that consumers are receptive to quality PayTV offerings.

Low broadband penetration rates, combined with the relatively high cost of mobile data transmission and the network quality being considered too unreliable for high quality video streaming, cumulatively mitigate the immediate competitive threat from "over-the-top-content" services in the short term.

According to Digital TV Research (2017), our brands MultiChoice (DStv and GoTV) and competitors' brands Canal Plus and StarSat/StarTimes, accounted for more than 90% of PayTV subscribers in sub-Saharan Africa as of January 2017. Naspers owned 47% of PayTV channels in sub-Saharan Africa, while Canal Plus and StarTimes accounted for 21% and 20% of PayTV channels, respectively, as of May 2017, according to Macquarie Research (2017).

Video-entertainment – Competition

The biggest threat to the business is from the global players, including major telecommunication companies, such as Vodafone or MTN, multinational platforms, such as Netflix, Apple, Google and Amazon, that deliver video online directly to consumers and could launch services in our markets, and traditional broadcasters.

Broadcasting players

- *StarTimes:* StarTimes, which operates a DTT service in certain sub-Saharan African countries, launched its DTH platform (StarSat) on the back of its investment in South Africa.

- *ZapTV:* ZapTV is offering a competing DTH service in Angola and Mozambique.

- *Wananchi:* Trading in East Africa under the brand name Zuku, Wananchi has a dual-platform strategy covering both DTH and cable.

- *OpenView HD:* e.tv, the South African free-to-air broadcaster, launched the first free-to-view DTH service in South Africa in 2013, branded OpenView HD.

- *Kwese TV:* Kwese TV, owned by Econet, launched a DTH play in Zambia, Rwanda and Ghana as well as an OTT service called Kwese Now.

Online Players

The largest African online provider (besides Showmax) is iROKOtv, a video-on-demand platform for African content, primarily focused on Nigerian content. Other online television players in Africa include Netflix, BuniTV, iFlix, Aflix, MTN with Vue (rebranded from Front Row), Vodacom's Video Play and other players that are trying to position themselves in the video-on-demand space.

Media – Market Trends

Overview

Publishing is the process of production and distribution of printed works such as magazines, newspapers and books. With the advent of digital information systems and the internet, the scope of publishing has expanded beyond print to include electronic resources, such as electronic versions of books and periodicals, as well as mobile applications, websites and blogs. However, as a result of this expansion and the rapid migration of publishing to electronic and online platforms, and as a result of the corresponding migration of advertisers to online platforms, traditional print media has been experiencing a global decline recently. The rapid development of online internet advertising has had, and could continue to have, a negative impact on print media advertising and the circulations of traditional print media. According to the 2015 PwC Report, digital media revenue in South Africa is expected to account for over half of all media and entertainment revenue by 2020, driven predominantly by rising internet access and mobile internet penetration. Forecasted to grow at a CAGR of 8.5% between 2014 and 2019, growth in digital media is expected to increasingly outpace growth in the "traditional" media segments (2015 PwC Report).

The media sector usually generates its highest advertising revenue during the year-end holiday season. Advertising revenue typically accelerates from October to December and then decreases in January and February, normally recovering in March.

Newspaper Publishing

Newspaper advertising revenue and newspaper readership in South Africa have demonstrated stability relative to developed markets, according to Zenith Optimedia (2017). The following table shows newspaper advertising spend in South Africa relative to the developed world.

	South Africa	North America	Western Europe
	(US$ in millions, except percentages)		
2013A	606	24,290	18,033
2016A	569	19,078	15,042
CAGR 13A-16A	(2.1)%	(7.7)%	(5.9)%
2019E	567	14,508	13,143
CAGR 16A-19E	(0.1)%	(8.7)%	(4.4)%

(Source: Zenith Optimedia (2017))

Newspaper advertising expenditure in the South African market is expected to reach $0.6 billion in 2019. North America and Western Europe are forecast to experience declines in newspaper advertising spend of 8.7% and 4.4%, respectively, from 2016 to 2019, according to Zenith Optimedia (2017).

Magazine Publishing

In South Africa, growth of overall magazine readership has stagnated in recent years. However, the appearance of niche publications has provided opportunities for advertisers to more effectively reach their target audiences, with better monetisation.

From 2013 to 2016, magazine advertising in South Africa fell by a CAGR of 7.3%. From 2016 to 2019, this decline in magazine advertising spend is forecast to decrease to 3.3% in South Africa, compared to the forecast declines of 4.7% and 4.1% in North America and Western Europe, respectively, all according to Zenith Optimedia (2017). The following table shows a summary of the magazine publishing market, in terms of advertising spend.

	South Africa	North America	Western Europe
	(US$ in millions, except percentages)		
2013A	193	18,385	9,286
2016A	153	16,921	7,546
CAGR 13A-16A	(7.3)%	(2.7)%	(6.7)%
2019E	139	14,669	6,658
CAGR 16A-19E	(3.3)%	(4.7)%	(4.1)%

(Source: Zenith Optimedia (2017))

Newspaper and magazine advertising expenditures in many of the growing markets where we operate may experience declines similar to those in North America and Western Europe as internet penetration levels in those markets rise.

Media – Competition

Media24's diversified operations face competition from a wide variety of quarters. The extent and nature of such competition is largely determined by the location and demographics of the markets we operate in and the number of media alternatives available in these markets.

In the traditional media segment, Media24 retains its South African market leadership in terms of newspaper and magazine publishing. Our main competitors in South Africa include Caxton and CTP Publishers and Printers, Independent News and Media SA ("**Independent**") and Times Media Group Limited. Caxton is focused on improving its digital offering and diversifying into new segments including labels, packaging and stationery. Independent has a strong portfolio of newspaper titles as well as the local publishing rights to the Condé Nast magazines, GQ, House & Garden and Glamour.

Our books division competes with local and international publishers, including Penguin Random House and Pearson Education Group.

24.com is the market leader in terms of digital media in South Africa. Its nearest competitor is Times Media Live. International players, notably Google and Facebook, account for the majority of digital advertising revenue and continue to place downward pressure on rates.

Globally, there is a significant shift from the traditional print media offerings to digital media. Our print products are therefore impacted by large international digital media platforms like Google and Facebook.

SEASONALITY

Our overall business does not experience significant seasonality but certain of our major subsidiaries do experience variations in business or economic activity depending on the season and certain major events.

Our video-entertainment segment is influenced by the occurrence of certain major sporting events. For example, the FIFA World Cup attracts significant interest and historically resulted in considerable subscriber growth.

Our e-commerce businesses experience stronger months during winter due to different seasonality business by business around religious holidays like Christmas or Diwali and major sales events such as Black Friday for eMAG or Big Billion Day for Flipkart. Our payment platforms track the same seasonal trend.

Within our media segment, the magazines and book publishing divisions typically experience higher sales during the second half of the year. Advertising revenue has become increasingly unpredictable but tends to accelerate from October to December and then decline in January and February, normally recovering in March. Similarly, in preparation for the prime holiday season, retail printing and distribution activities tend to build up from October to November before slowing down in January and also show an uptick in the run up to Easter.

PROGRAMMING CONTENT COSTS AND RAW MATERIALS

Programming Content Costs

Our video-entertainment segment is reliant on its ability to provide movie and sports programming to its subscribers with content acquired on an exclusive basis. Programming content costs are the largest cost item of our video-entertainment business and represented 60% of our total costs of providing services and sale of goods in our video-entertainment segment, and 33% of our total costs of providing services and sale of goods, in FY 2017. Programming content costs include direct expenses (the cost of licensing third-party programs and the production cost of programs produced by the Group), as well as the amortisation of programming rights for sporting events and films. We produce programmes through our wholly owned subsidiaries M-Net and SuperSport. M-Net produces local series and reality shows and SuperSport produces local sports programming. The vast majority of programming content costs consists of exclusive sports and movie rights licensed from third parties. We acquire sports rights typically on an individual basis for a period of three to five years at a fixed price. We have output deals with most of the major film studios typically for a period of more than three years and at a variable price, based on subscriber numbers. Most of our sports and movie rights contracts are denominated in foreign currencies, mainly U.S. Dollars.

Increased competition and currency devaluations have resulted in higher programming content costs and reduced our operating margins, especially due to the intense bidding for key sports rights. We carefully analyse each rights package and intend not to pay excessively for content. We have in the past declined, and intend to continue to decline, transactions that we do not consider economically viable.

Although overall programming content costs have been on the rise, they have largely been absorbed by an increase in our subscriber base. Therefore, programming content costs have broadly been stable on a per subscriber basis or as a percentage of overall subscription revenue.

Raw Materials

Purchases, printing and production costs in our media business represented 42% of our costs of providing services and sale of goods in our media segment in FY 2017. The majority of these costs related to paper, ink and related chemicals, which are the principal raw materials required for our publishing and printing activities.

Pricing can be affected by the volatility of the Rand and the price of international crude oil, as the key ingredients for manufacturing the ink (or, if the ink is imported as a finished product, the ink itself) are sourced from outside of South Africa. Media24, therefore, expects production costs to be impacted by the volatility of the Rand and oil prices.

Much of the paper required for the printing of our magazines is available only from international paper suppliers and billed in Euro.

PROPERTY, PLANT AND EQUIPMENT

Transponder Leases

MCSA leases 23 and 28 20Ku-Band transponders on Intelsat 20 and Intelsat 36, respectively. The new Intelsat 36 satellite came into service in September 2016. MCA leases 16 and 21 transponders on Eutelsat 36B and 36C, respectively. Intelsat 20 and Intelsat 36 are co-located at 68.5 degrees East while Eutelsat 36B and 36C are co-located at 36 degrees East. This arrangement allows for effective disaster recovery and expansion capacity facilities for both orbital locations.

The end of lease terms of the Intelsat 20, Eutelsat 36B and 36C satellites is estimated to be 2025 and the end of lease term of the Intelsat 36 satellite is estimated to be 2031.

Real Property

Naspers Limited and Media24 have their corporate offices in Cape Town. Other main properties we own in South Africa include our e-commerce warehouses in Johannesburg and Cape Town. In April 2016, MultiChoice South Africa has completed the construction of a new building in Randburg, in addition to the properties that it already owns.

Environmental Matters

Our facilities and operations are subject to various environmental laws and regulations in the countries in which we operate. These environmental requirements may include, among other things, certain pollution control measures or limits for solid and hazardous wastes, water discharges and air emissions, and may require businesses whose activities have an impact on the environment to obtain permits regulating those activities. Non-compliance with such control measures and permits may result in criminal or civil penalties, damage claims, or requirements to install or retrofit pollution control equipment or practices. In addition, South African environmental law imposes on companies an obligation to remediate environmental damages (including damages to natural resources) that they cause, as well as a duty of care to take reasonable measures to prevent pollution or degradation of the environment from occurring, continuing or recurring. We have developed an environmental management policy that is applicable to all our business units, with the objectives of implementing and integrating an environmental management system in all of our business activities. The policy provides for compliance with all existing environmental legislation as well as our own internal standards of conduct. We believe that we are in compliance in all material respects with all applicable environmental requirements. However, certain of our ongoing operations, particularly the printing business, may expose us to liabilities under environmental laws for such matters as noncompliance and contamination, and we could incur material costs in connection with such liabilities.

We are not aware of any material environmental claims pending or threatened against us and we do not believe that we are subject to any material environmental remediation obligations. Nevertheless, the discovery of previously unknown contamination or stricter interpretation or enforcement of environmental requirements could result in material costs or obligations under environmental laws in the future.

INTELLECTUAL PROPERTY

We rely on a combination of patents, licensing arrangements, trade names, trademarks, copyrights and proprietary technology to protect our intellectual property rights. We own, or have been assigned or licensed, the rights to several patents and have several patent applications in various jurisdictions relating to our proprietary technology. In addition, we currently have numerous trademarks (pending and registered) in countries where we conduct business or could potentially conduct business in the future. Some of our major trademarks include the names and logos of DStv, M-Net, SuperSport, MultiChoice, Irdeto and OLX. A number of internet domain name registrations have also been secured. The publishing activities of Media24 generally enjoy copyright protection. We believe we have taken appropriate available legal steps to protect our intellectual property in the relevant jurisdictions.

We may file additional patent and trademark applications in the future, although there can be no assurance that we will be successful in obtaining patents or trademark registrations based upon these applications. We intend to vigorously protect our intellectual property rights. It may be possible, however, for a third party to copy or otherwise obtain and use our content and technology without authorisation or to develop similar technology independently. Furthermore, the laws of certain countries in which we sell our products and services do not protect our intellectual property rights to the same extent as do the laws of the United Kingdom.

LEGAL AND OTHER PROCEEDINGS

The Commission's year-long investigation into the merger between Media24 and Novus Holdings was finalised in March 2017. The merger was a consequence of the implementation of a restated management agreement in February 2015, which, after the listing of Novus Holdings in March 2015, was found by the Competition Appeal court (contrary to the view of the Competition Tribunal) to have given rise to a change in control over Novus. Media24 was therefore required to notify the competition authorities of the transaction by way of a merger filing. The merger was filed with the Commission in February 2016. The Commission decided to recommend to the Tribunal that the merger be approved on condition that Media24 divests its majority shareholding in Novus Holdings by distributing these shares to Naspers Limited. The Tribunal accepted the Commission's recommendation. Media24 has therefore reduced its shareholding in Novus to 19%.

There are no other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had in the recent past (covering the 12 months immediately preceding the date of this Prospectus) a significant effect on the financial position or profitability of the Group.

EMPLOYEES

As at 31 March 2017, we had 24,482 full-time employees and 4,514 part-time employees (of whom 2,190 were temporary employees). This is compared to 27,429 full-time employees and 4,639 part-time employees (of whom 2,046 were temporary employees) as at 31 March 2016, and 24,128 full-time employees and 5,148 part-time employees (of whom 2,500 were temporary employees) as at 31 March 2015. A significant portion of our employees in the print media business in South Africa are represented by trade unions. We believe that our labour relations are amicable.

DIVIDEND POLICY

The Company does not have a defined dividend policy but the intention is to grow the dividends over time should earnings and cash flows allow. The Board approves the dividend annually. The dividends paid and proposed during the most recent three financial years were as follows:

	FY 2017	**FY 2016**	**FY 2015**
Dividend paid per A Ordinary Share (SA cents)	104	94	85
Dividend paid per N Ordinary Share (SA cents)	520	470	425
Proposed dividend per A Ordinary Share (SA cents)	116	104	94
Proposed dividend per N Ordinary Share (SA cents)	580	520	470

Note: Dividends declared and paid in Rand.

Proposed dividends are recommended by the Board for approval by the shareholders of the Company at the relevant annual general meeting in August each year.

PART V
SELECTED FINANCIAL INFORMATION

The following selected historical consolidated financial information has been derived from our Audited Consolidated Financial Statements. The selected financial information should be read in conjunction with, and is qualified in its entirety by reference to, our Audited Consolidated Financial Statements, including the notes thereto and reports therein, and the information set forth in "Presentation of Financial and Other Information" in Part III (Important Information) and Part VI (Operating and Financial Review) of this Prospectus. Our Audited Consolidated Financial Statements have been prepared and presented in accordance with IFRS.

	For the financial year ended 31 March		
Summary Group Income Statement Data	**2015**	**2016**	**2017**
	(US$ in millions)		
Revenue			
Internet: E-commerce	2,049	1,966	2,173
Video-entertainment	3,829	3,407	3,398
Media	741	591	575
Corporate services	(50)	(34)	(48)
Total revenue	**6,569**	**5,930**	**6,098**
Operating expenses			
Cost of providing services and sale of goods	(3,824)	(3,392)	(3,574)
Selling, general and administration expenses	(2,525)	(2,423)	(2,827)
Other gains/(losses)—net	(59)	(292)	(57)
Total operating expenses	**(6,408)**	**(6,107)**	**(6,458)**
Operating profit			
Internet: E-commerce	(529)	(763)	(647)
Video-entertainment	712	608	298
Media	9	20	3
Corporate services	(31)	(42)	(14)
Total operating profit	**161**	**(177)**	**(360)**
Interest received	45	40	70
Interest paid	(247)	(292)	(278)
Other finance (costs)/income—net	(49)	(100)	(259)
Share of equity-accounted results	1,475	1,289	1,829
Impairment of equity-accounted investments	(39)	(55)	-
Dilution gains/(losses) on equity-accounted investments	113	104	(119)
Gains on acquisitions and disposals	139	452	2,169
Profit before taxation	**1,598**	**1,261**	**3,052**
Taxation	(338)	(260)	(244)
Profit for the period	1,260	1,001	2,808
Attributable to:			
Naspers shareholders	1,257	994	2,921
Non-controlling interests	3	7	(113)

Summary Group Balance Sheet Data	For the financial year ended 31 March 2015	2016	2017
	(US$ in millions)		
Assets			
Property, plant and equipment	1,425	1,443	1,638
Investments in associates	6,058	7,625	10,784
Investments in joint ventures	228	218	79
Inventory	262	194	154
Trade receivables	398	393	420
Other receivables	434	490	453
Cash and cash equivalents	1,226	1,714	4,007
Total assets	**12,936**	**16,723**	**21,930**
Equity and Liabilities			
Trade payables	448	437	487
Total debt[1]	4,071	3,922	4,261
Net debt[2]	2,845	2,208	254
Total equity	**6,903**	**10,654**	**15,361**
Total equity and liabilities	**12,936**	**16,723**	**21,930**

(1) Total debt includes total interest-bearing capitalised finance leases (primarily transmission equipment and satellite leases), bank overdrafts, call loans and other interest-bearing loans, non-interest-bearing programme and film rights and other non-interest bearing loans.

(2) Net debt represents total debt less total cash and cash equivalents.

Summary Group Cash Flow Data	For the financial year ended 31 March 2015	2016	2017
	(US$ in millions)		
Cash from operations	574	454	294
Dividends received from investments and equity-accounted companies	100	146	193
Cash generated from operating activities	**674**	**600**	**487**
Interest income received	46	46	63
Interest costs paid	(227)	(246)	(257)
Taxation paid	(334)	(322)	(333)
Net cash (utilised in)/generated from operating activities	**159**	**78**	**(40)**
Net capital expenditures	(292)	(228)	(173)
Investments in subsidiaries, associates, joint ventures and businesses	(406)	(1,426)	(397)
Disposals of subsidiaries, associates and businesses	158	289	3,383
Other investment activities	(12)	(19)	1
Net cash (utilised in)/generated from investing activities	**(552)**	**(1,384)**	**2,814**
Net proceeds from issue of share capital	-	2,470	-
Net proceeds from/(repayments of) loans and capitalised finance lease payments	551	(325)	(78)
Transactions relating to existing subsidiaries	60	(35)	(114)
Share based compensation, treasury shares and non-controlling shareholder transactions	214	36	62
Dividends paid	(274)	(254)	(281)
Net cash (utilised in)/generated from financing activities	**551**	**1,892**	**(411)**

PART VI
OPERATING AND FINANCIAL REVIEW

*The following discussion and analysis summarises the significant factors affecting our results of operations and financial condition during FY 2015, FY 2016 and FY 2017 as derived from our Audited Consolidated Financial Statements for the same periods, in each case prepared in accordance with IFRS. This discussion contains certain forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. See "Forward-Looking Statements" in Part III (*Important Information*) of this Prospectus and, for a discussion of the risks and uncertainties which we face, you should also see Part II (Risk Factors) of this Prospectus. This discussion should be read in conjunction with our Audited Consolidated Financial Statements and related notes incorporated by reference elsewhere in this Prospectus.*

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the following factors have had and will continue to have a material effect on our results of operations and financial condition. Because many of these factors are beyond our control and certain of these factors have historically been volatile, past performance is not necessarily indicative of future performance and it is difficult to predict future performance. In addition, important factors that could cause our actual results of operations or financial condition to differ materially from those expressed or implied below include, but are not limited to, the factors indicated in Part II (*Risk Factors*) of this Prospectus.

Our operating results are affected by a number of factors, including the number of households subscribing to our video-entertainment platforms, the number of users of our internet platforms and our mobile and communications services (including e-commerce, instant-messaging communication and online gaming services), the circulation of our newspapers and magazines, the level of advertising across our various media products, seasonality, general economic conditions, competition, regulatory developments and fluctuations in foreign exchange rates.

Internet Revenue

In FY 2017, our internet segment generated 36% of our consolidated revenue (FY 2016: 33% and FY 2015: 31%), all of which came from e-commerce revenue (FY 2016: 92% and FY 2015: 91%). Our internet segment generated negative consolidated EBITDA of $476 million (FY 2016: negative $415 million and FY 2015: negative $387 million). On a proportionately consolidated basis, our internet segment generated 73% of our revenue and 83% of our EBITDA in FY 2017 (FY 2016: 67% and 69%, respectively, and FY 2015: 61% and 60%, respectively). See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus.

Our e-commerce revenue is a function of the total value of transactions taking place on our trading platforms and the percentage success fee of the transaction value that we charge. As our large and active internet user base expands, our ability to leverage our fixed cost base improves.

Marketing and staff costs are the largest cost items in our e-commerce businesses. E-commerce platform costs represented 75% of our total costs of providing services and sale of goods in our internet segment (FY 2016: 79%) and 25% of our total costs of providing services and sale of goods in FY 2017. Further, marketing, staff costs, amortisation and depreciation, and other costs, related primarily to maintaining the platforms, represented 36%, 35%, 9% and 15%, respectively, of our total selling, general and administration expenses in our internet segment (FY 2016: 38%, 36%, 8% and 13%).

Video-entertainment Subscriber Base and Revenue

Our video-entertainment segment has been the main contributor to our operating results and cash flows in recent years. In FY 2017, our video-entertainment segment offered video-entertainment services to 11.9 million subscribers and generated 56% of our consolidated revenue (FY 2016: 57% and FY 2015: 58%), of which 81% came from subscription revenue (FY 2016: 82% and FY 2015: 80%). Our video-entertainment segment contributed $523 million to our consolidated EBITDA (FY 2016: $801 million and FY 2015: $921 million). Our video-entertainment revenue is a function of subscriber numbers and pricing of programming packages. For video-entertainment, subscriber numbers and mix are important because subscription revenue has proven less sensitive to the economic cycle than advertising revenue.

From FY 2015 to FY 2017, we increased our subscribers by 17% from 10,225,313 subscribers at the end of FY 2015 to 11,941,952 subscribers at the end of FY 2017, yielding a compound annual growth rate of 8%. In particular, our lower-priced programming packages, Compact, Access, Extra, GoTV and Family, which target the growing middle-income group in our countries of operation, experienced the fastest growth in subscriptions over these years. Our DTT services under our GoTV brand in various sub-Saharan African countries have experienced steady growth since their establishment in 2012, expanding from 376,591 subscribers at the end of our 2013 FY year to 3,000,725 subscribers at the end of FY 2017.

The ARPU in South Africa grew by 5% from Rand 337 in FY 2015 to Rand 353 in FY 2017. The introduction of lower-priced programming packages and the resultant growth in subscribers are likely to reduce the ARPU in the future. The ARPU in the rest of sub-Saharan Africa's DTH offering decreased by 28% from $36 in FY 2015 to $26 in FY 2017. This was a result of the introduction of lower-priced programming packages to attract new customers, as well as a depreciation of the average exchange rate of certain African currencies against the U.S. Dollar, in particular the Nigerian Naira and the Angolan Kwanza, which depreciated 44% and 24%, respectively, between 2016 and 2017. ARPU for the DTT offering decreased by $1 from $6 in FY 2015 to $5 in FY 2017, as a result of the roll-out of our DTT infrastructure in 10 sub-Saharan African countries, allowing us to offer less expensive packages to a greater portion of the African population. Although the increase in subscribers to our entry-level packages has led to declines in ARPU, it has led to growth in our subscriber base and overall cash flows. We believe that the growth in our lower-and mid-tier subscriber base will provide us with potential upgrade opportunities in the future as the middle class grows in sub-Saharan Africa. As programming content costs increase, our ability to maintain our margins will depend on our success in passing on higher content costs to subscribers through subscription price increases and on the continued affordability of our services notwithstanding the general weakening, in recent years, of African currencies, including the South African Rand, against the U.S. Dollar.

Programming Content and Decoder Costs

Programming content costs are the largest cost item of our video-entertainment business and represented 60% ($1,191 million) of our costs of providing services and sale of goods in our video-entertainment segment in FY 2017 (FY 2016: 57% ($1,052 million); FY 2015: 53% ($1,124 million)) and 33% of our total costs of providing services and sale of goods in FY 2017 (FY 2016: 31% and FY 2015: 29%). Programming content costs include the cost of licensing third-party programs and the production cost of programs we produce, as well as the amortisation of programming rights for sporting events and films. We produce programs through our wholly owned subsidiaries M-Net and SuperSport.

M-Net produces local series and reality shows and SuperSport produces local sports programming.

The majority of programming content costs consists of sports and movie rights licensed from third parties. We acquire sports rights typically on an individual basis for a period of three to five years at a fixed price, and we have output deals with most of the major film studios typically for a period of more than three years and at a variable price based on subscriber numbers. Most of our sports and movie rights contracts are denominated in foreign currencies, mainly U.S. Dollars, which exposes us to foreign currency exchange rate fluctuations. See "*Key Factors Affecting Our Results of Operations—Currency Fluctuations*" in this Part VI. Increased competition has resulted in higher programming content costs and reduced our operating margins, especially due to the intense bidding for key sports rights and the segmentation of rights packages, including segmentation by country.

Decoder costs are the second largest cost item of our video-entertainment business and represented 15% of our costs of providing services and sale of goods in our video-entertainment segment in FY 2017 (FY 2016: 17% and FY 2015: 22%) and 9% of our total costs of providing services and sale of goods in FY 2017 (FY 2016: 9% and FY 2015: 12%). In order to receive a digital signal, a subscriber is required to acquire a decoder and satellite dish or antenna. We partially subsidise the decoder acquisition costs, which increases our costs but stimulates our expansion into and penetration of the digital video-entertainment market.

Media Revenue and Raw Material Costs

Our media segment is another contributor to our operating results and cash flows. In FY 2017, our media segment generated 9% of our consolidated revenue (FY 2016: 10% and FY 2015: 11%) and 53% of our consolidated EBITDA (FY 2016: 12% and FY 2015: 9%). On a proportionately consolidated basis, our media segment generated 4% of our revenue and 1% of our EBITDA in FY 2017 (FY 2016: 5% and 2%, respectively and FY 2015: 7% and 2%, respectively). See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus.

Our media revenue is a function of the number of newspapers, magazines and books printed and distributed, and our printing, distribution, publishing and cover prices. Printing, circulation, book publishing and advertising revenue represented 36%, 14%, 6% and 25%, respectively, of our revenue in our media segment in FY 2017.

Purchases, printing and production costs in our media business represented 42% of our costs of providing services and sale of goods in our media segment (FY 2016: 41% and FY 2015: 42%) and 5% of our total costs of providing services and sale of goods in FY 2017 (FY 2016: 5% and FY 2015: 6%). The majority of these costs relate to paper, ink and related chemicals, which are the principal raw materials required for our printing and publishing activities. Prices fluctuate and can be affected by the volatility of the Rand and the price of international crude oil, as paper and the key ingredients for manufacturing the ink (or, if the ink is imported as a finished product, the ink itself) are sourced from outside of South Africa.

Currency Fluctuations

We operate internationally and are exposed to foreign exchange translation risk arising from various currency exposures. Our reporting currency is the U.S. Dollar. During FY 2017, 53% of our consolidated revenue was generated outside of South Africa (FY 2016: 54% and FY 2015: 52%). We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the South African Rand, the Euro, the Polish Zloty, the Chinese Renminbi, the Russian Ruble, the Brazilian Real, the Indian Rupee, the Romanian Lei, the Angolan Kwanza and the Nigerian Naira; fluctuations of these currencies against the U.S. Dollar have in the past significantly affected and could in the future affect our revenue, operating costs and general business and financial condition. As of 31 March 2017, South African Rand comprised 16%, and other foreign currencies, including U.S. Dollars and Euros, comprised 84%, of our net cash reserves, and our debt obligations were almost entirely denominated in U.S. Dollars. In addition, fluctuations in the exchange rate of our operating currencies could affect the comparability of our performance between financial periods since the vast majority of our sales are in currencies other than the U.S. Dollar while our financial statements are presented in U.S. Dollars.

The financial performance of our businesses are consolidated in their respective functional currencies and translated to U.S. Dollars. The weakening of certain emerging market currencies against the U.S. Dollar since FY 2015 negatively affected our year-on-year performance through the translation impact. Unlike the material earnings impact of falling currencies on the video-entertainment segment, this impact is weaker for the internet segment due to our diverse geographic spread and costs that are usually incurred in local currencies. For video-entertainment, 37% of the costs were U.S. Dollar denominated in FY 2017.

Although a substantial portion of our revenue is denominated in the currencies of the countries in which we operate, a significant portion of our cash obligations, including payment obligations under transmission equipment and satellite leases, and contracts for video-entertainment programming and channels, is denominated in the currencies of countries in which we have limited operations, such as U.S. Dollars. The majority of our subscription prices in South Africa and sub-Saharan Africa are also denominated in local currency; therefore, fluctuations in certain African currencies, particularly the Nigerian Naira and the Angolan Kwanza, against the U.S. Dollar can affect the affordability of our services and, accordingly, the size of our subscriber base. The currency fluctuations in the Nigerian Naira, the Angolan Kwanza and the Kenyan Schilling adversely impacted our sub-Saharan subscription revenue in FY 2017, based on the previous year's closing rates, by $90 million (FY 2016: $40 million and FY 2015: $26 million), $26 million (FY 2016: $47 million and FY 2015: $8 million) and $0.5 million (FY 2016: $9 million and FY 2015: $2 million), respectively. Where our revenue is denominated in local currencies, a depreciation of the local currency against the U.S. Dollar would adversely affect our earnings and our ability to meet our cash obligations. Many of our operations are in countries or regions where the local currency has fluctuated considerably against the U.S. Dollar in recent years. Management is responsible for hedging the net position in the major foreign currencies by using forward exchange contracts. We generally seek to cover forward 100% of firm commitments in foreign currency for a minimum of one year and up to two years in our South African video-entertainment business. For our sub-Saharan African operations it is often not possible to cover foreign currency exposures, due to the limited availability of forward exchange contracts including in our largest markets, Nigeria and Angola. We also use forward exchange contracts to hedge foreign currency exposure in our print business, where cover is generally taken for 75% to 100% of firm commitments in foreign currency for up to one year. Where we have surplus funds offshore, our treasury policy is to spread the funds between more than one currency, predominantly U.S. Dollars and Euros, to limit the effect of foreign exchange rate fluctuations and to achieve the highest level of finance income. See "*Currency Policies*" in this Part VI.

The following table sets forth historic exchange rates relative to the U.S. Dollar of our main currencies.

	FY 2017		FY 2016		FY 2015	
Exchange rate	**At year-end**	**Average**	**At year-end**	**Average**	**At year-end**	**Average**
South African Rand	13.4247	14.0276	14.7687	13.861	12.1395	11.1265
Euro	0.9388	0.9141	0.8787	0.9077	0.9309	0.8019
Chinese Renminbi	6.8871	6.7448	6.449	6.3612	6.2005	6.1963
Polish Zloty	3.973	3.9739	3.7288	3.8406	3.7951	3.3513
Brazilian Real	3.1233	3.2674	3.5935	3.6319	3.1817	2.5018
Nigerian Naira	305.85	286.9663	199.03	199.035	199.0499	174.6332
Russian Ruble	56.2578	62.7623	66.9993	64.2813	58.17562	46.4733
Indian Rupee	64.86	66.9716	66.255	65.6023	62.3355	61.3261
Angolan Kwanza	165.761	165.7742	160.543	134.0209	108.0477	100.5183
Romanian Lei	4.2752	4.1159	3.9307	4.0463	4.1057	3.5459

Development Spend

Included in operating profit is Development Spend, which consists of the trading losses that certain of our subsidiaries, divisions or operating units incur in a reporting period. Trading loss is defined as operating loss, as adjusted to include interest charges on transponder leases and to exclude amortisation of intangible assets (other than software), retention option expenses linked to business combinations, capital gains and losses and equity-settled share based compensation charges. The trading losses of a Development Business are included in Development Spend only until the Development

Business has reached trading profit (once a Development Business has reached profitability we no longer include its results in Development Spend) or until we determine that it is unlikely to reach profitability and is either sold or we otherwise exit the business.

Development Businesses include our subsidiaries yet to scale that are operating at a loss but that we believe will become profitable in the future and certain start-up projects in subsidiaries that are otherwise profitable. Development Businesses include many of our e-commerce businesses and new business ventures, such as DTT and the e-commerce and digital media ventures in our media segment.

In FY 2017, consolidated Development Spend was $861 million (FY 2016: $708 million). The increase in FY 2017 is due to new investments in letgo and classifieds vertical businesses, Showmax, and the online hotel travel business in India. The total Development Spend related to these new investments amounted to $427 million in FY 2017 (FY 2016: $189 million). Excluding these new investments, consolidated Development Spend decreased by $85 million from $519 million in FY 2016 to $434 million in FY 2017. This decrease was due to several e-commerce businesses, including classifieds and the B2C operations, improving profitability and scale.

Significant Acquisitions, Disposals and Investments

Our strategy is to increase our revenue and profits through organic growth, supported by further acquisitions as opportunities arise. In FY 2017, we invested $397 million in acquisitions (FY 2016: $1,426 million and FY 2015: $406 million) and realised $3,383 million in disposals (FY 2016: $289 million and FY 2015: $158 million). The period-by-period analysis included later in this section sets forth how our results of operations have been affected by our acquisitions and disposals. See "*Significant Acquisitions and Disposals*" in this Part VI.

DISCUSSION OF PRINCIPAL OPERATING RESULTS ITEMS

Revenue

In FY 2017, consolidated revenue comprised subscription revenue (46%), advertising revenue (6%), e-commerce revenue (36%), technology revenue (2%), printing revenue (3%), hardware sales revenue (2%), circulation revenue (1%), book publishing and book sales revenue (1%) and other revenue (3%). The following provides a brief description of our revenue types:

- Subscription revenue includes video-entertainment and subscription fees for our magazines and newspapers.
- Advertising revenue includes revenue received for advertisements placed in our newspapers and magazines, as well as on our internet and video-entertainment platforms.
- E-commerce revenue includes revenue received for e-commerce services offered on our online trading and listings platforms, fees for facilitating transactions on our facilitation and payments platforms and revenue from product sales through our general retail, fashion and other e-tail platforms.
- Technology revenue includes revenue generated from conditional access systems to prevent unauthorised access to content, such as the sale of smart cards and other secure units to prevent piracy. It also includes revenue earned from mobile value-added services as well as software, online and data solutions services.
- Printing revenue includes fees received from the printing of newspapers, magazines, books and related commercial printing products.
- Circulation revenue includes the cover prices received from the sale of newspapers and magazines.

- Book publishing and book sales revenue includes the cover prices received from the sale of books.

- Hardware sales revenue includes revenue generated from the sale of decoders.

- Other revenue includes revenue relating to the distribution of print media products, sublicensing, contract publishing, decoder maintenance and reconnection fees, backhaul charges and financing service fees.

Costs of Providing Services and Sale of Goods

In FY 2017, the cost of providing services and sale of goods included programming content costs, subscriber management costs, decoder costs, costs of goods sold, printing costs, staff costs, marketing costs and depreciation and amortisation costs assigned to costs of providing services and sale of goods. The following provides a brief description of our various costs of providing services and sale of goods:

- Programming content costs include the cost of licensing third-party programs and the production cost of programs produced by the Group, as well as the amortisation of programming rights for sporting events and films.

- Subscriber management costs include the direct cost of servicing and maintaining equipment installed at subscribers' homes and the cost of providing customer service.

- Decoder costs include our purchase costs and subsidies of decoder boxes for use or resale to customers.

- Costs of goods sold include the cost of consumer products and digital content where we are the seller of record, including inbound and outbound shipping charges and packaging supplies.

- Printing costs include raw materials, such as paper and ink, and other direct costs relating to the printing process.

- Staff costs include salaries, wages, bonuses, retirement benefit costs, medical aid and fund contributions, post-employment benefits, training costs, retention option expense and share-based compensation charges.

- Marketing costs include costs related to promotional and advertising campaigns for our products and services.

- Depreciation and amortisation costs include depreciation of our property, plant and equipment (including transponder leases), and amortisation of intangible assets such as brand names, title rights, intellectual property rights, patents and our subscriber base.

Selling, General and Administration Expenses

These costs include fixed overhead costs, such as (i) marketing, advertising, public relations, subscriber sale, warehousing, and information system costs, (ii) staff and other costs from our finance and accounting, accounts receivable, accounts payable and human resources departments, and (iii) depreciation and amortisation costs assigned to selling, general and administrative expenses.

Other gains/(losses)—net

Included in other gains/(losses)—net are (i) profits and losses on any sales of assets, (ii) the fair value adjustment of financial instruments, (iii) impairment losses of goodwill and other intangible assets, property, plant and equipment and other assets and (iv) compensation received from third parties for impaired, lost or stolen property, plant and equipment.

Share of Equity-Accounted Results

These include results from investments in our associated companies and joint ventures, which are accounted for under the equity method. Associated companies are those companies in which we exercise significant influence but which we do not control or jointly control. Associated companies and joint ventures principally comprise Tencent, Mail.ru, MMT, Flipkart and Souq, in which as at 31 March 2017 we held 33.3%, 28.7%, 43.2%, 16.5% and 36.4% interests, respectively.

Our associate and joint venture investments have historically been, and will continue to be, accounted for under the equity method for purposes of our Audited Consolidated Financial Statements. In accordance with IFRS 8, which aligns the reporting of operating segments with internal management reporting, we report investments in associated companies and joint ventures on a proportionately consolidated basis for segmental reporting purposes only. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus. Throughout this Part VI, we account for associate and joint venture investments under the equity method, but we have also included certain information based on the proportionate consolidation of associated companies and joint ventures in this Part VI as indicated herein.

CONSOLIDATED RESULTS FROM OPERATIONS

The following tables set forth our historical consolidated financial data. The following financial data have been prepared in accordance with IFRS and have been derived from, should be read in conjunction with, and are qualified in their entirety by reference to our Audited Consolidated Financial Statements, including the notes thereto, and "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus and Part IV (*Business*) of this Prospectus.

The following table sets forth our income statement data for FY 2015, FY 2016 and FY 2017, as well as each line item expressed as a percentage of total revenue for the period.

	For the financial year ended 31 March					
	2015		2016		2017	
	(US$ in millions, other than percentages)					
Revenue						
Internet: E-commerce	2,049	31%	1,966	33%	2,173	36%
Video-entertainment	3,829	58%	3,407	57%	3,398	56%
Media	741	11%	591	10%	575	9%
Corporate services	(50)	—	(34)	—	(48)	(1)%
Total revenue	**6,569**	**100%**	**5,930**	**100%**	**6,098**	**100%**
Operating expenses						
Cost of providing services and sale of goods	(3,824)	(58)%	(3,392)	(57)%	(3,574)	(59)%
Selling, general and administration expenses	(2,525)	(38)%	(2,423)	(41)%	(2,827)	(46)%
Other gains/(losses)—net	(59)	(1)%	(292)	(5)%	(57)	(1)%
Total operating expenses	**(6,408)**	**(98)%**	**(6,107)**	**(103)%**	**(6,458)**	**(106)%**
Operating profit/(loss)						
Internet: E-commerce	(529)	(8)%	(763)	(13)%	(647)	(11)%
Video-entertainment	712	11%	608	10%	298	5%
Media	9	NM(1)	20	NM(1)	3	NM(1)
Corporate services	(31)	NM(1)	(42)	(1)%	(14)	NM(1)
Total operating profit/(loss)	**161**	**2%**	**(177)**	**(3)%**	**(360)**	**(6)%**
Interest received	45	1%	40	1%	70	1%
Interest paid	(247)	(4)%	(292)	(5)%	(278)	(5)%
Other finance income/(costs)—net	(49)	(1)%	(100)	(2)%	(259)	(4)%
Share of equity-accounted results	1,475	22%	1,289	22%	1,829	30%
Impairment of equity-accounted investments	(39)	(1)%	(55)	(1)%	-	NM(1)
Dilution gains/(losses)on equity-accounted investments	113	2%	104	2%	(119)	(2)%
Gains/(losses) on acquisitions and disposals	139	2%	452	8%	2,169	36%
Profit before taxation	**1,598**	**24%**	**1,261**	**21%**	**3,052**	**50%**
Taxation	(338)	(5)%	(260)	(4)%	(244)	(4)%

Profit for the period	**1,260**	**19%**	**1,001**	**17%**	**2,808**	**46%**
Attributable to:						
Naspers shareholders	1,257	19%	994	17%	2,921	48%
Non-controlling interests	3	NM[(1)]	7	NM[(1)]	(113)	(2)%

(1) Not meaningful.

The following table sets forth the consolidated EBITDA for our core business segments for FY 2015, FY 2016 and FY 2017, as well as each line item expressed as a percentage of total consolidated EBITDA for the period.

	For the financial year ended 31 March					
	2015		2016		2017	
	Unaudited		Unaudited		Unaudited	
	(US$ in millions, other than percentages)					
EBITDA						
Internet: E-commerce	(388)	(71)%	(416)	(98)%	(476)	(661)%
Video-entertainment	921	167%	801	189%	523	726%
Media	47	9%	50	12%	38	53%
Corporate services	(30)	(5)%	(12)	(3)%	(13)	(18)%
Total EBITDA (consolidated)	**550**	**100%**	**423**	**100%**	**72**	**100%**

The following table shows our consolidated revenue by geographic market for FY 2015, FY 2016 and FY 2017, as well as each line item expressed as a percentage of total consolidated revenue for the period.

	For the financial year ended 31 March					
	2015		2016		2017	
	(US$ in millions, other than percentages)					
Revenue						
South Africa	3,175	48%	2,709	46%	2,851	47%
Rest of Africa	1,298	20%	1,162	20%	990	16%
Europe	1,585	24%	1,576	26%	1,720	28%
Asia	129	2%	154	3%	177	3%
Latin America	310	5%	252	4%	272	5%
Other	72	1%	77	1%	88	1%
Total revenue (consolidated)	**6,569**	**100%**	**5,930**	**100%**	**6,098**	**100%**

We have presented certain revenue metrics in local currency, excluding the effects of changes in the composition of our Group in the following tables. This information has been prepared to illustrate the impact of changes in foreign exchange rates and changes in the composition of our Group on our results:

	For the financial year ended 31 March							
	2016A IFRS	2017B Group composition disposal adjustment(a)	2017C Group composition acquisition adjustment(b)	2017D Foreign currency adjustment	2017E Local currency growth(c)	2017F(d) IFRS	2017G(e) Local currency growth	2017H(f) Year on year growth
			(US$ in millions) (Unaudited)				% Change (Unaudited)	
Consolidated revenue								
Internet: E-commerce	1,966	(389)	138	(41)	499	2,173	32%	11%
Video-entertainment	3,407	(2)	—	(245)	238	3,398	7%	(0)%
Media	591	(4)	—	(8)	(4)	575	(1)%	(3)%
Corporate and intergroup eliminations	(34)	—	—	(1)	(13)	(48)	38%	41%
Total consolidated revenue	**5,930**	**(395)**	**138**	**(295)**	**720**	**6,098**	**13%**	**3%**
Segmental revenue								
Internet	8,237	(457)	157	(502)	3,186	10,621	41%	29%
—E-commerce	2,647	(418)	151	(51)	600	2,929	27%	11%
—Listed assets	5,590	(39)	6	(451)	2,586	7,692	47%	38%
Video-entertainment	3,413	(2)	—	(245)	235	3,401	7%	(0)%
Media	608	(7)	—	(8)	(5)	588	(1)%	(3)%
Corporate and intergroup eliminations	(34)	—	—	(1)	(13)	(48)	38%	41%
Total segmental revenue	**12,224**	**(466)**	**157**	**(756)**	**3,403**	**14,562**	**29%**	**19%**
Other metrics reported								
Segmental information								
E-tail revenue	1,650	(263)	17	(37)	292	1,659	21%	1%
Marketplace revenue	338	(75)	—	(10)	74	327	28%	(3)%
Travel revenue	91	(13)	—	(3)	48	123	62%	35%
Classifieds revenue	217	(19)	114	(13)	127	426	64%	96%
Payments revenue	140	—	8	(7)	45	186	32%	33%

	For the financial year ended 31 March							
	2015A IFRS	2016B Group composition disposal adjustment(a)	2016C Group composition acquisition adjustment(b)	2016D Foreign currency adjustment	2016E Local currency growth(c)	2016F(d) IFRS	2016G(e) Local currency growth	2016H(f) Year on year growth
			(US$ in millions) (Unaudited)				% Change (Unaudited)	
Consolidated revenue								
Internet: E-commerce	2,049	(129)	46	(336)	336	1,966	18%	(4)%
Video-entertainment	3,829	—	—	(809)	387	3,407	10%	(11)%
Media	741	—	3	(138)	(15)	591	(2)%	(20)%
Corporate and intergroup eliminations	(50)	—	—	5	11	(34)	(22)%	(32)%
Total consolidated revenue	**6,569**	**(129)**	**49**	**(1,278)**	**719**	**5,930**	**11%**	**(10)%**
Segmental revenue								
Internet	6,999	(446)	148	(628)	2,164	8,237	33%	18%
—E-commerce	2,492	(166)	128	(397)	590	2,647	25%	6%
—Listed assets	4,507	(280)	20	(231)	1,574	5,590	37%	24%
Video-entertainment	3,830	—	—	(811)	394	3,413	10%	(11)%
Media	762	—	3	(142)	(15)	608	(2)%	(20)%
Corporate and intergroup eliminations	(50)	—	—	5	11	(34)	(22)%	(32)%
Total segmental revenue	**11,541**	**(446)**	**151**	**(1,576)**	**2,554**	**12,224**	**23%**	**6%**
Other metrics reported								
Segmental information								
E-tail revenue	1,476	(94)	76	(203)	395	1,650	29%	12%
Marketplace revenue	336	(26)	22	(41)	47	338	15%	1%
Travel revenue	58	—	—	(6)	39	91	67%	57%
Classifieds revenue	161	(22)	37	(33)	74	217	53%	35%
Payments revenue	138	—	—	(25)	27	140	20%	1%

(a) All revenue relating to companies that were disposed of, or partially disposed of, during the relevant financial year (with regards to a step down in the percentage ownership, the amount is calculated as prior year revenue multiplied by the decrease in shareholding in the current year).

(b) Adjustment to prior year revenues relating to companies that were acquired during the relevant financial year (with regards to a step up in the percentage ownership, the amount is calculated as current year revenue multiplied by the increase in shareholding in the relevant year).

(c) Growth in local currency excluding disposal and acquisition adjustments.

(d) Represents the sum of columns A, B, C, D and E in the respective table above.

(e) This column represents the result of dividing column E by the sum of columns A and B and multiplying the result by 100.

(f) This column represents the result of dividing column F by A, subtracting 1 and then multiplying the result by 100.

RESULTS OF OPERATIONS: FY 2017 COMPARED TO FY 2016

Revenue

Total revenue increased by $168 million, or 3%, from $5,930 million in FY 2016 to $6,098 million in FY 2017. The financial performance of our businesses are consolidated in their respective functional currencies and translated to U.S. Dollars. The weakening of certain emerging market currencies against the U.S. Dollar since FY 2015 negatively affected our year-on-year performance through the translation impact. Unlike the material earnings impact of falling currencies on the video-entertainment segment, this impact is weaker for the internet segment due to our diverse geographic spread and costs that are usually incurred in local currencies. For video-entertainment, 37% of the costs were U.S. Dollar denominated in FY 2017 (FY 2016: 37%). The depreciation in the value of the average exchange rate of the Nigerian Naira, Rand and various of our other foreign operating currencies against the U.S. Dollar decreased the revenue denominated in these currencies when translated into U.S. Dollars. The average exchange rate of the Nigerian Naira against the U.S. Dollar weakened by 44% in FY 2017. See "*Key Factors Affecting Our Results of Operations— Currency Fluctuations*" in this Part VI. The negative impact of weaker underlying local currencies against the U.S. Dollar impacted revenue in FY 2017 negatively by $295 million. Revenue growth expressed in local currency, excluding the impacts of acquisitions and disposals, of 13% was achieved in FY 2017, with our e-commerce businesses growing at 32% on this basis.

Subscription revenue represented 46% and 47% of our total revenue in FY 2017 and FY 2016, respectively. The table below presents our revenue by type for the periods indicated.

	For the financial year ended 31 March		
	2016	2017	% Change
	(US$ in millions)		
Revenue by Revenue Type			
Subscription revenue	2,791	2,788	NM[1]
E-commerce revenue	1,962	2,167	10%
Advertising revenue	372	368	(1)%
Technology revenue	120	119	(1)%
Printing revenue	198	206	4%
Hardware sales revenue	179	152	(15)%
Circulation revenue	86	78	(9)%
Book publishing and book sales revenue	44	37	(16)%
Other revenue	178	183	3%
Total Revenue	**5,930**	**6,098**	**3%**

(1) Not meaningful.

The following is a discussion of our consolidated revenue by segment. The information set forth below is also summarised in the table under the heading "*Consolidated Results from Operations*" in this Part VI.

Internet – E-commerce

Total revenue from our e-commerce businesses increased by $207 million, or 11%, from $1,966 million in FY 2016 to $2,173 million in FY 2017. Growth was partly offset by both currency fluctuations between the U.S. Dollar and underlying operating currencies (negative impact of $41 million), affecting the translation of the underlying businesses to our reporting currency U.S. Dollars, as well as acquisitions and disposals during FY 2017 (negative impact of $251 million). Avito made a full year's contribution of $204 million in FY 2017, compared to a three-month contribution of $31 million in FY 2016. The positive effect of this contribution was partially offset by the disposal of the Allegro and Ceneo businesses in Poland, in January 2017. For FY 2017, these businesses contributed, up to the date of disposal, $306 million to the revenue of our e-commerce businesses (FY 2016: $329 million and FY 2015 $324 million). Excluding the currency, acquisition and disposal impacts, the internet segment experienced strong local currency revenue growth of 32%.

Revenue from our associate and joint venture investments has been excluded from the consolidated operating profit in our e-commerce businesses for purposes of the foregoing analysis. However, in accordance with IFRS 8, our associate and joint venture investments have been proportionately consolidated in our segmental reporting. On an economic interest basis, our e-commerce business grew revenues by $282 million, or 11%, from $2,647 million in FY 2016 to $2,929 million in FY 2017. In local currency, excluding the impacts of acquisitions and disposals, revenue grew by 27% on an economic interest basis. Various currency weaknesses relative to the U.S. Dollar had a negative $51 million, or 2%, effect on the U.S. Dollar reported revenue. Our associate and joint venture investments contributed revenue of $756 million to our e-commerce businesses in FY 2017, compared to $681 million in FY 2016. The increase of $75 million, or 11%, was mainly a result of strong performances by our e-tail and classifieds businesses. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus. The classifieds business performed well, growing revenues in local currency, excluding acquisitions and disposals, by 64% to $426 million in FY 2017 from $217 million in FY 2016. This growth was primarily due to accelerated monetisation in the European markets, led by Russia, Poland, Ukraine, Romania and Portugal, due to increased levels of our businesses scaling to profitability. The e-tail revenue growth was supported by eMAG, which increased revenue by 35% and increased its market share in Romania, Bulgaria and Hungary. Revenue in the payments business grew 32% in local currency, excluding acquisitions and disposals, from $140 million in FY 2016 to $186 million in FY 2017. Six of the markets served by PayU experienced operational growth in excess of 50%. In Naspers Ventures, our Latin American online food-delivery business, iFood, grew order numbers by 164% compared to FY 2016.

Internet – Listed assets

Revenue from our listed assets has been excluded from the consolidated operating profit in our internet segment for purposes of the foregoing analysis as they are accounted for as associate investments. However, in accordance with IFRS 8, our associate and joint venture investments have been proportionately consolidated in our segmental reporting. On an economic interest basis, the total revenue increase in our listed assets of $2,102 million in FY 2017 represented a 38% increase over FY 2016 revenue. The increase in listed assets revenue was mainly a result of strong performances by our two listed assets associates, Tencent and Mail.ru. This growth consisted of 47% growth in local currency, negative 1% acquisitive growth and negative 8% attributable to the weakening of the Chinese Renminbi and Russian Ruble against the U.S. Dollar. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus.

Video-entertainment

Our video-entertainment segment revenue decreased marginally by $9 million from $3,407 million in FY 2016 to $3,398 million in FY 2017, of which 81% in FY 2017 came from subscription revenue. Challenging economic conditions in FY 2016 resulted in significant subscriber churn.

However, FY 2017 saw a return to moderate subscriber growth. In FY 2017, 85% of our video-entertainment revenue was generated in South Africa, compared to 76% in FY 2016. The remainder of our video-entertainment revenue was generated primarily in the rest of sub-Saharan Africa. Our video-entertainment segment experienced revenue growth in local currency, excluding the impact of acquisitions and disposals, of $238 million, or 7%, on the back of stagnant economic conditions, but this was negatively impacted by $245 million as a result of the strengthening of the average U.S. Dollar exchange rate against the Nigerian Naira, Angolan Kwanza, and other currencies mostly related to our sub-Saharan Africa business as our customer billings are based in local currency. The revenue growth in local currency, excluding the impact of acquisitions and disposals, was largely the result of an increase in our total subscriber numbers, which increased by 1,531,437 subscribers, or 15%, from 10,410,515 subscribers at the end of FY 2016 to 11,941,952 subscribers at the end of FY 2017. Our video-entertainment business represented 56% and 57% of our total revenue in FY 2017 and FY 2016, respectively.

In FY 2017, we launched a value strategy, aimed at expanding the business over the long term. This strategy focused on the restructuring of our program offering and monitoring non-performing content, keeping subscription prices stable in key markets, better customer focus and retention, reducing the set-top box process and rightsizing operational activities. We believe that these initiatives contributed directly to the growth in our subscriber base.

Our subscribers in South Africa increased by 626,524 subscribers, or 11%, from 5,731,856 subscribers at the end of FY 2016 to 6,358,380 subscribers at the end of FY 2017. Our subscriber numbers for the Extra, Family, Access and Compact programming packages increased in FY 2017. Our Analog subscribers decreased in FY 2017, as subscribers continued to migrate from the analogue service to the various digital packages. Subscribers to our Premium package also decreased. Our four lower-priced packages (Compact, Family, Access and EasyView) were strongly promoted. The Access programming package, intended to address a broad market segment, proved the most popular, and Access subscribers increased significantly in FY 2017. The total personal video recorder subscribers increased by 185,520, or 12%, from 1,565,740 subscribers at the end of FY 2016 to 1,751,260 subscribers at the end of FY 2017.

The growth in subscribers and a subscription price increase were the main factors driving the growth in local currency, excluding the effects of acquisitions and disposals, in South African subscription revenue, which was partially offset by the negative impact of a strengthening U.S. Dollar. Overall, subscription revenue increased by $135 million, or 8%, from $1,733 million in FY 2016 to $1,868 million in FY 2017. The increase in the number of new digital subscribers contributed $45 million, or 2%, to the increased subscription revenue in South Africa. Monthly subscription prices of our programming packages were increased during FY 2017, and the increase contributed $109 million, or 6%, to the increased subscription revenue in South Africa. Revenue in South Africa in FY 2017 was comprised of subscription (65%), advertising (8%), hardware sales (3%) and other revenue (24%).

Our subscribers in the rest of sub-Saharan Africa increased by 904,913 subscribers, or 19%, from 4,678,659 subscribers at the end of FY 2016 to 5,583,572 subscribers at the end of FY 2017. Despite continuing adverse economic conditions in the region, our subscriber numbers for the lower-tier programming packages, GoTV/DTT, Compact and Access, increased in FY 2017. This increase has been a result of a focus on restructuring programming packages, reducing non-performing content, stabilising subscriptions in key markets, improving customer focus and retention, and right-sizing operations. Reducing the price of our set-top boxes also contributed positively.

Subscription revenue decreased by $5 million, from $2,778 million in FY 2016 to $2,773 million in FY 2017, as a result of the weakening of the average Nigerian Naira, Angolan Kwanza and other exchange rates against the U.S. Dollar, which offset subscription growth. Monthly subscription prices of our programming packages in South Africa were increased by 8% to 10% during FY 2017, apart from our EasyView offering which decreased by 26%. The majority of subscription prices in the rest of sub-Saharan Africa are denominated in local currency and the depreciation in the average exchange rates against the U.S. Dollar during FY 2017 had a negative impact on subscription revenue when reported in U.S. Dollars. In U.S. Dollar terms, subscription revenue in the rest of sub-Saharan Africa decreased by 14%. In sub-Saharan Africa, 93% of video-entertainment revenue in FY 2017 was subscription revenue.

Our video-entertainment advertising revenue increased by $8 million, or 4%, from $216 million in FY 2016 to $224 million in FY 2017. This increase was mainly due to the increase in advertising volumes resulting in increased advertising revenue.

Decoder sales revenue decreased by $28 million, or 16%, from $179 million in FY 2016 to $151 million in FY 2017. This decrease was mainly due to the impact of negative exchange rate movements when reported in U.S. Dollars. In local currency, decoder sales decreased due to higher selling prices resulting in lower sales volumes.

Media

Revenue decreased by $16 million, or 3%, from $591 million in FY 2016 to $575 million in FY 2017. The decrease was mainly due to the impact of continued structural shifts in the print media segment and macroeconomic conditions resulting in negative growth in local currency, excluding the effects of disposals and acquisitions, of 1%. Advertising revenue remained under pressure as a result of adverse economic conditions. The printing business was affected by lower print volumes. Advertising revenue, circulation revenue, printing revenue, book publishing and book sales revenue and distribution revenue represented 25%, 14%, 36%, 6% and 3% of our total media revenue in FY 2017, respectively.

Revenue from our associate and joint venture investments has been excluded from the consolidated operating profit in our media segment for purposes of the foregoing analysis. However, in accordance with IFRS 8, our associate and joint venture investments have been proportionately consolidated in our segmental reporting and contributed revenue of $13 million to our media segment in FY 2017, compared to $17 million in FY 2016. The decrease of $4 million, or 24%, was mainly a result of difficult trading conditions experienced by our associates. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus.

Operating Expenses

Costs of Providing Services and Sale of Goods

The costs of providing services and sale of goods increased by $182 million, or 5%, from $3,392 million for FY 2016 to $3,574 million for FY 2017. Costs of providing services and sales of goods as a percentage of revenue increased from 57% in FY 2016 to 59% in FY 2017. The costs of providing services and sale of goods increased primarily in our video-entertainment segment as a result of higher programming content costs, which are mainly denominated in U.S. Dollars, as well as higher costs of sales in the internet segment from increased e-tail product revenue. 36% and 73% of our video-entertainment segment costs are denominated in U.S. Dollars in South Africa and sub-Saharan Africa, respectively. For local currency expenses we benefited from the weaker foreign exchange rates against the U.S. Dollar.

Internet

The costs of providing services and sale of goods as a percentage of internet revenue decreased to 54% in FY 2017 from 59% in FY 2016. This was mainly a result of revenue growth and the scaling of our internet businesses.

Video-entertainment

The costs of providing services and sale of goods as a percentage of video-entertainment revenue increased from 54% in FY 2016 to 59% in FY 2017. Operating margins were under pressure due to higher content costs, primarily in South Africa, resulting from increased competition due to intense bidding for sports rights, increased costs of building the subscriber base in the form of decoder subsidies to stimulate growth in the developing middle-class market, and the launch of the new DTT services in sub-Saharan African regions. The majority of our programming and content costs are U.S. Dollar denominated, while our revenues are generated in local currency. These higher input costs cannot always be on-charged to our customers through price increases.

In South Africa, programming content costs increased by $161 million, or 17%, from $924 million in FY 2016 to $1,085 million in FY 2017. In South Africa, 36% of our input costs are U.S. Dollar denominated, while the remaining costs are denominated in local currency. Accordingly, a weakening of the Rand against our reporting currency, the U.S. Dollar, would result in lower total U.S. Dollar translated costs. In local currency, programming content costs increased due to the increase in digital subscribers in South Africa, the cost of acquiring new channels and higher content costs resulting from increased competition. Programming content costs as a percentage of subscription revenue increased from 53% in FY 2016 to 58% in FY 2017 in South Africa. In the rest of sub-Saharan Africa, total programming content costs increased by $108 million, or 21%, from $522 million in FY 2016 to $630 million in FY 2017. Increased programming content costs related to the growth in digital subscribers and additional channels, as well as higher content costs resulting from increased competition, were partially offset by the weaker exchange rates in the sub-Saharan Africa region. Programming content costs as a percentage of subscription revenue increased from 50% in FY 2016 to 70% in FY 2017 in the rest of sub-Saharan Africa.

Decoder costs decreased by $4 million, or 1%, from $310 million in FY 2016 to $306 million in FY 2017. The decrease in decoder costs was driven by lower decoder sales during the year.

Media

The costs of providing services and sale of goods as a percentage of media revenue increased from 68% in 2016 to 72% in 2017. The cost of providing services and sale of goods in the media segment increased during FY 2017 by $11 million, or 3%, from $404 million for FY 2016 to $415 million. This increase was due to the increased costs of imported paper which were negatively affected by volatile foreign exchange rates for the Rand, as well as increased costs of locally sourced materials in South Africa. In addition, higher plant maintenance costs contributed further to higher costs of providing services and sale of goods.

Selling, General and Administrative Costs

Selling, general and administrative costs increased by $404 million, or 17%, from $2,423 million in FY 2016 to $2,827 million in FY 2017. Selling, general and administrative costs as a percentage of revenue increased from 41% in FY 2016 to 46% in FY 2017. Our e-commerce business continues to increase its scale through investment in letgo and the hotels segment of the online travel business in India. This scaling resulted in increased marketing spend and staff costs, in particular, as well as spend on information technology development across platforms.

Marketing costs increased by $83 million, or 12%, from $691 million in FY 2016 to $774 million in FY 2017. Most of our marketing expenses were directed at the e-commerce businesses in the internet segment in order to grow and scale these businesses, including the expansion of the classifieds footprint through our letgo business into new markets, primarily the United States. The increase in costs was partially offset by the weaker foreign exchange rates against the U.S. Dollar for local currency expenditure.

Staff costs increased by $136 million, or 12%, from $1,131 million in FY 2016 to $1,267 million in FY 2017. The increase was primarily a result of growth in our e-commerce businesses, which was partially offset by the weaker foreign exchange rates against the U.S. Dollar, in particular on our African-based businesses.

Amortisation of intangible assets included in selling, general and administrative costs increased by $39 million, or 47%, from $83 million in FY 2016 to $122 million in FY 2017. The increase was due to the recognition of intangible assets arising from the purchase price allocation related to acquisitions in our internet segment as well as the additional $46 million amortisation related to Avito, which was accounted for as a subsidiary for the full financial year in FY 2017, compared to only three months in FY 2016.

Depreciation and Amortisation

Depreciation and amortisation increased in the aggregate by $62 million, or 22%, from $280 million in FY 2016 to $342 million in FY 2017. Of these charges, 45% was allocated to our costs of providing services and sale of goods and 55% to our selling, general and administration expenses in FY 2017.

Depreciation and amortisation as a percentage of revenue increased marginally to 6% in FY 2017, compared to 5% in FY 2016. Amortisation expenses for other intangible assets increased by $34 million, or 36%, from $94 million in FY 2016 to $128 million for FY 2017. Depreciation expenses increased by $28 million, or 15%, from $186 million in FY 2016 to $214 million in FY 2017. This increase was mainly due to depreciation charges associated with the new transponder lease that came into effect in FY 2017. In addition, the additional depreciation and amortisation related to Avito, which was accounted for as a subsidiary for the full financial year in FY 2017, compared to only three months in FY 2016.

Other Gains/(Losses)—Net

In FY 2017, other gains/(losses)—net amounted to a net loss of $57 million compared to a net loss of $292 million in FY 2016. Other gains/(losses)—net mainly related to impairment losses of $58 million in FY 2017 and $286 million in FY 2016.

In FY 2017, we recognised impairment losses on goodwill and other intangible assets of $5 million (FY 2016: $145 million) and $25 million (FY 2016: $10 million), respectively, due to the fact that the recoverable amounts of certain cash-generating units were less than their carrying value. Of the goodwill and other intangible impairment charges in FY 2017, amounts of $4 million, $26 million and nil relate to the video-entertainment, internet and media segments, respectively. Included in the aggregate goodwill and other intangibles impairment charges in FY 2017 is an amount of $23 million related to the Group's fashion business in Turkey (within the internet segment), where unfavourable macroeconomic conditions have impacted original growth expectations.

The aggregate goodwill and other intangibles impairment charges in FY 2016 included charges of $140 million and $5 million that relate to the Group's online comparison shopping businesses and other e-commerce platforms, respectively, where the growth has failed to meet original expectations.

In FY 2017, we recognised impairment losses of $26 million (FY 2016: $43 million) related to property, plant and equipment and other assets due to the non-performance of these assets.

In FY 2017, we recognised an impairment loss on the re-measurement to fair value, less costs of disposal, related to disposal groups classified as held for sale of $2 million (FY 2016: $88 million).

Losses on the sale of assets amounted to $1 million in FY 2017, compared to $3 million during FY 2016. Fair value adjustments of financial instruments amounted to a gain of $1 million in FY 2017, compared to a loss of $4 million in FY 2016. Compensation received from third parties for property, plant and equipment lost or stolen in FY 2017 was nil (FY 2016: $1 million).

Operating (Loss)/Profit

Operating loss increased by $183 million, or 103%, from $177 million in FY 2016 to $360 million in FY 2017. This was a result of the combined effects of the factors described above and the increase in Development Spend, coupled with the adverse impact of weaker foreign exchange rates, primarily in sub-Saharan Africa.

Internet – E-commerce

Operating loss decreased by $116 million, or 15%, from $763 million in FY 2016 to $647 million in FY 2017. The decrease in operating loss is mainly attributable to the increase in the transition of our businesses to profitability. Our Development Spend, excluding the new investments, for our e-commerce businesses decreased by $70 million from $453 million in FY 2016 to $383 million in FY 2017. The number of profitable e-commerce businesses was 21 in FY 2017 (FY 2016: 16). This figure excludes five (FY 2016: five) profitable businesses which were disposed of during FY 2017. These 21 profitable businesses contributed $210 million to our operating profit in FY 2017. The Allegro and Ceneo businesses contributed $141 million to the operating profit in FY 2017 up to the date of disposal (FY 2016: $127 million and FY 2015: $136 million). Our operating loss in FY 2016 also included impairments of goodwill of $140 million, which related to our online comparison shopping business, Buscapé. The impairment is included under "*Other gains/(losses)—net*" in the income statement.

Operating loss from our associate and joint venture investments has been excluded from the consolidated operating profit in our e-commerce businesses for purposes of the foregoing analysis. However, in accordance with IFRS 8, our associate and joint venture investments have been proportionately consolidated in our segmental reporting and contributed operating loss of $244 million to our e-commerce businesses in FY 2017, compared to $261 million in FY 2016. The decrease in losses of $17 million, or 7%, was mainly a result of the improved performance of our associates, in particular Souq and Flipkart, which managed to contain costs. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus.

Internet – Listed assets

Operating profit from our listed assets has been excluded from the consolidated operating profit in our internet segment for purposes of the foregoing analysis as they are accounted for as associate investments. However, in accordance with IFRS 8, our associate and joint venture investments have been proportionately consolidated in our segmental reporting. On an economic interest basis, the total operating profit increase in our listed assets of $645 million in FY 2017 represented a 32% increase over FY 2016 operating profit. The increase in listed assets operating profit was mainly a result of strong performances by our two listed assets associates, Tencent and Mail.ru. Included in the operating profit from Tencent is an amount of $383 million (FY 2016: $212 million) relating to gains on various acquisitions and disposals of available-for-sale investments by Tencent. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus.

Video-entertainment

Operating profit decreased by $310 million, or 51%, from $608 million in FY 2016 to $298 million in FY 2017. This decrease is primarily a result of lower local currency-denominated subscription revenue, which was impacted by weaker average Rand, Nigerian Naira and Angolan Kwanza exchange rates. This decrease was partially offset by the continued growth in the digital subscriber base. In addition, higher programming and content costs, which are primarily U.S. Dollar denominated, could not be passed on to the customer.

Media

Operating profit decreased by $17 million, or 85%, from $20 million in FY 2016 to $3 million in FY 2017. The decrease is mainly due to tough trading conditions affecting our South African print operations and the negative effects of the average Rand exchange rate to the U.S. Dollar. We continue to focus on migrating audiences to digital media platforms and scaling our e-commerce businesses within the media segment. Accordingly, we had a Development Spend of $18 million (FY 2016: $19 million) related to these initiatives in FY 2017.

Operating profit from our associate and joint venture investments has been excluded from the consolidated operating profit in our media segment for purposes of the foregoing analysis. However, in accordance with IFRS 8, our associate and joint venture investments have been proportionately consolidated in our segmental reporting and contributed an operating profit of $2 million to our media segment in both FY 2017 and FY 2016. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus.

Finance Costs, Net

Net finance cost increased by $115 million, or 33%, from $352 million in FY 2016 to $467 million in FY 2017. Net interest cost decreased by $44 million, or 17%, from $252 million in FY 2016 to $208 million in FY 2017. Interest paid decreased by $14 million, or 5%, from $292 million in FY 2016 to $278 million in FY 2017. The repayment of the Revolving Credit Facility in FY 2016 resulted in the decrease in interest paid in FY 2017. This decrease was partially offset by additional interest related to the issue of the 2025 Notes in July 2015, which is included for the full year in FY 2017, and the increase in transponder lease interest due to the capitalisation of a new lease in September 2016. Interest received increased by $30 million, or 75%, from $40 million in FY 2016 to $70 million in 2017, mainly due to increased cash balances resulting from the disposal of Allegro and the build-up of cash in Nigeria.

Net finance costs include foreign exchange translation losses and fair value adjustments on derivative financial instruments of $259 million, compared to $102 million in FY 2016. The increase of $157 million, or 154%, relates primarily to the foreign exchange translation losses of $189 million arising on U.S. Dollar-denominated inter-group loans to our Nigerian operation, which were not considered part of the net investment in the Nigerian subsidiary.

Share of Equity-Accounted Results

Our equity-accounted results in equity-accounted companies increased by $540 million, or 42%, from $1,289 million in FY 2016 to $1,829 million in FY 2017. The weakening of the average Chinese Renminbi exchange rate against the U.S. Dollar during FY 2017, by 6%, has offset the growth in our share of equity-accounted results from our associate investment in Tencent. This growth was also partly driven by higher net gains resulting from disposals of their investments.

Our equity-accounted results in Tencent increased by $533 million, or 35%, from $1,504 million in FY 2016 to $2,037 million in FY 2017. This increase was a result of the increased profitability of Tencent and relates to strong revenue growth from social platforms, with monthly active users on Weixin and WeChat increasing 28% to 889 million. Tencent further launched several successful self-developed and licensed games and expanded its position as a leading game company globally via investments in companies such as Supercell and Paradox. The equity accounted results from Tencent includes an amount of $383 million (FY 2016: $212 million) relating to gains on various acquisitions and disposals of investments.

Our equity-accounted results in Mail.ru decreased by $41 million, from a profit of $51 million in FY 2016 to a profit of $10 million in FY 2017. In FY 2016, our share of Mail.ru's results included an amount of $38 million, relating to a gain on the disposal of available-for-sale investments by Mail.ru. In FY 2017, our share of Mail.ru's results included an amount of $2 million relating to a loss on the disposal of Qiwi shares by Mail.ru.

Impairment of Equity-Accounted Investments

We had no impairments of equity-accounted investments in FY 2017, compared to $55 million in FY 2016. The impairment of equity-accounted investments in FY 2016 primarily related to our investment in Konga in Nigeria, where macro-economic conditions and foreign currency effects caused the performance of this investment to fall behind management's expectations.

Dilution gains on Equity-Accounted Investments

Dilution gains of $104 million were recorded during FY 2016 compared to dilution losses of $119 million in FY 2017. The dilution losses in FY 2017 related to dilution losses of $137 million (2016: $42 million) recognised on our equity-investment in Tencent and $5 million (2016: nil) recognised on our equity-investment in Mail.ru. These losses were offset by dilution gains of $22 million (2016: $61 million) recognised on our equity-investment in Flipkart, nil (2016: $76 million) recognised on our equity-investment in Souq, $1 million (2016: $1 million) recognised on our equity-investment in SimilarWeb and nil (2016: $8 million) recognised on various smaller equity-investments. These net dilution losses resulted mainly from shares issued to participants under share incentive plans, as well as funding rounds in which the Group did not participate.

Gains/(Losses) on Acquisitions and Disposals

In FY 2016 a gain on acquisitions and disposals of $452 million was recognised, compared to $2,169 million in FY 2017. A gain of $2,037 million was realised primarily on the disposal of Allegro ($1,944 million), Heureka ($61 million) and Smart Village ($11 million) in FY 2017. In addition, a further gain of $228 million was recognised on the merger of ibibo and MMT in FY 2017. These gains were offset by losses on disposals of $47 million relating to Netretail ($28 million) and Avenida ($19 million).

In FY 2016, a gain of $324 million was recognised as a result of re-measuring to fair value the existing interest in Avito (our Russian classifieds business) when it became a subsidiary in FY 2016. A further gain of $24 million was recognised as a result of re-measuring to fair value the existing interest in Ambatana (our classifieds letgo branded business) when it became a subsidiary in FY 2016. Further, gains of $110 million were realised primarily on the disposal of Korbitec ($24 million) and Ricardo ($76 million) in FY 2016.

Net losses on the disposal of various smaller investments amounted to nil in FY 2017, compared to a net loss of $6 million in FY 2016. Acquisition and disposal related costs increased from $8 million in FY 2016 to $50 million in FY 2017. See "*Significant Acquisitions and Disposals*" in this Part VI.

Taxation

Taxes decreased by $16 million, or 6%, from $260 million in FY 2016 to $244 million in FY 2017. The decrease relates mainly to lower taxable profits generated by the video-entertainment operations.

Net Profit

As a result of the foregoing factors, net profit increased by $1,807 million, or 181%, from $1,001 million during FY 2016 to $2,808 million in FY 2017.

Non-Controlling Interests

Net profit attributable to non-controlling interest decreased by $120 million from a profit of $7 million in FY 2016 to a loss of $113 million in FY 2017. Net profit attributable to non-controlling interest in FY 2017 is a negative number which mainly relates to the share of losses attributable to minorities in letgo as well as foreign exchange losses incurred in MultiChoice Nigeria, owing to the significant devaluation in the Nigerian Naira. These losses have been partly offset by the share of profits attributable to the black economic empowerment ("**BEE**") schemes which were launched during December 2006 in the South African video-entertainment and media operations. BEE shareholders hold a 20% interest in MCSA and a 15% interest in Media24, whereas non-controlling interests in the sub-Saharan African video-entertainment operations vary between 25% and 51%.

RESULTS OF OPERATIONS: FY 2016 COMPARED TO FY 2015

Revenue

Total revenue decreased by $639 million, or 10%, from $6,569 million in FY 2015 to $5,930 million in FY 2016. Revenue growth in local currency, excluding the effects of acquisitions and disposals, of 11% primarily related to our video-entertainment and e-commerce businesses, but was offset by the negative effects of foreign exchange of $1,278 million, which impacted all our businesses. The depreciation in the average exchange rate of the Rand and various of our other foreign operating currencies against the U.S. Dollar decreased the revenue denominated in these currencies when translated into U.S. Dollars. The average exchange rate of the Rand against U.S. Dollar weakened by 25% to Rand 13.861 in FY 2016 from Rand 11.123 in FY 2015. See "*Key Factors Affecting Our Results of Operations— Currency Fluctuations*" in this Part VI.

Subscription revenue represented 47% of our total revenue in FY 2016 and FY 2015. The table below presents our revenue by type for the periods indicated.

	For the financial year ended 31 March		
	2015	2016	% Change
	(US$ in millions)		
Revenue by Revenue Type			
Subscription revenue	3,091	2,791	(10)%
E-commerce revenue(1)	2,037	1,962	(4)%
Advertising revenue	445	372	(16)%
Technology revenue(1)	128	120	(6)%
Printing revenue	234	198	(15)%
Hardware sales revenue	244	179	(27)%
Circulation revenue	118	86	(27)%
Book publishing and book sales revenue	53	44	(17)%
Other revenue	219	178	(19)%
Total Revenue	**6,569**	**5,930**	**(10)%**

(1) Revenue of $151 million in FY 2016 and $158 million in FY 2015 was reclassified from technology revenue to e-commerce revenue as a result of the Group reassessing the nature of certain revenue streams during FY 2017. The e-commerce revenue and the technology revenue presented in our consolidated financial statements as of and for the year ended 31 March 2016, including comparative information as of and for the year ended 31 March 2015 differ from the amounts presented above as they do not reflect the reclassification.

The following is a discussion of our consolidated revenue by segment. The information set forth below is also summarised in the table directly under the under the heading "*Consolidated Results from Operations*" in this Part VI.

Internet – E-commerce

Total revenue for the e-commerce businesses decreased by $83 million, or 4%, from $2,049 million in FY 2015 to $1,966 million in FY 2016. The e-commerce businesses experienced revenue growth in local currency, excluding the effects of acquisitions and disposals, of 18%. Our e-commerce revenue increased organically in our classifieds, e-tail and marketplace businesses. The consolidation of Avito for the last quarter contributed $31 million to the growth in revenue in FY 2016. The growth in our e-tail businesses that sell products directly to customers strongly supported revenue growth, but generally contributed to lower gross margins. This performance by our more mature businesses was, however, offset by adverse foreign exchange movements, mainly due to the impact of negative exchange rate movements when reported in U.S. Dollars. The decrease in revenue was further impacted by the net impact of disposals made during FY 2016, such as Netretail, Heureka and Ricardo, the effects of which caused an $83 million decline in revenue. In FY 2016, total revenue in the internet segment consisted of 92% e-commerce revenue and 8% technology revenue.

Revenue from our associate and joint venture investments has been excluded from the consolidated operating profit in our e-commerce businesses for purposes of the foregoing analysis. However, in accordance with IFRS 8, our associate and joint venture investments have been proportionately consolidated in our segmental reporting. On an economic interest basis, our e-commerce business, excluding listed assets, grew revenues by $155 million, or 6%, from $2,492 million in FY 2015 to $2,647 million in FY 2016. In local currency, excluding the impacts of acquisitions and disposals, revenue grew by 25%. Emerging-market currency weakness had a negative impact of $397 million, or 16% effect on the U.S. Dollar-reported revenue. Our associate and joint venture investments, excluding listed assets, contributed revenue of $681 million to our e-commerce businesses in FY 2016, compared to $443 million in FY 2015. The increase of $238 million, or 54%, was mainly a result of strong performances by our e-tail and classifieds businesses. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus. The classifieds business showed a favourable development, growing revenues in local currency, excluding acquisitions and disposals, by 53% to $217 million in FY 2016 from $161 million in FY 2015. This growth was primarily due to the businesses ability to outperform competitors and gain additional market share. Revenue growth in the e-tail business was 29% in local currency, despite aggressive competition in many of our markets. eMAG's growth was driven by a more favourable product category mix and additional revenue streams such as advertising. Marketplaces continued to deliver stable revenue growth of 15%, in local currency, to $338 million, mainly due to a continued focus on the mobile experience, expanding products and services, particularly through Allegro in Poland. The travel business delivered revenue growth of 67%, in local currency. Revenue in the payments business grew 20% in local currency, excluding acquisitions and disposals, from $138 million in FY 2015 to $140 million in FY 2016, which mainly related to a strong global brand, PayU, and the migration of technology platforms. In Naspers Ventures, our Latin American mobile services platform continued to expand through the investment in an online food delivery platform, iFood, in Brazil.

Internet – Listed assets

Revenue from our listed assets has been excluded from the consolidated operating profit in our internet segment for purposes of the foregoing analysis as they are accounted for as associate investments. However, in accordance with IFRS 8, our associate and joint venture investments have been proportionately consolidated in our segmental reporting. On an economic interest basis, the total revenue increase in our listed assets of $1,083 million in FY 2016 represented a 24% increase over FY 2015 revenue. The increase in listed assets revenue was mainly a result of strong performances by our two listed assets associates, Tencent and Mail.ru, offset partly by the weakening of the Chinese Renminbi and Russian Ruble against the U.S. Dollar. The growth in revenue consist of 37% growth in local currency, negative 6% acquisitive growth and negative 5% related to foreign currency movements. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus.

Video-entertainment

Our video-entertainment segment revenue decreased by $422 million, or 11%, from $3,829 million in FY 2015 to $3,407 million in FY 2016, of which 82% came from subscription revenue in FY 2016. In FY 2016, 76% of our video-entertainment revenue was generated in South Africa, compared to 74% in FY 2015. The remainder of our video-entertainment revenue was generated primarily in the rest of sub-Saharan Africa. Our video-entertainment segment experienced revenue growth in local currency, excluding the effects of acquisitions and disposals, of $387 million, or 10%, but this was negatively impacted by $809 million as a result of the strengthening of the average U.S. Dollar exchange rate, primarily against the Rand, Nigerian Naira, and Angolan Kwanza, as our customer billings are based on local currency. Our video-entertainment business represented 57% and 58% of our total revenue in FY 2016 and FY 2015, respectively.

The positive revenue growth in local currency, excluding the effects of acquisitions and disposals, was largely the result of an increase in our total subscriber numbers, which increased by 185,202 subscribers, or 2%, from 10,225,313 subscribers at the end of FY 2015 to 10,410,515 subscribers at the end of FY 2016.

Our subscribers in South Africa increased by 325,673 subscribers, or 6%, from 5,406,183 subscribers at the end of FY 2015 to 5,731,856 subscribers at the end of FY 2016. Our subscriber numbers for the Extra, Family and Access programming packages increased in FY 2016. Our Analog subscribers decreased in FY 2016, as subscribers continued to migrate from the analogue service to the various digital packages. Subscribers to our Premium and Compact packages decreased and increased, respectively, in FY 2017. Our four lower-priced packages (Compact, Family, Access and EasyView) were strongly promoted. The Access programming package, intended to address a broad market segment, proved the most popular, and Access subscribers increased significantly in FY 2016. The total personal video recorder subscribers increased by 150,031, or 11%, from 1,415,709 subscribers at the end of FY 2015 to 1,565,740 subscribers at the end of FY 2016.

The growth in subscribers, coupled with a subscription price increase, were the main factors driving the positive revenue growth in local currency, excluding the effects of acquisitions and disposals, in South African subscription revenue. This was offset by the negative impact of a strengthening U.S. Dollar, resulting in subscription revenue declining by $219 million, or 11%, from $1,952 million in FY 2015 to $1,733 million in FY 2016. The increase in the number of new digital subscribers contributed $54 million, or 3%, to the increased subscription revenue in South Africa. Monthly subscription prices of our programming packages were increased during FY 2016, and the increase contributed $97 million, or 4%, to the increased subscription revenue in South Africa. Revenue in South Africa in FY 2016 was comprised of subscription (67%), advertising (8%), hardware sales (4%) and other revenue (21%).

Our subscribers in the rest of sub-Saharan Africa decreased by 140,471 subscribers, or 3%, from 4,819,130 subscribers at the end of FY 2015 to 4,678,659 subscribers at the end of FY 2016. Adverse economic conditions in the region have resulted in decreased subscriber numbers across the majority of our packages as customers cut back on their discretionary spending. However, our subscriber numbers for the lower tier programming packages, GoTV/DTT and Access, increased in FY 2016.

Subscription revenue decreased by $296 million, or 10%, from $3,074 million in FY 2015 to $2,778 million in FY 2016, partly as a result of the weakening of the average Rand, Nigerian Naira and Angolan Kwanza exchange rate against the U.S. Dollar as well as the decrease in subscriptions. Monthly subscription prices of our programming packages in South Africa were increased by 5% to 10% during FY 2016, apart from our EasyView offering, which increased by 26%. Subscription prices in the rest of sub-Saharan Africa are charged in local currencies, and the depreciation in the average exchange rates against the U.S. Dollar during FY 2016 had a negative impact on subscription revenue when reported in U.S. Dollars. In U.S. Dollar terms, subscription revenue in the rest of sub-Saharan Africa decreased by 7%. In sub-Saharan Africa 92% of video-entertainment revenue in FY 2016 was subscription revenue.

Our video-entertainment advertising revenue decreased by $23 million, or 10%, from $239 million in FY 2015 to $216 million in FY 2016. This decrease was mainly due to the impact of negative exchange rate movements when reported in U.S. Dollars as well as the loss of subscribers. In local currency, advertising volumes increased, resulting in increased advertising revenue.

Decoder sales revenue decreased by $65 million, or 27%, from $244 million in FY 2015 to $179 million in FY 2016. This decrease was mainly due to the impact of negative exchange rate movements when reported in U.S. Dollars. In local currency, decoder sales increased due to higher selling prices and higher sales volumes from our DTT roll-out efforts.

Media

Revenue in our media segment decreased by $150 million, or 20%, from $741 million in FY 2015 to $591 million in FY 2016. The decrease was mainly due to the weakening of the Rand exchange rate against the U.S. Dollar and the impact of adverse sectoral and macroeconomic conditions resulting in negative revenue growth in local currency, excluding the effects of acquisitions and disposals, of 2%. Advertising revenue remained under pressure as a result of adverse economic conditions. The printing business was affected by lower volumes. Advertising revenue, circulation revenue, printing revenue, book publishing and book sales revenue and distribution revenue represented 26%, 15%, 34%, 7% and 3% of our total media revenue in FY 2016, respectively.

Revenue from our associate and joint venture investments has been excluded from the consolidated operating profit in our media segment for purposes of the foregoing analysis. However, in accordance with IFRS 8, our associate and joint venture investments have been proportionately consolidated in our segmental reporting and contributed revenue of $17 million to our media segment in FY 2016, compared to $21 million in FY 2015. The decrease of $4 million, or 19%, was mainly a result of difficult trading conditions experienced by our associates. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus.

Operating Expenses

Costs of Providing Services and Sale of Goods

The costs of providing services and sale of goods decreased by $432 million, or 11%, from $3,824 million for FY 2015 to $3,392 million for FY 2016. Costs of providing services and sales of goods as a percentage of revenue decreased slightly from 58% in FY 2015 to 57% in FY 2016. The costs of providing services and sale of goods increased primarily in our video-entertainment segment as a result of higher programming content costs and decoder costs as well as higher costs of sales in the internet segment from increased e-tail product revenue. However, the costs of providing services and sale of goods were offset by adverse foreign exchange impacts.

<u>Internet</u>

The costs of providing services and sale of goods as a percentage of internet revenue remained unchanged in FY 2016 from 59% in FY 2015. This was mainly a result of a stable ratio of general and specialist e-tail product revenue.

<u>Video-entertainment</u>

The costs of providing services and sale of goods as a percentage of video- entertainment revenue remained relatively stable at 55% in FY 2015 and 54% in FY 2016. Operating margins were under pressure due to higher content costs resulting from increased competition due to intense bidding for sports rights, increased costs of building the subscriber base in the form of decoder subsidies to stimulate the growth in the developing middle-class market, and the launch of the new DTT services in sub-Saharan African regions.

In South Africa, programming content costs decreased by $70 million, or 7%, from $994 million in FY 2015 to $924 million in FY 2016. This decrease was mainly a result of the impact of a depreciating average Rand exchange rate against foreign currencies. In local currency, programming content costs increased due to the increase in digital subscribers in South Africa, the cost of acquiring new channels and higher content costs resulting from increased competition. The programming content costs per digital subscriber are higher than per analogue subscriber due to the fact that a digital subscriber receives many more channels than an analogue subscriber. Programming content costs as a percentage of subscription revenue increased from 51% in FY 2015 to 53% in FY 2016 in South Africa. In the rest of sub-Saharan Africa, programming content costs decreased by $2 million, or 2%, from $130 million in FY 2015 to $128 million in FY 2016. Increased programming content costs related to the growth in digital subscribers and additional channels as well as higher content costs resulting from increased competition, which were offset by the weaker exchange rates in the sub-Saharan Africa region. Programming content costs as a percentage of subscription revenue remained stable at 12% in both of FY 2015 and FY 2016 in the rest of sub-Saharan Africa.

Decoder costs decreased by $156 million, or 33%, from $466 million in FY 2015 to $310 million in FY 2016. The decrease in decoder costs was driven by lower subsidies on DTT decoders relative to FY 2015, which included the analogue switch off in major towns in Kenya as well as lower per unit decoder pricing.

<u>Media</u>

The costs of providing services and sale of goods as a percentage of media revenue decreased from 70% in 2015 to 68% in 2016. In addition, the cost of providing services and sale of goods in the media segment also decreased during FY 2016 by $111 million, or 22%, from $515 million for FY 2015 to $404 million. Paper, ink and fuel price increases, along with lower print volumes, were partly offset by the negative impact of foreign exchange movements resulting from a weaker Rand. In addition, the implementation of cost control measures supported the reduction in operating costs.

Selling, General and Administrative Costs

Selling, general and administrative costs decreased by $102 million, or 4%, from $2,525 million in FY 2015 to $2,423 million in FY 2016. Selling, general and administrative costs as a percentage of revenue increased from 38% in FY 2015 to 41% in FY 2016.

Marketing costs decreased by $21 million, or 3%, from $712 million in FY 2015 to $691 million in FY 2016. Most of our marketing expenses were directed at the e-commerce businesses in the internet segment in order to grow and scale these businesses, including the expansion of the classifieds footprint into new markets. The increase in local currency costs was offset by the favourable impact of weaker foreign exchange rates.

Staff costs decreased by $144 million, or 11%, from $1,275 million in FY 2015 to $1,131 million in FY 2016. This decrease primarily related to the impact of weaker foreign exchange rates, in particular on our African-based businesses, partly offset by certain increases mainly related to the growth in our e-commerce businesses.

Amortisation of intangible assets included in selling, general and administrative costs increased by $2 million, or 2%, from $81 million in FY 2015 to $83 million in FY 2016. The increase was due to the acquisition of intangible assets in our internet segment.

Depreciation and Amortisation

Depreciation and amortisation decreased in the aggregate by $6 million, or 2%, from $286 million in FY 2015 to $280 million in FY 2016. Of these charges, 48% was allocated to our costs of providing services and sale of goods and 52% to our selling, general and administration expenses in FY 2016.

Depreciation and amortisation as a percentage of revenue remained stable at 5% in FY 2016, compared to 4% in FY 2015. Amortisation expenses for other intangible assets increased by $6 million, or 7%, from $88 million in FY 2015 to $94 million for FY 2016. Depreciation expense decreased by $12 million, or 6%, from $198 million in FY 2015 to $186 million in FY 2016. This decrease was mainly due to the weakening of the average Rand exchange rate against the U.S. Dollar, as depreciation charges on transmission equipment with the expansion of the DTT services in the video-entertainment segment remained relatively stable.

Other Gains/(Losses)—Net

In FY 2016, other gains/(losses)—net amounted to a net loss of $292 million compared to a net loss of $59 million in FY 2015. Other gains/(losses)—net mainly related to impairment losses of $286 million in FY 2016 and $59 million in FY 2015.

In FY 2016, we recognised impairment losses on goodwill and other intangible assets of $145 million (FY 2015: $2 million) and $10 million (FY 2015: $13 million), respectively, due to the fact that the recoverable amount of certain cash-generating units were less than their carrying value. Of the goodwill and other intangible impairment charges in FY 2016, amounts of $5 million, $145 million and $5 million relate to the video-entertainment, internet and media segments, respectively. Included in the aggregate goodwill and other intangibles impairment charges recognised relating to the internet segment in FY 2016 are amounts of $140 million and $5 million that relate to our online comparison shopping business Buscapé, where adverse economic developments, combined with pressure on online comparison shopping's share of e-commerce, led management to revise future expectations and e-commerce platforms, respectively.

The aggregate goodwill and other intangibles impairment charges in FY 2015 included charges of $4 million and $11 million that relate to the Group's fashion business and other smaller internet and print investments where the growth has failed to meet original expectations.

In FY 2016, we recognised an impairment loss on the re-measurement to fair value, less costs of disposal, related to disposal groups classified as held for sale of $88 million (FY 2015: nil), due to the fact that the fair value of these assets was less than their carrying value.

Losses on the sale of assets amounted to $3 million in FY 2016, compared to nil during FY 2015. Fair value adjustments of financial instruments amounted to a loss of $4 million in FY 2016, compared to a loss of $2 million in FY 2015.

Compensation received from third parties for property, plant and equipment lost or stolen in FY 2016 was $1 million (FY 2015: $2 million).

Operating (Loss)/Profit

Operating profit decreased by $338 million from an operating profit of $161 million in FY 2015 to an operating loss of $177 million in FY 2016. This was a result of the combined effects of the factors described above and the increase in Development Spend, combined with the adverse impacts of weaker foreign exchange rates.

Internet – E-commerce

Operating loss increased by $234 million, or 44%, from $529 million in FY 2015 to $763 million in FY 2016. The increase in operating loss was mostly attributable to the cost of the development of our e-commerce businesses. Our operating loss in FY 2016 also included impairments of goodwill of $140 million, which related to our online comparison shopping business, Buscapé. The impairment is included under "*Other gains/(losses)—net*" in the income statement.

Operating loss from our associate and joint venture investments has been excluded from the consolidated operating profit in our e-commerce businesses for purposes of the foregoing analysis. However, in accordance with IFRS 8, our associate and joint venture investments have been proportionately consolidated in our segmental reporting and contributed operating loss of $261 million to our e-commerce businesses in FY 2016, compared to $129 million in FY 2015. The increase in losses of $132 million, or 102%, was mainly a result of the performance of our associates, Souq and Flipkart. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus.

Internet – Listed assets

Operating profit from our listed assets has been excluded from the consolidated operating profit in our internet segment for purposes of the foregoing analysis as they are accounted for as associate investments. However, in accordance with IFRS 8, our associate and joint venture investments have been proportionately consolidated in our segmental reporting. On an economic interest basis, the total operating profit increase in our listed assets of $447 million in FY 2016 represented a 28% increase over FY 2015 operating profit. The increase in listed assets operating profit was mainly a result of strong performances by our two listed assets associates, Tencent and Mail.ru. Included in the operating profit from Tencent is an amount of $212 million relating to gains on various acquisitions and disposals of available-for-sale investments by Tencent. Included in the operating profit from Mail.ru is an amount of $38 million relating to a gain on disposal of Headhunter shares by Mail.ru. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus.

Video-entertainment

Operating profit decreased by $104 million, or 15%, from $712 million in FY 2015 to $608 million in FY 2016. This decrease is primarily a result of decreased Development Spend associated with the DTT roll out, coupled with the weaker average Rand exchange rate. This was partially offset by the continued growth in the digital subscriber base.

Media

Operating profit increased by $11 million, or 122%, from $9 million in FY 2015 to $20 million in FY 2016. The increase is mainly due to better trading performance of our South African print operations, due to cost containment.

Operating profit from our associate and joint venture investments has been excluded from the consolidated operating profit in our media segment for purposes of the foregoing analysis. However, in accordance with IFRS 8, our associate and joint venture investments have been proportionately consolidated in our segmental reporting and contributed an operating profit of $2 million and $4 million to our media segment in both FY 2016 and FY 2015, respectively. See "*Presentation of Financial and Other Information—Associated Companies and Joint Ventures*" in Part III (*Important Information*) of this Prospectus.

Finance Costs, Net

Net finance cost increased by $101 million, or 40%, from $251 million in FY 2015 to $352 million in FY 2016. Net interest cost increased by $50 million, or 25%, from $202 million in FY 2015 to $252 million in FY 2016. Interest paid increased by $45 million, or 18%, from $247 million in FY 2015 to $292 million in FY 2016. The issue of the 2025 Notes contributed to the majority of the increase in interest paid. The remainder of the increase was mainly due to higher borrowings to fund additional acquisitions made during FY 2016. Interest received decreased by $5 million, or 11%, from $45 million in FY 2015 to $40 million in FY 2016, mainly due to lower cash balances. Net finance costs include foreign exchange translation losses and fair value adjustments on derivative financial instruments of $102 million, compared to $53 million in FY 2015, as a result of unrealised foreign exchange losses on the long-term transponder lease liability, due to the weakening of the Rand.

Other finance income in FY 2016 includes preference dividends of $2 million, compared to $4 million in FY 2015.

Share of Equity-Accounted Results

Our equity-accounted results in equity-accounted companies decreased by $186 million, or 13%, from $1,475 million in FY 2015 to $1,289 million in FY 2016. The strong growth in our Tencent associate investment was partially offset by a decline in equity-accounted earnings from our Mail.ru associate investment. This was coupled with the weakening of the average Chinese Renminbi and Russian Ruble exchange rate against the U.S. Dollar during FY 2016. FY 2016 equity accounted results were further impacted by lower net gains from disposals of our associates' investments.

Our equity-accounted results in Tencent increased by $324 million, or 27%, from $1,180 million in FY 2015 to $1,504 million in FY 2016. This increase was a result of the increased profitability of Tencent and relates to strong revenue growth from mobile engagement, in particular mobile games and online advertising, which grew by 53% and 110%, respectively.

Our equity-accounted results in Mail.ru decreased by $390 million, from a profit of $441 million in FY 2015 to a profit of $51 million in FY 2016, mainly driven by gains associated with acquisitions and disposals in FY 2015 and increased operating costs and amortisation, coupled with negative foreign exchange rate effects. In FY 2015, our share of Mail.ru's results included an amount of $346 million relating to a deemed gain on the re-measurement of Mail.ru's interest in VK.com and a gain on the disposal of Qiwi shares by Mail.ru. In FY 2016, our share of Mail.ru's results also included an amount of $38 million, relating to a gain on the disposal of available-for-sale investments by Mail.ru.

Impairment of Equity-Accounted Investments

Our impairment of equity-accounted investments increased by $16 million, from $39 million in FY 2015 to $55 million during FY 2016. The impairment of equity-accounted investments in FY 2016 primarily related to our investment in Konga. In FY 2015, the impairment primarily related to Level Up!. Macroeconomic conditions and foreign currency effects resulted in the performance of these investments to fall behind management's expectations.

Dilution gains on Equity-Accounted Investments

Dilution gains of $113 million were recorded during FY 2015 compared to dilution gains of $104 million in FY 2016. The dilution gains in FY 2016 related to dilution losses of $42 million (2015: $2 million) recognised on our equity-investment in Tencent and nil (2015: $10 million) recognised on our equity-investment in Mail.ru. These losses were offset by dilution gains of $61 million (2015: $125 million) recognised on our equity-investment in Flipkart, $76 million (2015: nil) recognised on our equity-investment in Souq, $8 million (2015: nil) recognised on our equity-investment in Lelong and $1 million (2015: nil) recognised on our equity-investment in SimilarWeb. These net dilution gains resulted mainly from shares issued to participants under share incentive plans and share buy-backs, as well as funding rounds in which we did not participate.

Gains/(Losses) on Acquisitions and Disposals

In FY 2015, a gain on acquisitions and disposals of $139 million was recognised, compared to $452 million in FY 2016. A gain of $324 million was recognised as a result of re-measuring to fair value the existing interest in Avito (our Russian classifieds business) when it became a subsidiary in FY 2016. A further gain of $24 million was recognised as a result of re-measuring to fair value the existing interest in Ambatana (our classifieds letgo branded business) when it became a subsidiary in FY 2016. A further gain of $110 million was realised primarily on the disposal of Korbitec ($24 million) and Ricardo ($76 million) in FY 2016. A gain of $86 million was recognised in FY 2015, related to the Schibsted transaction. Net losses on the disposal of various smaller investments amounted to $6 million in FY 2016, compared to a net profit of $64 million in FY 2015. Acquisition related costs decreased from $16 million in FY 2015 to $8 million in FY 2016. See "*Significant Acquisitions and Disposals*" in this Part VI.

Taxation

Taxes decreased by $78 million, or 23%, from $338 million in FY 2015 to $260 million in FY 2016. The decrease relates mainly to lower taxable profits generated by the video-entertainment operations, impacted by foreign exchange effects.

Net Profit

As a result of the foregoing factors, net profit decreased by $259 million, or 21%, from $1,260 million during FY 2015 to $1,001 million in FY 2016.

Non-Controlling Interests

Net profit attributable to non-controlling interest increased by $4 million, or 133%, from $3 million in FY 2015 to $7 million in FY 2016. Net profit attributable to non-controlling interest in FY 2016 mainly relates to the BEE schemes which were launched during December 2006 in the South African video-entertainment and media operations. BEE shareholders hold a 20% interest in MCSA and a 15% interest in Media24, whereas non-controlling interests in the sub-Saharan African video- entertainment operations vary between 25% and 51%.

LIQUIDITY AND CAPITAL RESOURCES

Our business and growth strategy has in the past required substantial liquidity to fund some of our acquisitions, our expansion of services, capital expenditures and working capital requirements in all of our businesses. Our working capital requirements are generally moderate and mainly driven by the cost of programme and film rights in the video-entertainment segment, as well as payables and receivables in the internet and media segments. Some of our e-commerce businesses may also require additional working capital as their business models require investments in inventory. Our principal sources of liquidity have been the cash flows from our operating activities, in particular our video-entertainment segment, and borrowings under our credit facilities. We also receive dividends from our equity investments, which totalled $100 million in FY 2015, $147 million in FY 2016 and $191 million in FY 2017. Our liquidity requirements arise primarily to meet our debt service obligations and to fund capital expenditures, the growth of our existing e-commerce businesses and any potential new acquisitions. Our principal sources of liquidity are expected to be cash flow from operations, dividends from our equity investments and amounts available under our Revolving Credit Facility and other banking facilities. See "*Description of Indebtedness*" in this Part VI.

We rely upon distributions from our subsidiaries, associated companies, joint ventures and other investments to generate the funds necessary to meet the obligations and other cash flow requirements of the combined Group. Our ability to utilise the cash flows from some of our subsidiaries, joint ventures and associated companies is subject, in South Africa and other countries, to foreign investment and exchange control laws and also the availability of sufficient liquidity of foreign exchange. In particular, the cash flow generated by our South African video-entertainment and other businesses cannot currently be utilised outside of South Africa without exchange control approval.

While such restrictions have been liberalised in recent years, the ability of a South African company to raise and deploy capital outside of South Africa remains subject to restrictions. We have obtained SARB approval to service the interest costs on the 2017 Notes, 2020 Notes, 2025 Notes, the 2027 Notes and the Revolving Credit Facility with capital held and cash flow generated by our businesses in South Africa, subject to certain limitations and conditions. Further, due to challenges in obtaining foreign currency in Nigeria, Angola and Mozambique, we have cash reserves and trade receivable balances of $289 million in those countries as at 31 March 2017, which we are unable to extract to cover operating costs of our sub-Saharan Africa video-entertainment operations. Of the $289 million, $110 million relates to a trade receivable due from the Angolan business, which is operated as an agency. The amount is held as in-country cash, denominated in Angolan Kwanza. The remaining balance of $179 million relates to cash holdings in Nigeria and Mozambique. Our inability to extract cash from these countries causes an additional burden on our other liquidity resources in the short term. We have recently observed an improvement in Nigeria with the introduction of a new investors' and exporters' foreign exchange window in the foreign exchange market in April 2017.

Historically, our operations have been funded in various ways. Our video-entertainment segment is self-funding and had no external borrowings outstanding as at 31 March 2017. Some of the dividends received from our South African video-entertainment business have been utilised to fund the development and capital expenditures layout of the sub-Saharan African DTT and Showmax operations. Our media segment is funded through cash flow generated by our print operations and from local credit lines. As of 31 March 2017, Media24 had $2 million outstanding under these local credit lines. Our e-commerce businesses are primarily funded out of cash flow generated from the video-entertainment businesses, equity investee dividends and drawings on our Revolving Credit Facility. Acquisitions for our e-commerce business have largely been funded from drawings on our Revolving Credit Facility and notes offered. We expect certain of our businesses, in particular our e-tail, online classifieds, payments and online services and related e-commerce businesses to require further funding in the foreseeable future.

As of 31 March 2017, we had an adjusted net cash position of $1,105 million and undrawn available credit facilities of $2.8 billion. Our ownership stakes in Tencent, Mail.ru and MMT, all publicly listed companies with a liquid secondary market free float, provide us with further financial flexibility. A sale of a portion of our holdings would be sufficient to cover our debt obligations. As of 31 March 2017, we had total debt (including finance leases and debt in respect of program and film broadcasting rights) of $4,261 million, and the aggregate market value of our interests in Tencent, Mail.ru and MMT was $93 billion (based on the Federal Reserve exchange rates as at 31 March 2017 of $1 to HKD 7.7714), representing a gross debt to value ratio of only 4.6%.

CASH FLOWS

The following table sets out extracts from our consolidated cash flow statements for the periods indicated.

	For the financial year ended 31 March		
	2015	2016	2017
		(US$ in millions)	
Profit before taxation	**1,598**	**1,261**	**3,052**
Non-cash and other adjustments	(966)	(724)	(2,899)
Movement in working capital	(58)	(83)	141
Cash from operations	574	454	294
Dividends received from investments and equity-accounted companies	100	146	193
Cash generated from operating activities	674	600	487
Interest income received	46	46	63
Interest costs paid	(227)	(246)	(257)
Taxation paid	(334)	(322)	(333)
Net cash (utilised in)/generated from operating activities	**159**	**78**	**(40)**
Net capital expenditures	(292)	(228)	(173)
Investments of subsidiaries, associates, joint ventures and businesses	(406)	(1,426)	(397)
Disposals of subsidiaries, associates and businesses	158	289	3,383
Other investment activities	(12)	(19)	1
Net cash (utilised in)/generated from investing activities	**(552)**	**(1,384)**	**2,814**
Net proceeds from issue of share capital	—	2,470	—
Net (repayments of)/proceeds from loans and capitalised finance lease payments	551	(325)	(78)
Transactions relating to existing subsidiaries	60	(35)	(114)
Share based compensation, treasury shares and non-controlling shareholder transactions	214	36	62
Dividends paid	(274)	(254)	(281)
Net cash (utilised in)/generated from financing activities	**551**	**1,892**	**(411)**

CASH FLOWS: FY 2017 COMPARED TO FY 2016

Net cash (utilised in)/generated from operating activities

Our net cash generated from operating activities decreased by $118 million from $78 million in FY 2016 to net cash utilised in operating activities of $40 million in FY 2017. This decrease related mostly to a decline in cash generated from operating activities and increased interest costs paid. This decrease was partially offset by an increase in the dividends received from investments and equity-accounted companies.

Cash generated from operating activities decreased by $113 million, or 19%, from $600 million in FY 2016 to $487 million in FY 2017. The decrease was primarily driven by reduced cash flows from our video-entertainment segment on the back of reduced operating profits, partially offset by the decrease in consolidated Development Spend of 22%, as well as the increase in dividends received from investments and equity-accounted companies from $146 million in FY 2016 to $193 million in FY 2017. This increased dividend is attributable to the strong performance of Tencent. Working capital flows improved by $224 million, from an outflow of $83 million in FY 2016 to an inflow of $141 million in FY 2017. This change mainly resulted from lower programming and content payments in our video-entertainment business due to the timing of the prepayments in this regard, coupled with stronger exchange rates compared to FY 2016, as well as lower spend on decoder inventory due to higher inventory purchases in FY 2016.

Interest income received increased by $17 million, or 37%, from $46 million in FY 2016 to $63 million in FY 2017, as a result of increased cash and cash equivalents balances producing interest. Interest costs paid increased by $11 million, or 4%, from $246 million in FY 2016 to $257 million in FY 2017. The increase in the interest cost paid is a result of the increased borrowings related to the issue of the 2025 Notes to finance the acquisitions made during FY 2016. Our Revolving Credit Facility and existing notes are U.S. Dollar denominated.

Taxation paid during FY 2017 increased by $11 million, or 4%, from $322 million in FY 2016 to $333 million in FY 2017. The increase was driven by the settlement of prior year tax provisions in some of our sub-Saharan African markets.

Net cash generated from/(utilised in) investing activities

In FY 2017, net cash generated from investing activities amounted to $2,814 million compared to $1,384 million net cash utilised in investing activities in FY 2016. In FY 2017, an amount of $152 million was spent on the acquisition of property, plant and equipment compared to $186 million in FY 2016. The decrease of $34 million, or 18%, was mainly attributable to lower capital expenditures on transmission equipment to establish DTT networks for our video-entertainment operations in sub-Saharan Africa.

Additionally, the increased cash generated in FY 2017 resulted primarily from the disposal of Allegro, Netretail and Heureka, partly offset by acquisitions, in particular Citrus Pay and the merger of ibibo with MMT. In FY 2016, the acquisition of a controlling interest in Avito and Ambatana, as well as several other smaller acquisitions accounted for the increase in net cash utilised in investing activities. For an overview of the various significant acquisitions and disposals in FY 2016 and FY 2017, see "*Significant Acquisitions and Disposals*" in this Part VI.

Net cash (utilised in)/generated from financing activities

Net cash utilised in financing activities was $411 million for FY 2017 compared to $1,892 million net cash generated from financing activities in FY 2016. The decrease of $2,303 million, or 122%, is due to the raising of share capital to the value of $2,470 million in FY 2016. During FY 2017, net repayments of long- and short-term loans amounted to $18 million, whereas during FY 2016 net repayments amounted to $270 million. Further, during FY 2016, we issued notes in an aggregate principal amount of $1.2 billion to fund acquisitions and the development of our e-commerce businesses. We also drew down $775 million on our Revolving Credit Facility in FY 2016. The Revolving Credit Facility was repaid in full in FY 2016.

Dividends paid by us to our shareholders increased by $27 million, or 11%, from $254 million in FY 2016 to $281 million in FY 2017. Dividends per Class N Ordinary Share increased by 50 cents, or 11%, from 470 cents in FY 2016 to 520 cents per Class N Ordinary Share in FY 2017. The number of outstanding Class N Ordinary Shares increased by 345,138 shares from 437,920,115 shares in FY 2016 to 438,265,253 shares in FY 2017. Dividends paid by subsidiaries to non-controlling shareholders in the Group increased by $4 million, or 4%, from $114 million in FY 2016 to $118 million in FY 2017.

At the end of FY 2016 and FY 2017, we had combined cash balances of $1,713 million and $4,003 million, respectively, and available unused overdraft borrowing and credit facilities of $2.8 billion as at the end of FY 2017.

CASH FLOWS: FY 2016 COMPARED TO FY 2015

Net cash generated from operating activities

Our net cash generated from operating activities decreased by $81 million, or 51%, from $159 million in FY 2015 to $78 million in FY 2016. This decrease related mostly to a decline in cash generated from operating activities and increased interest costs paid. This decrease was partially offset by a reduction in tax payments.

Cash generated from operating activities decreased by $74 million, or 11%, from $674 million in FY 2015 to $600 million in FY 2016. The decrease was primarily driven by reduced cash flows from operating activities, partially offset by the increase in dividends received from investments and equity-accounted companies from $100 million in FY 2015 to $146 million in FY 2016. This increased dividend is attributable to the strong performance of Tencent. Working capital outflow increased by $25 million, from $58 million in FY 2015 to $83 million in FY 2016. This change mainly resulted from lower accounts payable and accrued expenses balances at the end of FY 2016.

Interest income received remained unchanged at $46 million in FY 2016 and FY 2015. Interest costs paid increased by $19 million, or 8%, from $227 million in FY 2015 to $246 million in FY 2016. The increase in the interest cost paid is a result of the borrowings related to the issuance of the 2025 Notes, which were in issue for the full financial year compared to being in issue for only nine months of the previous financial year. Our notes are U.S. Dollar denominated.

Taxation paid during FY 2016 decreased by $12 million, or 4%, from $334 million in FY 2015 to $322 million in FY 2016. The decrease was driven by the inclusion of a Nigerian withholding tax settlement in FY 2015.

Net cash generated from/(utilised in) investing activities

Net cash generated from investing activities was $1,384 million for FY 2016 compared to $552 million in FY 2015. In FY 2016, an amount of $186 million was spent on the acquisition of property, plant and equipment compared to $262 million in FY 2015. The decrease of $76 million, or 29%, was mainly attributable to lower capital expenditures on transmission equipment to establish DTT networks for our video-entertainment operations in sub-Saharan Africa. Additionally, increases in investing activities resulted from the completion of more acquisitions in FY 2016 than in FY 2015, in particular the acquisition of a controlling interest in Avito and Ambatana, as well as several other smaller acquisitions. For an overview of the various significant acquisitions and disposals in FY 2015 and FY 2016, see "*Significant Acquisitions and Disposals*" in this Part VI.

Net cash generated from/(utilised in) financing activities

Net cash utilised in financing activities was $1,892 million for FY 2016 compared to $551 million net cash generated from financing activities in FY 2015. Share capital amounting to $2,470 million was raised in FY 2016, which was partly utilised to acquire an additional stake in Avito. During FY 2016, net repayments of long- and short-term loans amounted to $270 million, whereas during FY 2015 net proceeds amounted to $601 million. During FY 2016, we issued notes in an aggregate principal amount of $1.2 billion to fund acquisitions and the development of our e-commerce businesses. The Revolving Credit Facility was fully repaid in FY 2016.

Dividends paid by us to our shareholders decreased by $20 million, or 7%, from $274 million in FY 2015 to $254 million in FY 2016. This was due to the depreciation of the South African Rand against the U.S. Dollar despite the dividend per share increasing in South African Rand. Dividends per Class N Ordinary Share increased by 45 cents, or 11%, from 425 cents in FY 2015 to 470 cents per Class N Ordinary Share in FY 2016. The number of outstanding Class N Ordinary Shares increased by 18,167,848 shares, or 4%, from 419,203,470 shares in FY 2015 to 437,920,115 shares in FY 2016 following an equity raise in December 2015. Dividends paid by subsidiaries to non-controlling shareholders in the Group decreased by $8 million, or 7%, from $122 million in FY 2015 to $114 million in FY 2016.

At the end of FY 2015 and FY 2016, we had combined cash balances of $1,200 million and $1,713 million, respectively, and available unused overdraft borrowing and credit facilities of $2,748 million as at the end of FY 2016.

CAPITAL RESOURCES

On 5 November 2015, we entered into the five-year Revolving Credit Facility with a group of lenders which provides, among other things, for up to $2.5 billion of borrowing availability in U.S. Dollars, or the U.S. Dollar equivalent of any other currency which is readily available and freely convertible into U.S. Dollars and has been approved by the lenders. Myriad International Holdings BV, an indirect subsidiary of the Company, is the borrower under the Revolving Credit Facility and the Company is a guarantor. It is governed by English law and matures on 9 November 2020. The Revolving Credit Facility is bears interest at EURIBOR for borrowings in Euro, or, in every other case, LIBOR, plus a margin of 1.25% per annum and certain mandatory costs, if any. The Revolving Credit Facility is subject to certain undertakings concerning debt and interest cover and contains customary affirmative and negative covenants. See "*Description of Indebtedness*" in this Part VI.

We utilised overdrafts and call loans of $4 million and had undrawn banking facilities of $2.8 billion as at 31 March 2017. Facilities that are on call represented $167 million, facilities that will expire within one year represented $128 million and facilities that will expire after more than one year represented $2,505 million. We regularly discuss with various financial institutions changes to the terms of our existing facilities and future funding requirements to ensure we maintain a good debt maturity and liquidity profile.

DESCRIPTION OF INDEBTEDNESS

Revolving Credit Facility

Interest Rates and Fees

The annual interest rate on borrowings under the Revolving Credit Facility is calculated based on EURIBOR for borrowings in Euro, or, in every other case, LIBOR, plus a margin of 1.25% per annum, plus certain mandatory costs. Interest on borrowings is payable on the last day of the borrowings' respective interest periods, or every six months for borrowings with an interest period exceeding six months. The borrower is also obligated to pay a commitment fee equal to 35% of the applicable margin per annum on the lenders' undrawn commitments and a utilisation fee ranging between 0.125% and 0.5% depending on the balance drawn under the Revolving Credit Facility.

Financial Covenants

Availability of amounts under the Revolving Credit Facility is subject to compliance with financial covenants. The covenants require that:

- the ratio of Adjusted Consolidated EBITDA to Consolidated Net Finance Costs (as such terms are defined in the Revolving Credit Facility) for the Group should not be less than a specified ratio of 4.5:1; and

- the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA (as such terms are defined in the Revolving Credit Facility) for the Group, and for MultiChoice South Africa Holdings Proprietary Limited individually, should not be greater than a specified ratio of 2.75:1 and 2.25:1, respectively.

Change of Control

The commitments of the lenders under the Revolving Credit Facility may be cancelled and all outstanding loans, together with accrued interest and all other amounts accrued, may be declared immediately due and payable in case any person or group of persons acting in concert gains control of the Group.

Undertakings

The Revolving Credit Facility contains, among others, customary affirmative and negative covenants. Subject in each case to certain customary exceptions and materiality thresholds, these negative covenants and restrictions include, among others, restrictions on: the granting of security, a change of business of the Group, merger or demerger and certain acquisitions.

The Revolving Credit Facility also contains, among others, the following affirmative covenants: mandatory periodic reporting of financial information, notice upon the occurrence of events of default and certain other events, compliance with laws and the maintenance of certain insurance coverage. The borrower and guarantors must also ensure that their payment obligations under the facilities at all times rank at least *pari passu* with all their other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

Events of Default

The Revolving Credit Facility contains customary events of default, such as failure to make payment of amounts due, defaults under other agreements evidencing indebtedness, failure to meet the financial covenants, a borrower ceasing to be a wholly owned subsidiary of Naspers, certain events having a material adverse effect on the ability of the obligors to perform their payment obligations, any material misrepresentation in the financial statements of Naspers and the occurrence of certain bankruptcy events. The occurrence of an event of default could result in the acceleration of payment obligations under the facilities.

6.000% Notes due 2020

We issued the 6.000% Notes (the "**2020 Notes**") in an aggregate principal amount of $1.0 billion for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated 18 July 2013 (the "**2020 Fiscal and Paying Agency Agreement**"), among the Company and Citibank, N.A., London Branch as fiscal agent, paying agent and transfer agent. $750 million of the 2020 Notes were issued at a price of 100.0% of the aggregate principal amount, and $250 million of the 2020 Notes were issued at a price of 101.0% of the aggregate principal amount. Interest on the 2020 Notes is payable semi-annually on 18 January and 18 July of each year. The 2020 Notes will mature on 18 July 2020.

The 2020 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit our ability to incur liens and consolidate, merge or sell all or substantially all of our assets. These covenants are subject to certain exceptions and qualifications as described in the 2020 Fiscal and Paying Agency Agreement. The 2020 Fiscal and Paying Agency Agreement contains customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, occurrence of certain bankruptcy and insolvency events and failure to pay certain judgements. Generally, an event of default under the fiscal and paying agency agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2020 Notes to accelerate the amounts due under the 2020 Notes.

5.500% Notes due 2025

We issued the 5.500% Notes (the "**2025 Notes**") in an aggregate principal amount of $1.2 billion for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated 21 July 2015 (the "**2025 Fiscal and Paying Agency Agreement**"), among the Company and Citibank, N.A., London Branch as fiscal agent, paying agent and transfer agent. $1.2 billion aggregate principal amount of 2025 Notes were issued at a price of 99.962%. Interest on the 2025 Notes is payable semi-annually on 21 January and 21 July of each year. The 2025 Notes will mature on 21 July 2025.

The 2025 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit our ability to incur liens and consolidate, merge or sell all or substantially all of our assets. These covenants are subject to certain exceptions and qualifications as described in the 2025 Fiscal and Paying Agency Agreement. The 2025 Fiscal and Paying Agency Agreement contains customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, occurrence of certain bankruptcy and insolvency events and failure to pay certain judgements. Generally, an event of default under the fiscal and paying agency agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2025 Notes to accelerate the amounts due under the 2025 Notes.

4.850% notes due 2027

We issued the 4.850% Notes (the "**2027 Notes**") in an aggregate principal amount of $1 billion for general corporate purposes and to repay notes that matured on 28 July 2017. The 2027 notes were issued pursuant to the terms of a fiscal and paying agency agreement dated 6 July 2017 (the "**2027 Fiscal and Paying Agency Agreement**"), among Myriad International Holdings B.V. as issuer, the Company as Guarantor, Citibank, N.A., London Branch, as fiscal agent, paying agent and transfer agent and Citigroup Global Markets Deutschland AG, as registrar. Interest on the 2027 Notes is payable semi-annually in arrears on 6 January and 6 July of each year. The 2027 Notes will mature on 6 July 2027.

The 2027 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit our ability to incur liens and consolidate, merge or sell all or substantially all of our assets. These covenants are subject to certain exceptions and qualifications as described in the 2027 Fiscal and Paying Agency Agreement. The 2027 Fiscal and Paying Agency Agreement contains customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, occurrence of certain bankruptcy and insolvency events and failure to pay certain judgements. Generally, an event of default under the fiscal and paying agency agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2027 Notes to accelerate the amounts due under the 2027 Notes.

Other Loans

MultiChoice South Africa Holdings Proprietary Limited and certain of its subsidiaries are parties to various credit facilities totalling $134 million; no amounts were outstanding under these credit facilities as at 31 March 2017. These facilities contain customary representations, undertakings and default and indemnity provisions for facilities of their nature.

CAPITAL EXPENDITURES

The following table sets out our gross capital expenditures consisting of cash flows relating to property, plant and equipment acquired and intangible assets acquired for the periods indicated.

	For the financial year ended 31 March		
	2015	2016	2017
	Unaudited	Unaudited (US$ in millions)	Unaudited
Gross capital expenditures			
Internet: E-commerce	56	68	51
Video-entertainment	209	161	107
Media	40	25	26
Corporate	—	3	—
Total gross capital expenditures (consolidated)	**305**	**257**	**184**

In FY 2017, we had capital expenditures of $184 million, of which 58%, 28%, 14% and nil related to our video-entertainment, internet, media and corporate segments, respectively. Capital expenditures in our video-entertainment segment decreased by $54 million, or 34%, from $161 million in FY 2016 to $107 million in FY 2017 and mainly related to transmission equipment, land and buildings, and computer and office equipment. The decrease was largely driven by the near completion of the DTT network roll-out within the rest of sub-Saharan Africa as our DTT network is now largely in place. In FY 2017, we rolled-out one transmission site compared to eight in FY 2016. In FY 2017, gross capital expenditures included $19 million in expenditures relating to the roll-out of our DTT infrastructure (2016: $40 million; 2015: $124 million). Capital expenditures in our internet segment were $51 million and consisted mainly of software and computer and office equipment. Capital expenditures in our media segment were $26 million and consisted of printing plant and production facilities and equipment, as well as computer and office equipment.

In FY 2016, we had capital expenditures of $257 million, of which our video-entertainment, internet and media segments accounted for 63%, 10% and 26%, respectively. Capital expenditures in our video-entertainment segment decreased by $48 million, or 23%, from $209 million in FY 2015 to $161 million in FY 2016 and mainly related to transmission equipment, land and buildings, including the new MultiChoice building in Randburg, and computer and office equipment. The decrease was largely driven by DTT network roll-out within the rest of sub-Saharan Africa. In FY 2016, we rolled-out 8 transmission sites compared to 27 in FY 2015, resulting in capital expenditure of $40 million related to the roll-out of our DTT infrastructure. Capital expenditures in our internet segment were $25 million and mainly consisted of software and computer and office equipment. Capital expenditures in our media segment were $68 million and consisted mainly of expenditures related to printing plant and production facilities, computer and office equipment and software.

In FY 2015, we had capital expenditures of $305 million, of which 69%, 18% and 13% related to our video-entertainment, internet and media segments, respectively. Capital expenditures in our video-entertainment segment were $209 million and consisted mainly of transmission equipment, land and buildings and computer and office equipment; $124 million related to the roll-out of our DTT infrastructure.

Our businesses require capital expenditures on a continuing basis for various purposes, including the maintenance of our platforms and facilities. We expect capital expenditures in FY 2018 to decline as compared to FY 2017 because our DTT network roll-out is now largely complete; we expect our major capital expenditures in FY 2018 to be related to the upgrade of our video-entertainment customer service and broadcasting centres and equipment and infrastructure in Africa. Due to the growth of our e-commerce platforms within our internet segment, some additional capital expenditures will be required to upgrade IT infrastructure and datacentres. The level and timing of these capital expenditures will depend on, among other things, the competitive and regulatory environment. We do not expect any major capital expenditures in FY 2018 in our media segment, other than maintenance capital expenditures for our media platforms and facilities. In the future, our businesses may require significant capital expenditures if new technologies are needed to improve our competitive position. See "*Risks Related to Our Business—Our business environment is subject to rapid technological change and changes in consumer preferences which could render our products and services obsolete*" in Part II (*Risk Factors*) of this Prospectus.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

Contractual Obligations

As of 31 March 2017, we had no significant off-balance sheet arrangements. The table below sets forth our known contractual obligations as at 31 March 2017.

	Payment Due by Period			
	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
	(US$ in millions)			
Long-term debt obligations[1]	3,062	840	1,022	1,200
Capital (finance) lease obligations[2]	1,206	64	342	800
Operating lease obligations[3]	163	49	85	29
Purchase obligations[4] unaudited	2,300	1,075	1,152	73
Derivate finance liabilities[5]	912	711	201	-
Other long-term liabilities reflected on the consolidated balance sheet under IFRS[6]	15	1	14	-
Total	**7,658**	**2,740**	**2,816**	**2,102**

(1) Long-term debt obligations include interest-bearing loans and notes of $2,909 million, program and film rights obligations of $125 million and non-interest-bearing loans of $28 million. Long-term debt obligations exclude bank overdrafts and call loans of $4 million, which are due within one year. Long-term debt obligations do not include interest payable on the related obligations.

(2) Capitalised finance leases include lease obligations relating to land and buildings, transmission equipment and satellites and vehicles, computers and office equipment.

(3) Operating lease obligations include future operating lease payments relating to office, manufacturing and warehouse space.

(4) Purchase obligations include committed future expenditure under contracts entered into by the Group. These include contracts for programme and film rights, various service agreements, capital expenditures, decoders, and transponder service restoration commitments. The obligations under service agreements are for the receipt of advertising, satellite and DVB-H broadcast capacity, computer and decoder support services, access to networks and contractual relationships with customers, suppliers and employees.

(5) Derivative financial liabilities represent the notional U.S. Dollar amounts under the outstanding forward exchange contracts, shareholders' liabilities and interest rate swaps at 31 March 2017.

(6) Other long-term liabilities reflected on the balance sheet include post-employment medical benefit obligations.

Contingent Liabilities

We operate a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. We continue to seek relevant advice and work with our advisers to identify and quantify such tax exposures. Our current assessment of possible withholding and other tax exposures, including interest and potential penalties, amounts to $257 million (FY 2016: $217 million). No provision has been made as at 31 March 2017 and 2016 for these possible exposures. See "*Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our business, results of operations, financial condition and cash flows*" in Part II (*Risk Factors*) of this Prospectus.

SIGNIFICANT ACQUISITIONS AND DISPOSALS

Since 31 March 2017

In May 2017, we acquired a 10% fully-diluted interest in Delivery Hero GmbH, an online food-ordering and delivery marketplace business operating in 40 countries, for $426 million. On 30 June 2017, Delivery Hero listed on the German stock exchange, at which time we invested a further $47 million and currently hold a 10.6% interest in the business.

In May 2017, we acquired a 37.6% interest in Kreditech Holding SSL GmbH, a provider of consumer lending and financial services, for a cash consideration of $99 million and we committed a further $22 million in respect of future funding through convertible loans.

In May 2017, we completed the disposal of our investment in Souq Group Limited for a consideration of $173 million.

In June 2017, we acquired a 14.8% fully-diluted interest in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food delivery marketplace in India, for a cash consideration of $61 million.

In August 2017, we acquired a controlling stake in Takealot for $74 million. Following the investment, we hold a fully-diluted interest of 53.6%.

In September 2017, the Group entered into an agreement to acquire an additional 13% stake in its associate Delivery Hero GmbH for approximately €660 million ($775 million). Following the investment, the Group will hold an effective interest of 23.6% in Delivery Hero. The transaction is subject to regulatory approval.

FY 2017

Acquisitions

In November 2016, we acquired a 100% interest in Citrus Pay, a leading Indian payments technology player, to expand the payments business' Indian footprint. Citrus Pay forms part of the Indian operations of PayU, our global online payment service provider. The transaction was accounted for as a business combination. The total purchase consideration amounted to $112 million. In addition, an employment-linked prepayment of $18 million was recognised as a transaction separate from the business combination. This amount will be expensed in the income statement over the service period. The purchase price allocation: net debt $1 million; net working capital $2 million; intangible assets $15 million; deferred tax liability of $5 million and the balance of $105 million to goodwill. The main classes of intangible assets recognised in the business combination were trademarks, customer bases and technology.

As part of our strategy to consolidate the growing U.S. online classifieds market, the U.S. operations of Wallapop were absorbed into our letgo business during July 2016. As consideration for the contribution of Wallapop's business and cash of $45 million, Wallapop was issued with a 45% interest in a newly formed entity in the United States, with us holding the remaining 55% interest. The transaction was accounted for as a business combination. The total deemed purchase consideration amounted to $126 million, representing the fair value of the equity interest issued to Wallapop. Given the early-stage nature of the business model, the transaction gave rise to the recognition of goodwill of $126 million. A non-controlling interest of $45 million was recognised following the business combination.

The main factor contributing to the goodwill recognised in these acquisitions is the acquiree's market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of $2 million were recorded in "*Gains on acquisitions and disposals*" in our income statement regarding the above acquisitions.

Since the acquisition dates of the above transactions, revenue of $8 million and net losses of $182 million have been included in the income statement relating to the acquired businesses. Had the revenue and net results of the acquired businesses been included from 1 April 2016, our revenue and net profit would have amounted to $6.1 billion and $2.8 billion respectively.

Investments in Equity-Accounted Investees

We made our first investment targeting the education technology market by investing $13 million (23.6% fully-diluted interest) in Brainly (May 2016), a social learning network. We also invested $70 million (10.6% fully-diluted interest) in Udemy (June and October 2016), an online education marketplace with over 7 million students enrolled, and $22 million (19.2% fully-diluted interest) in Codecademy (June 2016), a leading global platform focused on online coding education. We account for these interests as investments in associates.

In January 2017, we merged our Indian online travel business, ibibo, with Nasdaq-listed MakeMyTrip Limited, in exchange for a 40% fully-diluted interest in MakeMyTrip Limited. A gain on disposal of $228 million was recognised in "*Gains on acquisitions and disposals*" in our income statement following the transaction. We account for our interest as an investment in an associate.

Disposals

In May 2016, we disposed of our Czech online comparison-shopping platform Heureka for a cash consideration of $67 million, following the receipt of regulatory approval. A gain on disposal of $61 million was recognised "*Gains on acquisitions and disposals*" in our income statement following the transaction.

During July 2016, we disposed of our Czech online retail and e-commerce platform Netretail for a cash consideration of $102 million. A loss on disposal of $28 million has been recognised in "*Gains on acquisitions and disposals*" in our income statement.

During January 2017, following the receipt of regulatory approval, we concluded the disposal of Allegro and Ceneo, the leading online marketplace and price comparison businesses in Poland for net proceeds of $3.21 billion. A gain on disposal of $1.9 billion was recognised in "*Gains on acquisitions and disposals*" in our income statement following the transaction.

Investments acquired and funding rounds participated in were funded through the utilisation of existing credit facilities and proceeds received from disposals during the reporting period.

FY 2016

Acquisitions

We acquired an additional 49.0% interest in our associate Avito, the leading online classifieds platform in Russia, during December 2015. The additional investment resulted in us holding a 67.5% interest in Avito on a fully-diluted basis and was accounted for as a business combination. The total purchase consideration amounted to $1.7 billion representing cash paid to the former owners of Avito of $1.2 billion, the fair value of our previously held equity interest in Avito of $411 million as well as the acquisition-date fair value of Avito's vested share-based incentive awards of $22 million. A gain of $324 million has been recognised in "*Gains on acquisitions and disposals*" in our income statement on the remeasurement of our previously held equity interest in Avito to its fair value. The purchase price allocation: property, plant and equipment $6 million; cash $24 million; trade and other receivables $9 million; deferred tax assets $2 million; intangible assets $812 million; trade and other payables $18 million; deferred tax liabilities $161 million and the balance of $1.2 billion to goodwill. The main classes of intangible assets recognised in the business combination were brand names, customer bases and software. The transaction gave rise to the recognition of a non-controlling interest of $195 million, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of Avito as at the acquisition date.

In May 2015, we invested $10 million in Ambatana, an entity operating a hyperlocal classifieds marketplace app under the letgo brand. The investment resulted in Ambatana being accounted for as an associate of us. A further $50 million was invested in Ambatana during September 2015, resulting in us holding a 67.5% interest on a fully-diluted basis following the investment. The additional investment was accounted for as a business combination with an effective date of 30 September 2015. The total purchase consideration amounted to $58 million representing the fair value of our previously held equity interest in Ambatana of $34 million and the fair value of a call option granted to the former owners of Ambatana amounting to $24 million. The cash invested and cash consideration still payable, in aggregate amounting to $50 million, remained within the Group following the transaction. Accordingly, it is not disclosed as part of the consideration transferred by us or assets of Ambatana acquired, although it did affect the amount of goodwill recognised in the business combination. A gain of $24 million has been recognised in "*Gains on acquisitions and disposals*" in our income statement on the remeasurement of our previously held equity interest in Ambatana to its fair value. The purchase price allocation: cash $1 million; other receivables $1 million; trade and other payables $3 million and the balance of $74 million to goodwill. The transaction gave rise to the recognition of a non-controlling interest of $15 million, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of Ambatana as at the acquisition date. On 31 March 2016, the call option granted to the former owners of Ambatana was settled, resulting in us holding a 55.0% interest in Ambatana on a fully-diluted basis.

Since the acquisition dates of the above business combinations, revenue of $31 million and net results (losses) of $60 million have been included in the income statement relating to Ambatana and Avito. Had the revenue and net results of Ambatana and Avito been included from 1 April 2015, our revenue and net profit would have amounted to $6.0 billion and $1.0 billion, respectively.

The main factor contributing to the goodwill recognised in the acquisitions is the acquiree's market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of $8 million were recorded in "*Gains on acquisitions and disposals*" in our income statement for the above-mentioned acquisitions.

Investments in Equity-Accounted Investees

During April 2015, we invested $41 million in our joint venture Konga. Following the additional investment, we continue to exert joint control over Konga with our 50.9% interest on a fully-diluted basis.

Our associate Flipkart undertook two funding rounds during April and July 2015 in which we did not participate. The funding rounds resulted in a dilution of our interest in Flipkart and in the recognition of an aggregate net dilution gain of $61 million in "*Dilution gains on equity-accounted investments*" in our income statement. Following the dilutions, we held a 15.0% interest in Flipkart on a fully-diluted basis.

During May 2015, we invested $10 million in our joint venture Souq as part of a funding round. Souq undertook further funding rounds during the year in which we did not participate. These funding rounds resulted in a dilution of our interest in Souq and in the recognition of an aggregate net dilution gain of $75 million in "*Dilution gains on equity-accounted investments*" in our income statement. Following the dilutions, we held a 36.4% interest in Souq on a fully-diluted basis.

We also recognised dilution losses of $42 million during FY 2016 relating to dilutions in our shareholding in Tencent on account of the exercise of share-based incentive awards by Tencent's employees.

We invested $20 million in our available-for-sale investment Avenida during July 2015. The transaction resulted in Avenida becoming an associate and, following the transaction, we held a 23.4% interest in Avenida on a fully-diluted basis. The business has been liquidated during FY17.

We invested $54 million as part of a funding round of our associate Takealot during August 2015. After the funding round, we held a 42.4% interest in Takealot on a fully-diluted basis.

Disposals

During September 2015, we disposed of our interest in our subsidiary Ricardo.ch AG following approval of the transaction by regulatory authorities. The proceeds on sale amounted to $248 million and a gain of $76 million was recognised in "*Gains on acquisitions and disposals*" in our income statement following the transaction.

We disposed of our interest in our subsidiary Korbitec Proprietary Limited during November 2015 for $33 million following the receipt of regulatory approval. A gain of $24 million was recognised in "*Gains on acquisitions and disposals*" in our income statement following the transaction.

During March 2016, we disposed of our interest in our subsidiary PayProp Group Services Proprietary Limited for $10 million. The disposal gave rise to the recognition of a gain of $4 million in "*Gains on acquisitions and disposals*" in our income statement.

We disposed of our 9.9% interest in Beijing Media Corporation during August 2015 for a cash consideration of $12 million. The transaction resulted in the recognition of an aggregate gain on disposal of $11 million, which has been recognised in "*Gains on acquisitions and disposals*" in our income statement.

In FY 2016, investments acquired and funding rounds participated in were funded through the utilisation of existing credit facilities, proceeds received from disposals during FY 2016 as well as the proceeds from the equity raise during December 2015.

FY 2015

Acquisitions

Effective January 2015, the Group entered into agreements with Schibsted, Telenor Holdings ASA and Singapore Press Holdings Limited for the establishment of joint classifieds business activities in Brazil, Indonesia, Bangladesh and Thailand. The Group also acquired Schibsted's Philippine classifieds business as part of this transaction.

During February 2015, the Group entered into further agreements with Schibsted regarding the acquisition of Schibsted's Romanian classifieds business and the sale of the Group's Hungarian classifieds business.

Following these transactions, the Group held the following interests in the relevant countries:

County	Naspers's interest	Nature of investment
Brazil	49.9%	Joint venture (equity-accounted)
Indonesia	64%	Subsidiary
Bangladesh	49.7%	Associate (equity-accounted)
Thailand	44.1%	Associate (equity-accounted)
Philippines	83.9%	Acquisition of classifieds business
Romania	100%	Acquisition of classifieds business

Following the above transactions, the Group retained control over Tokobagus Exploitatie B.V. and accounted for the acquisition of the business contributed jointly by the other shareholders as a business combination. The aggregated deemed and cash purchase consideration amounted to $86 million.

Various acquisitions were made within the Movile group during FY 2015, most notably relating to the group's online food-ordering business, iFood. The merger, in November 2014, of the iFood business with Just Eat's Brazilian subsidiary was accounted for as a business combination and resulted in the group having a 60.2% interest in the merged business as at 31 March 2015. The total deemed purchase consideration amounted to $35 million.

During January 2015, the Group disposed of its MWEB Business, Optinet Services and Networks divisions to Dimension Data for cash purchase consideration of $32 million and, at the same time, entered into a joint Wi-Fi business venture with Dimension Data by contributing its MWEB Wi-Fi division to a joint venture in exchange for a 49% shareholding. An aggregate loss on disposal of $19 million has been recognised in "*Gains/(losses) on acquisitions and disposals*" in the income statement following the transactions. The joint Wi-Fi business venture is accounted for as an investment in a joint venture.

During March 2015, the Group acquired the shares held in and loans extended by minority shareholders in its subsidiaries MIH Allegro B.V. and FixeAds B.V. under the terms of pre-existing exit agreements. The transaction was settled through the issue of 1,078,178 of our Class N Ordinary Shares and resulted in an increase in share capital and reserves of $153 million, being the aggregate purchase consideration. The excess of the consideration paid over the net asset value acquired, including loans and the settlement of other amounts owing to the minority shareholders, was recognised in the "*Existing control business combination reserve*" in equity and totalled $105 million. The group now has a 100% and 93.36% interest in the issued share capital of MIH Allegro B.V. and FixeAds B.V., respectively.

Also during March 2015, the Group disposed of its subsidiary 7Pixel S.r.l. for purchase consideration of $56 million. The transaction resulted in the recognition of a gain on disposal of $26 million. During FY 2015, we also sold Trendsales, our Scandinavian fashion e-tail business, to Tamedia.

During February 2015, we acquired a 46.5% interest in Takealot in exchange for the contribution of our South African e-tail business, Kalahari.com, and the issue of 612,977 of our Class N Ordinary Shares. The aggregate purchase consideration in the transaction amounted to $103 million.

Investments in Equity-Accounted Investees

The Group participated in two funding rounds of its associate Flipkart. These funding rounds, during May and August 2014, resulted in additional investments of $52 million and $250 million, respectively, in cash, and in the recognition of a net dilution gain of $125 million in the income statement as a result of a decrease in the Group's effective interest. Following these transactions, we held a 15.84% interest in Flipkart on a fully-diluted basis.

The Group also invested a further $27 million in cash in its joint venture Konga during October 2014. Following the additional investment, the group held a 40.2% interest in Konga on a fully-diluted basis.

CRITICAL ACCOUNTING POLICIES

Our Audited Consolidated Financial Statements include the financial position, results of operations and cash flows of the Company and its subsidiaries. These financial statements are prepared in conformity with IFRS, which require management to make estimates that affect the reported amounts of assets and liabilities, and the reported amounts of income and expenses. We evaluate our estimates, including those related to tangible and intangible assets, financial instruments, inventories, provisions, equity compensation benefits and income taxes, on an on-going basis. We base our estimates on historical experience and on various other assumptions that management believes to be reasonable under the circumstances. These estimates form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe that the following accounting policies used in preparation of our financial statements prepared in accordance with IFRS are our critical accounting policies as they require management to make estimates that affect the reported amounts of assets and liabilities, and the reported amounts of income and expenses. All of these critical accounting policies have been discussed with the audit committee.

Business Acquisitions

Business combinations are accounted for using the acquisition method. The consideration transferred in an acquisition of a business (acquiree) comprises the fair values of the assets transferred, the liabilities assumed, the equity interests issued by the group and the fair value of any contingent consideration arrangements. If the contingent consideration is classified as equity, it is not subsequently re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of contingent consideration are recognised in the income statement. For each business combination, the group measures the non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Where a business combination is achieved in stages, the group's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through the income statement. The fair value of the group's previously held equity interest forms part of the consideration transferred in the business combination at the acquisition date.

When a selling shareholder is required to remain in the group's employment subsequent to a business combination, any retention option arrangements are recognised as employee benefit arrangements and dealt with in terms of the accounting policy for employee or equity compensation benefits.

The fair value of the underlying net assets acquired in a business acquisition is determined using internal or external valuations. We use a number of valuation methods to determine the fair value of assets and liabilities acquired, including discounted cash flows, external market values and others and believe that we use the most appropriate measure or combination of measures to value each asset or liability. In addition, we believe that we use the most appropriate valuation assumptions underlying each of these valuation methods based on the current information available including discount rates, market risk rates, entity risk rates, cash flow assumptions and others.

The accounting policy for valuations in business combinations is considered critical because the judgements made in determining the estimated fair value and expected useful lives assigned to each class of assets and liabilities acquired can impact the value of the asset or liability, including goodwill and deferred taxes, the respective amortisation periods and ultimately net profit. Therefore, the use of other valuation methods, as well as other assumptions underlying such other valuation methods, could impact the determination of the financial position and results of operations.

Impairments of Assets

Goodwill

Goodwill is tested annually for impairment and allocated to cash-generating units for the purpose of impairment testing. We have allocated goodwill to various cash-generating units. The goodwill impairment test is performed by comparing the carrying value of the cash-generating unit with its recoverable amount. The recoverable amounts of these cash-generating units have been determined as the higher of its value in use and its fair value less costs of disposal basis.

The value in use is based on discounted cash flow calculations. We base cash flow calculations on three to 10 year budgeted and forecast information approved by senior management and the various boards of directors of Group companies. Long-term average growth rates for the respective countries in which the entities operate or where more appropriate, the growth rate of the cash-generating units, are used to extrapolate cash flows into the future. The discount rates used reflect specific risks relating to the relevant cash-generating units and the countries in which they operate while maximising the use of market observable data. Other assumptions included in cash flow projections vary widely between cash-generating units due to the Group's diverse range of business models, and are closely linked to entity-specific key performance indicators. Where fair value less costs of disposal is used to calculate recoverable amounts, it is based on publicly traded market prices.

The discount rates applied to the cash flows, the growth rate to extrapolate the cash flows and the basis for determining the recoverable amounts are disclosed per cash-generating unit in our Audited Consolidated Financial Statements included elsewhere in this Prospectus. We believe that the accounting estimate relating to goodwill impairment is a critical accounting estimate because, similar to the assessment of impairment of other intangible assets, the discounted cash flows are highly susceptible to change from period to period because it requires our management to make assumptions about future sales volumes and the cost of providing services over the life of the goodwill as well as discount rates for media-based businesses in developing markets. Recognising an impairment loss could have a material impact on the value of the goodwill reported in our statement of financial position and the results of operations.

We recognised impairment losses on goodwill of $5 million during FY 2017. The impairment losses related primarily to our fashion business in Turkey and our Ukraine marketplace business, where results of operations have lagged behind management's expectations.

In FY 2016, we recognised impairment losses on goodwill of $145 million. Of these impairment losses, $5 million has been included in the video-entertainment segment, $140 million in the internet segment and $0.4 million in the media segment. An impairment loss of $140 million recognised in the internet segment relates to the Group's investment in its online comparison shopping business Buscapé where adverse economic developments, combined with pressure on online comparison shopping's share of e-commerce led management to revise future expectations. The other impairment losses relate to small internet, video-entertainment and media investments where growth has lagged behind management's expectations.

In FY 2015, we recognised total impairment losses on goodwill of $2 million related to small internet and media investments where growth lagged behind management's expectations.

Intangible assets

We amortise intangible assets with finite useful lives on a straight-line basis so as to write off the cost of the assets over their expected useful lives. We also evaluate the carrying value of our intangible assets whenever indicators of impairment exist.

We believe that the accounting estimate relating to intangible asset impairment is critical because it is highly susceptible to change from period to period. Our management makes assumptions about future sales volumes and the cost of providing services over the life of the asset as well as discount rates for media-based businesses in developing markets. Recognising an impairment loss could have a material impact on the value of intangible assets reported in our statement of financial position and the results of operations. Management's assumptions about future sales volumes, prices and discount rates involve significant judgement as some of our businesses are in the development phase and consequently actual sales prices and volumes have fluctuated in the past and are expected to continue to do so in the future.

In FY 2017, we recognised impairment losses on other intangible assets of $25 million. The impairment losses related mainly to our fashion business in Turkey, where results of operations have lagged behind management's expectations, and the impairment of a fashion brand which is no longer used.

In FY 2016, we recognised impairment losses on other intangible assets of $10 million. Included in the total impairment loss is an amount of $6 million relating to our e-commerce businesses where growth has lagged behind management's expectations and $4 million relating to software no longer in use in the media business.

In FY 2015, the total impairment losses included $4 million relating to our fashion businesses and $9 million relating to various other smaller internet and print investments where growth lagged behind management's expectations.

Investments in Associated Companies and Joint Ventures

Investments in associated companies and joint ventures are accounted for under the equity method. Associated companies are those companies in which we exercise significant influence, but which we do not control or jointly control. Joint ventures are arrangements in which the Group contractually shares control over an activity and in which the parties have rights to the net assets of the arrangement. We evaluate the carrying value of our investments in associated companies and joint ventures for impairment whenever indicators of impairment exist. The recoverable amount of our investments in associated companies and joint ventures is the higher of the investment's fair value less costs of disposal and its value in use. For our investments in listed associated companies, the fair value less costs of disposal generally represents the market price of the shares multiplied by the number of shares held by the Group. Value in use (and the fair value less costs of disposal of unlisted investments) is determined based on assumptions made by management about expected cash flows, growth rates and discount rates. Recognising an impairment loss could have a material impact on the value of our investments in associated companies and joint ventures as reported in our statement of financial position and the results of operations.

We recognised no impairment losses on investments in associated companies and joint ventures in FY 2017.

Impairment losses on investments in associates of $55 million were recognised in FY 2016. $53 million related to our joint venture, Konga based in Nigeria.

In FY 2015, we recognised impairment losses of $39 million related to a number of the Group's e-commerce investments, including Level Up! International Holdings Private Limited, where macroeconomic conditions and foreign currency effects have resulted in the performance of these investments lagging behind management's expectations.

Property, Plant and Equipment

We calculate depreciation of property, plant and equipment on a straight-line basis so as to write off the cost of the assets over their expected useful lives to their residual values. The economic life of an asset is determined based on existing physical wear and tear, economic and technical aging, legal or other limits on the use of the asset and obsolescence. If some of these factors were to deteriorate materially, impairing the ability of the asset to generate future cash flows, we may accelerate depreciation charges to reflect the remaining useful life of the asset or record an impairment loss.

The carrying values of property, plant and equipment are reviewed annually to assess whether indicators of impairment are present. Where such indicators are identified, an impairment assessment is performed and the carrying values of the assets are written down to their recoverable amounts should impairment be identified. Impairment losses are recognised in profit or loss.

Leased transponders and transmitters, which are held in the video-entertainment segment, represent 65% of the carrying value of our property, plant and equipment as at 31 March 2017 (2016: 44% and 2015: 36%). All of our current transponder and transmitter leases are capitalised and amortised over their expected useful life, limited to the relevant lease term.

The useful lives of satellite transponders depend upon various factors. These factors include the success of the launch and the amount of fuel required for the satellite to be placed in the correct orbital location. In addition, various factors can impact on a satellite transponder's useful life once it is in orbit. Satellites are, however, designed with operational redundancies that may minimise or eliminate service disruptions if a critical system fails. These may include backup and separate on-board propulsion systems, backup transponders and conservative system margins. In most cases, contractual terms in satellite lease agreements stipulate remedial measures that should be taken by the provider should a satellite fail to operate as intended. We obtain information on the satellites' useful lives from data publicly disclosed by satellite service providers and this information informs our estimates concerning useful lives, depreciation periods and potential impairment.

We consider the estimation of the useful lives of property, plant and equipment to be a critical accounting policy because any material change in the useful lives of our property, plant and equipment, depending on the asset, would have a material impact on the value of the property, plant and equipment stated in our statement of financial position and the results of operations. We have had no significant changes in useful lives or book values of property, plant and equipment in recent years.

We recognised impairment losses relating to property, plant and equipment of $27 million during FY 2017 (2016: $13 million and 2015: $21 million), of which $17 million relates to broadcasting equipment, including $7 million which is presented within work in progress. The impairment loss has been included in "*Other gains/(losses)—net*" in the income statement, of which $17 million (2016: $13 million) has been included in the video-entertainment segment, nil (2016: nil) in the internet segment and $10 million (2016: nil) in the media segment.

Trade Receivables

Trade receivables are recognised at fair value at the date of initial recognition, and subsequently carried at amortised cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that we will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the estimated recoverable amount.

We review trade receivables that are subject to credit deterioration on a monthly basis for estimated losses resulting from the inability of our customers to make the required payments. Our customer base is dispersed across many geographic areas. We generally do not require collateral from our customers.

We analyse, among other factors, historic bad debt experience, customer credit worthiness, economic trends in the countries customers are located and customer payment history when evaluating the adequacy of the allowance for impairment of trade receivables. If the financial position of our customers deteriorates, resulting in an impaired ability to make payments, additional impairment losses may arise. The estimate may also change if our Group experiences service failures or the number of disputes with customers increases.

We believe that the accounting estimate relating to the impairment of trade receivables is a critical accounting estimate because changes in the estimated level of impaired trade receivables may materially affect the results from operations. The estimate for impairment of trade receivables is a critical accounting estimate for all our businesses. The average net bad debt expense as a percentage of sales over the last three financial years was 0.4%.

Inventory Obsolescence

We value our inventories, which consist mainly of raw materials (paper and ink), finished products (books) and decoders and associated components, at the lower of cost or net realisable value, based on assumptions about future demand, market conditions and the useful lives of the decoders used by our operations. We monitor inventory levels periodically based on the expected usage of inventory items.

Where actual market conditions prove to be less favourable than those projected by management, additional inventory write-downs may be required. Net realisable value adjustments on inventory items amounted to $51 million during FY 2017 (2016: $78 million and 2015: $71 million). Reversals of net realisable value adjustments on inventory items amounted to $2 million during FY 2017 (2016: nil and 2015: $17 million). Most of the inventory write-downs relate to our video-entertainment segment, as we generally sell our decoder inventory at subsidised prices to new subscribers. We believe that our policy relating to inventory write-downs is a critical accounting policy due to the assumptions and estimates that management is required to make in the determination of the expected realisable value of inventories.

Disposals of Associated Companies, Joint Ventures and Subsidiaries

When we cease to have control (subsidiaries), exercise significant influence (associates) or exert joint control (joint ventures), any retained interest in the entity is re-measured to its fair value, with the change in the carrying amount recognised in profit or loss.

In other instances, deemed disposal gains or losses may arise when we contribute controlled businesses to entities over which we have significant influence or over which we exert joint control due to our contribution being re-measured to its fair value (either partially or in full).

This fair value is the initial carrying amount for purposes of subsequent accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The fair value of the retained interest is determined using internal or external valuations. We use a number of valuation methods to determine the fair value of the retained interest, including discounted cash flows, external market values and others and believe that we use the most appropriate measure or combination of measures to value each asset or liability. In addition, we believe that we use the most appropriate valuation assumptions underlying each of these valuation methods based on the current information available including discount rates, market risk rates, entity risk rates, cash flow assumptions and others.

The accounting policy for valuing entities disposed of is considered critical because the judgements made in determining the estimated fair value, and accordingly the use of alternative valuation methods and related underlying assumptions, can impact the value of the retained interest in the statement of financial position and results from operations.

Recurring Fair Value Measurements

Derivative financial instruments are recorded in the statement of financial position at fair value at each reporting date. The fair values of forward exchange contracts, interest rate swaps and other derivative financial instruments are calculated using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. The fair values of the Group's derivative financial instruments and written put option obligations are estimated using discounted cash flow techniques that include unobservable inputs.

Significant judgement is required when calculating the fair value of our derivative financial instruments and written put option obligations and these judgements, and accordingly the use of alternative valuation methods and related underlying assumptions, can impact the value of the derivative instruments and written put option obligations in the statement of financial position and the results of operations.

Provisions Relating to Legal Matters

We are involved in legal disputes that arise in the normal course of our business. The outcome of these legal disputes can have a material impact on our statement of financial position as well as on the results of operations. Management monitors and estimates the potential outcome of legal claims based on objective evidence and consultation with internal and external legal advisers until such time that the matters has been resolved. Due to the uncertain nature of these matters, changes in estimates on account of additional information becoming available to the Group could result in material changes to the financial statements in subsequent periods. As at 31 March 2017, we have provided $18 million (2016: $18 million and 2015: $11 million) for pending litigation matters.

Current and Deferred Income Taxes

We record the estimated future tax effect resulting from the reversal of temporary differences between the tax bases of our assets and liabilities and the amounts reported in our consolidated statement of financial position for such assets and liabilities, as well as the future tax effect of operating losses and tax credit carry-forwards. We follow specific and restrictive guidelines regarding the recoverability of any tax assets recorded in the statement of financial position. We continuously assess the probability that there will be adequate future taxable income generated to utilise the benefits relating to deferred tax assets recognised in the statement of financial position. When circumstances change, or if the expected level of future taxable income is not generated, we reassess the recoverability of deferred tax assets and such reassessment could lead to a reversal of previously recognised deferred tax assets.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the related deductible temporary differences can be realised. We consider future taxable income, on-going prudent and feasible tax strategies and the timing of the reversals of temporary differences in determining the deferred tax assets that should be recognised. If we determine that in future we will be able to realise deferred tax assets in excess of the amount of deferred tax assets stated in our statement of financial position, the resulting adjustment to deferred tax assets increases the result of operations in the period that such determination is made.

We consider this to be a critical accounting policy as there could be a material adjustment to the deferred tax asset stated in our statement of financial position as well as a material impact on the results of operations if future taxable profits do not materialise in line with expectations.

Post-Employment Medical Liability

We operate a number of post-employment medical benefit schemes. We provide for post-employment medical benefits using the projected unit credit actuarial valuation method. Under this method, estimated future benefits are projected using specific actuarial assumptions and the liability for in-service members is accrued over their expected working lifetime. The liability is calculated by considering key actuarial assumptions such as (1) the rate of healthcare cost inflation, (2) an appropriate discount rate, (3) the percentage of members continuing after retirement and (4) the average retirement age of members. The key actuarial assumptions applied are disclosed in our Audited Consolidated Financial Statements incorporated by reference elsewhere in this Prospectus.

Changes in these assumptions could result in a material adjustment to the post-employment medical liability in our statement of financial position as well as a material impact on the results of operations. Following an amendment to IAS 19 Employee Benefits which became effective for us in FY 2014, all actuarial re-measurements are recognised in other comprehensive income and therefore not in profit or loss. All other components of the valuation of post-employment medical benefits, including current service cost, and interest cost, are still recognised in profit or loss. A one percentage point increase in the rate of healthcare cost inflation would increase the post-retirement medical liability by $2 million, whereas a one percentage point reduction in the rate of healthcare cost inflation would decrease the liability by $1 million as at 31 March 2017.

Equity Compensation Benefits

We grant share options/share appreciation rights to our employees under a number of equity compensation plans. We recognise an employee benefit expense in the income statement, representing the fair value of share options/share appreciation rights granted to our employees. A corresponding credit to equity is recognised for equity-settled plans, whereas a corresponding credit to liabilities is recognised for cash-settled plans. The fair value of the options/share appreciation rights at the date of grant under equity-settled plans is charged to income over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, we re-measure the fair value of the recognised liability at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

We consider this to be a critical accounting policy because any material change in the assumptions used to estimate the fair value of the share options/share appreciation rights issued could have a material impact on the value of the equity reserve or share-based payment liability stated in our statement of financial position as well as a material impact on the results of operations. We have had no significant changes in the assumptions used to estimate the fair value of share options/share appreciation rights issued in recent financial periods.

CURRENCY POLICIES

Our functional currencies are generally the local currencies of the countries in which we operate (currency of the primary economic environment). Monetary assets and liabilities in currencies other than the functional currencies of Group entities are translated based on the exchange rates prevailing at year end. Any resulting exchange rate gains or losses are included in the results of operations.

Exchange rate gains and losses relating to hedging transactions are recognised in profit or loss in the same period as the exchange differences on the items covered by the hedged transactions affect profit or loss. These items have to meet specific requirements contained in IFRS to qualify for hedge accounting. Gains and losses on transactions that do not meet these hedging requirements are marked-to-market and reflected in profit or loss for each respective period.

On consolidation, assets and liabilities of subsidiaries denominated in foreign currencies are translated to U.S. Dollars based on the exchange rates prevailing at financial year-end. Income and expense items are translated using annual weighted average rates of exchange, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates prevailing at the dates of the transactions. Components of equity are translated at the historic exchange rates.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as the foreign entity's assets and liabilities and are translated at the exchange rates prevailing at financial year-end.

We operate internationally and are exposed to foreign exchange risk arising from various currency exposures primarily with respect to the South African Rand, the Euro, the Polish Zloty, the Chinese Renminbi, the Russian Ruble, the Brazilian Real and the Nigerian Naira against the U.S. Dollar.

Although a substantial portion of our revenue is denominated in the currencies of the countries in which we operate, a significant portion of our cash obligations, including payment obligations under transmission equipment and satellite leases, and contracts for video-entertainment programming and channels, are denominated in the U.S. Dollar. Where our revenue is denominated in local currency, a depreciation of the local currency against the U.S. Dollar adversely affects our earnings and our ability to meet our cash obligations.

The currencies of the markets in which we operate have at times depreciated against the currencies of their major trading partners by more than the inflation rate differential between the relevant countries. The value of the Rand against the U.S. Dollar remains difficult to predict and vulnerable to depreciation. It has moved against the U.S. Dollar from a low of approximately Rand 13.90 per U.S. Dollar in December 2001 to a high of approximately Rand 5.62 per U.S. Dollar in December 2004 and has subsequently devalued again to a low of approximately 16.76 in January 2016. The average Rand exchange rate against the U.S. Dollar was Rand 14.03 in FY 2017.

Entities in the Naspers Group use forward exchange contracts to hedge their exposure to foreign currency risk in connection with their functional currencies. Management is responsible for hedging the net position in the major foreign currencies by using forward exchange contracts. The Group generally covers forward 100% of firm commitments in foreign currency for a minimum period of 12 months up to two years in the South African video-entertainment business. In many of our sub-Saharan video-entertainment businesses we are unable to hedge our U.S. Dollar exposures as there are no effective hedging instruments like foreign exchange contracts available in these markets. The Group also uses forward exchange contracts to hedge foreign currency exposure in the print business where cover is generally taken for 50% to 100% of firm commitments in foreign currency for up to one year. The Group does not hold or issue derivative financial instruments for trading or speculative purposes. Additional information is available in note 39 of the 2017 Audited Consolidated Financial Statements.

TREASURY AND FINANCIAL POLICIES

Financial risk management is carried out by the management of the Group under policies approved by the board of directors and its risk committee. Management identifies, evaluates and hedges financial risks. The various boards of directors within the Group provide written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative instruments and the investment of excess liquidity.

The Group is exposed to certain concentrations of credit risk relating to its cash, trade and other receivables, investments and loans and derivative assets. It places these instruments mainly with major banking groups and high-quality institutions that have high credit ratings. The Group's treasury policy is designed to limit exposure to any one institution and to invest excess cash in low-risk investment accounts. The counterparties that are used by the Group are evaluated on a continuous basis.

Where the Group has surplus funds offshore, our treasury policy is to spread the funds between more than one currency, predominantly U.S. Dollar and Euro, to limit the effect of foreign exchange rate fluctuations and to achieve the highest level of interest income. As at 31 March 2017, the Group had a net cash balance of $4.0 billion (FY 2016: $1.7 billion and FY 2015: $1.2 billion), of which $0.5 billion (FY 2016: $0.4 billion and FY 2015: $0.6 billion) was held in South Africa. The amount of $3.5 billion (FY 2016: $1.3 billion and FY 2015: $0.6 billion) held offshore was largely denominated in U.S. Dollar, Euro, Polish Zloty, Indian Rupee and Brazilian Real. Further, due to foreign currency liquidity issues in Nigeria, Angola and Mozambique, we have cash reserves and trade receivable balances of $289 million in those countries as at 31 March 2017, which we are unable to extract to cover operating costs of our sub-Saharan Africa video-entertainment operations. Of the $289 million, $110 million relate to a trade receivable due from the Angolan business, which is operated as an agency. The amount is held as in-country cash, denominated in Angolan Kwanza. The remaining balance of $179 million relates to cash holdings of $171 million in Nigeria and $8 million in Mozambique. Our inability to extract cash from these countries causes an additional burden on our other liquidity resources in the short term. We were able to extract $133 million during FY 2017. In the period from 31 March 2017 to 31 August 2017, we have extracted a total of $211 million (Nigeria: $165 million, Angola: $27 million, Mozambique: $15 million and Zimbabwe: $4 million), resulting in the balance of cash reserves and trade receivable balances being $172 million as at 31 August 2017.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of changes in the value of financial instruments, derivative or non-derivative, caused by equity price risk, interest rate risk and foreign currency risk. The market risks that we are mainly exposed to are interest rate risk and foreign currency exchange rate risk. Following the evaluation of these exposures, we selectively enter into derivative financial instruments to manage the related risk exposures pursuant to our policies in areas such as counterparty exposure and hedging practices. These policies have been approved by our senior management and we do not hold or issue derivative financial instruments for trading or speculative purposes.

The following discussion and analysis only addresses our market risk and does not address other risks which we face in the normal course of business, including credit risk and liquidity risk. For an overview of our financial risk management and additional information on the financial risks we face, see our Audited Consolidated Financial Statements and related notes incorporated by reference elsewhere in this Prospectus.

Interest Rate Risk

As part of the process of managing our fixed and floating borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, we use derivative financial instruments, such as interest rate swap agreements, purely for hedging purposes. The fair value of these instruments can change significantly as a result of changes in interest rates.

Foreign Exchange Risk

A summary of our foreign exchange exposure is described under "*Currency policies*" in this Part VI.

The Group has classified its forward exchange contracts relating to forecast transactions and firm commitments as cash flow and fair value hedges, and measures them at fair value. The transactions relate mainly to programming costs, transponder lease instalments and the acquisition of inventory items.

PART VII
REGULATION

REGULATION

The Group is subject to laws that regulate our business practices in the different jurisdictions in which it operates. Governmental regulation can take the form of price controls, service requirements and obligations, programming content restrictions, ownership restrictions, licensing requirements, advertising restrictions and restrictions on the amount paid for advertising.

We are generally subject to three types of regulation:

- sector regulation, which deals specifically with regulation in the communications sector;
- competition regulation, which deals with economic regulation of all markets in the national economy; and
- consumer protection regulation.

Sector regulation deals with the granting, administration and conduct of licences. In most of the countries in which we conduct our video-entertainment businesses, we operate under licences obtained from such sector regulators.

The following paragraphs provide a brief description of the main regulations that govern the Group in South Africa, the rest of sub-Saharan Africa, China, Russia, Brazil and India, the principal countries in which we conduct our operations.

South Africa

Prohibition of Anti-Competitive Practices in South Africa

In South Africa, competition regulation is administered by the Competition Commission, an investigative body; the Competition Tribunal, an adjudicative body; and the Competition Appeal Court, which hears appeals from the decisions of the Competition Tribunal and has the status of a High Court. These bodies deal with complaints stemming from economic activity of any firm within, or having an effect within, the Republic of South Africa, such as complaints relating to restrictive horizontal or vertical practices, abuse of dominance (including excessive pricing) and merger control.

The competition authorities and the sector regulator are set up in terms of founding legislation, which sets out their jurisdiction and regulatory powers, and generally reflects the legislative policy of the government.

The Competition Act, Act No. 89 of 1998 (the "**Competition Act**") has, as one of its objectives, the regulation of conduct of firms in the South African economy in order to achieve an efficient, competitive economic environment, balancing the interests of workers, owners and consumers. The Competition Act also places emphasis on ensuring that opportunities exist for historically disadvantaged persons to participate in the South African economy.

The prohibitions against restrictive horizontal and vertical practices and abuse of dominance are the main prohibitions in the Competition Act that may affect our business. The Competition Tribunal is empowered to adjudicate on any practice prohibited by the Competition Act.

Where a firm is found to have engaged in a prohibited practice, the Competition Tribunal may make an appropriate order, including:

- issuing injunctions in respect of the prohibited practice;

- ordering certain actions to be taken to end the prohibited practice;
- imposing an administrative penalty;
- ordering divestiture of assets or businesses;
- declaring the conduct a prohibited practice for purposes of civil actions; and
- declaring the whole or any part of an agreement void.

The Competition Act requires parties to an intermediate or large merger (and in certain circumstances, also a small merger), with reference to financial thresholds, to notify the Competition Commission of the merger and not implement the merger until it has been approved by the relevant competition authority. The impact of the Competition Act's merger regulation provisions on our business is difficult to predict, although it may make completing acquisitions in South Africa more difficult and, in some cases, not feasible for us.

Any action taken by the Competition Commission against us could have a material impact on our operations in South Africa. ICASA and the Competition Commission ostensibly have concurrent jurisdiction over the investigation, evaluation and analysis of mergers and acquisition transactions and competition-related complaints involving telecommunications and broadcasting matters.

The Competition Commission and ICASA have entered into a Memorandum of Agreement in order to regulate the manner in which they will interact with each other in respect of these functions. The intention is that ICASA will exercise primary authority to establish conditions within the electronic communications sector as required to give effect to the relevant provisions of the legislation in terms of which ICASA functions. The competition authorities will exercise primary authority concerning prohibited practices and the review of mergers within the electronic communications sector in terms of the Competition Act.

The Competition Amendment Act No. 1 of 2009 (the "**Competition Amendment Act**"), parts of which are still not in force, was introduced with a view to achieving the following:

- to provide certainty with regard to the concurrent jurisdiction between the Competition Commission and other regulatory authorities (including ICASA);
- to introduce provisions to address other practices that tend to prevent or distort competition in the market for any particular goods or services;
- to provide more guidance in relation to conducting market inquiries as a tool to identify and make recommendations with respect to conditions that tend to prevent, distort or restrict competition in the market for any particular goods or services;
- to introduce provisions to hold personally accountable those individuals who cause firms to engage in cartel conduct; and
- to authorise the Competition Commission to excuse a respondent to a complaint if the respondent has assisted the competition authorities in the detection and investigation of cartel conduct (corporate leniency).

The most significant changes proposed by the Competition Amendment Act relate to:

- *criminal liability:* introduces personal criminal liability for any director or person with management authority who causes a company to engage, or knowingly acquiesces to a company engaging in cartel conduct, namely, price fixing, collusive tendering or dividing markets;

- *market inquiries:* enable the Competition Commission to engage with stakeholders in a particular industry in order to determine whether there are features of that particular sector that prevent, distort or restrict competition; and

- *complex monopolies:* enable the Competition Commission to investigate and deal with uncompetitive outcomes resulting from conscious parallel or coordinated conduct in highly concentrated markets.

The provisions relating to market inquiries have been effective since 1 April 2013. The provisions dealing with criminal liability have been effective since 1 May 2016. The remaining provisions of the Competition Amendment Act are not yet in force.

The Competition Commission has confirmed in media reports that it has received a complaint from On Digital Media, a competitor of MultiChoice, alleging that MultiChoice had abused its dominant position and from certain individual customers concerning MultiChoice's pricing and packaging of channels. The Competition Commission has requested information relating to these complaints from MultiChoice and certain other members of the Group, as well as other industry stakeholders. The Group has provided all requested information and is awaiting the Competition Commission's decision in each proceeding.

Protection of Consumers in South Africa

The Consumer Protection Act, Act 68 of 2008 (the "**Consumer Protection Act**") was published on 29 April 2009 and came into force on 31 March 2011. The Consumer Protection Act has had a significant impact on virtually every business in South Africa. The Consumer Protection Act:

- establishes a legal framework for a fair, accessible, efficient, sustainable and responsible consumer market;

- reduces the disadvantages of accessing goods and services when the consumer is a person in a weaker bargaining position (for example, low income persons or communities, rural communities, the disabled, illiterate, elderly or young);

- promotes fair business practices;

- regulates marketing, promotions and advertising;

- protects consumers against unfair, unreasonable, unjust or improper trade practices, including contract terms and conditions;

- protects consumers against deceptive, misleading, unfair or fraudulent conduct;

- regulates quality and standards of goods and services, including warranties on goods and services and product liability (the Consumer Protection Act also introduces a form of modified strict liability for harm caused by goods);

- improves consumer awareness and information and encourages responsible and informed consumer choice and behaviour;

- promotes consumer confidence, empowerment and the development of a culture of consumer responsibility;

- provides a system for consensual (rather than adversarial) resolution of disputes arising from consumer transactions; and

- provides an accessible, consistent, harmonised, effective and efficient system of redress.

The Consumer Protection Act also established the National Consumer Commission ("**NCC**") and a Consumer Tribunal (an appeals body). A key aspect of the Consumer Protection Act that impacts on our business is that the NCC regulates the conduct and agreements with the subscriber or consumer. If consumers are not satisfied with the manner in which a company addresses complaints, they have recourse to the NCC.

There are various consequences of non-compliance with the Consumer Protection Act, depending on the nature and extent of the non-compliance. For example, contract terms that do not comply with the Consumer Protection Act may be void, voidable or unenforceable. Where a business is engaged in prohibited conduct and fails to comply with a compliance notice issued by the NCC, the Consumer Tribunal can impose fines of up to the greater of Rand 1 million and 10% of annual revenue. There are also fines and imprisonment arising from certain offences. Courts are also given broad powers to deal with matters involving non-compliance with the Consumer Protection Act.

Protection of Personal Information Act

The Protection of Personal Information Act 4 of 2013 (the "**POPI Act**") was signed into law on 26 November 2013, on the basis that the commencement date was still to be proclaimed. On 11 April 2014, the President of South Africa proclaimed that certain sections of the POPI Act (such as the sections dealing with the establishment of powers, duties and functions of the new regulatory body, called the Information Regulator, tasked with monitoring and regulating compliance with the POPI Act and any regulations that may be made thereunder, as well as the procedure for making those regulations under the POPI Act) would come into force with immediate effect. The President officially appointed the office bearers of the Information Regulator on 26 October 2016, with effect from 1 December 2016. The remaining sections of the POPI Act will commence on a date still to be proclaimed by the President. After the commencement date of Section 114 of the POPI Act, which deals with the transitional arrangements under the POPI Act, there will be a 12-month grace period (or such longer period as may be determined by the President) to allow for implementation of the requirements of the POPI Act relating to the processing of personal information. This section has not yet come into force, which means that the 12-month grace period has also not yet commenced.

The POPI Act will, after its commencement, apply to the processing of personal information by a responsible party. "Processing" is defined broadly in the POPI Act and will include almost all activities that MultiChoice carries out in relation to personal information. It is important to note that "personal information" in the POPI Act extends to personal information of both natural and juristic persons.

Therefore, "data subjects" can be both natural and juristic persons, including employees, shareholders, suppliers and customers.

The responsible party will, among other things, have to comply with eight conditions for lawful processing, including:

- *Accountability:* the responsible party must take measures to ensure the conditions for lawful processing of personal information are complied with;

- *Processing limitation:* the responsible party must, subject to certain exceptions, collect personal information directly from the data subject and ensure that it processes the personal information lawfully and in a reasonable manner which does not infringe on the privacy of the data subject and in a manner that is adequate, relevant and not excessive given the purpose. The responsible party will need to ensure that processing falls within one or more of the categories of permitted processing, one of which may include the consent of the data subject (which consent may be withdrawn at any time), to process the personal information for the purposes it determines;

- *Purpose specification:* the responsible party must ensure that the data subject is aware of the purpose for which information is collected and the intended recipient of the information, unless the data subject has authorised otherwise. Records of personal information may not be retained longer than is necessary to achieve the purpose for which the information was collected and processed, subject to certain exceptions;

- *Further processing limitation:* further processing of personal information must be compatible with the purpose for which it was originally collected;

- *Information quality:* the responsible party must take reasonably practicable steps to ensure that the personal information is complete, accurate, not misleading and updated when necessary;

- *Openness:* the responsible party must, subject to certain exceptions, take reasonably practicable steps to ensure the data subject is aware of various matters related to the collection of personal information, including (but not limited to): the type of personal information collected; the source from which it is collected; details of the responsible party; the purpose for which the information is collected; whether the supply of the information is voluntary or mandatory and the consequences for failing to provide the information; any law which requires the collection of the personal information; whether the responsible party intends to transfer the information to another country and the level of protection afforded to that information in that country; the recipients of the information; the right to access, rectify, or object to the collection or processing of the information; and the right to lodge a complaint with the Information Regulator;

- *Security safeguards:* the responsible party must adopt appropriate and reasonable technical and organisational security measures to ensure the confidentiality, integrity and availability of the information collected. The responsible party must also notify the data subject and the regulator if it has reasonable grounds to believe that information may have been lost, accidentally leaked or disclosed to unauthorised third parties. There are also various obligations relating to operators; and

- *Data subject participation:* the data subject may request access to its personal information held by the responsible party and may request that the responsible party correct, destroy or delete certain of its personal information.

The descriptions of the eight conditions above are included for illustrative purposes only and are not exhaustive descriptions of the requirements and obligations in the POPI Act. There are also various exceptions and requirements in relation to each of the eight conditions.

There are further restrictions on the processing of personal information of minors and “special personal information”. Apart from certain limited exceptions, information of minors and “special personal information” may only be processed with the consent of the relevant data subject (or the data subject’s guardian, in the case of a minor).

There are various instances where the prior authorisation of the Information Regulator will be required to (i) process any unique identifiers of data subjects for a purpose different from the purpose specified at collection and with the aim of linking the information together with information processed by other responsible parties; (ii) process information on criminal behaviour or unlawful conduct on behalf of third parties; (iii) process information for the purposes of credit reporting; or (iv) transfer “special personal information” or personal information of children to a third party in a foreign country that does not provide an adequate level of protection. There are also various additional requirements related to automated decision-making and direct marketing.

The POPI Act also contains provisions regulating the transfer of personal information outside the Republic of South Africa and regulating the processing of personal information for the purposes of certain forms of direct marketing.

There are various risks and consequences for non-compliance with the POPI Act, particularly when such non-compliance constitutes an offense under the POPI Act. On conviction, a person (whether natural or juristic) may be liable to pay a fine or be imprisoned; these penalties could arguably apply to directors and officers of MultiChoice. In addition, the Information Regulator may impose an administrative fine of up to Rand 10 million in respect of offenses under the POPI Act. A data subject (or the Information Regulator on behalf of a data subject) may also institute a civil action against a person for damages as a result of non-compliance with the POPI Act, regardless of intent or negligence on the part of the responsible party. There are also risks of reputational harm associated with non-compliance.

Media Regulation in South Africa

General

The Independent Communications Authority of South Africa Act (Act No. 13 of 2000) (as amended), created ICASA. The Electronic Communications Act (Act No. 36 of 2005) (as amended, the "**ECA**") became effective on 19 July 2006 and repealed the Independent Broadcasting Authority Act (Act No. 153 of 1993) (as amended, the "**IBA Act**") and the Telecommunications Act (Act No. 103 of 1996), and substantially amended the Broadcasting Act. Both broadcasting and telecommunications are now predominantly regulated in terms of the ECA. Section 7 of the ECA provides that, except for services that are exempted, no person may provide a broadcasting service, electronic communications service or electronic communications network service without a licence. Therefore, all persons who provide a service in terms of the ECA must do so pursuant to a licence. The ECA features two broad categories of licences, namely, individual licences and class licences. ICASA may, upon application and due consideration in the prescribed manner, grant individual licences or class licences (as the case may be) for the following: (1) electronic communications network services ("**ECNS**"); (2) broadcasting services; and (3) electronic communications services ("**ECS**"). A radio frequency spectrum licence is required in addition to a service licence where the provision of the service entails the use of radio frequency spectrum. The procedure to be followed when applying for licences is set out in the ECA and the regulations prescribed under the ECA. ICASA published regulations on the licensing processes and procedures for both individual and class licences under the ECA on 14 June 2010. In addition, on 14 June 2010, ICASA published standard terms and conditions for individual and class licences (being the Individual and Class Licence Standard Terms and Conditions Regulations and the Individual and Class Licence Process and Procedure Regulations). In 2015, ICASA amended the Individual and Class Licence Standard Terms and Conditions Regulations, as well as the Individual and Class Licence Process and Procedure Regulations as part of a five-year review of the regulations.

M-Net holds both an individual subscription broadcasting service licence and a frequency licence. MultiChoice Pty Ltd. holds an individual subscription broadcasting licence and a frequency licence for its mobile broadcasting service. Orbicom, as a broadcasting signal distributor, holds both an individual ECNS licence and ECS licence. The ECA also vests ICASA with the power to prescribe additional terms and conditions on licensees who have significant market power. It is difficult to predict the impact this may have on licensees within our Group.

On 28 March 2013, ICASA published revised General Licence Fee Regulations (the "Licence Fee Regulations") that prescribe the administrative fees payable in respect of an application or registration, amendment, transfer or renewal of a licence as well as the annual licence fees payable by licensees. In terms of the Licence Fee Regulations, the annual licence fees payable by broadcasting service licensees are to be paid on a sliding scale and on turnover up to a maximum of 0.35% of annual turnover of the licensable activities.

The Electronic Communications and Transactions Act (Act No. 25 of 2002) ("**ECTA**") is intended, among other things, to facilitate and regulate electronic communications and transactions and e-commerce. ECTA's effects include, but are not limited to:

- providing for the recognition of electronic records, data messages and electronic signatures, the admissibility of data messages as evidence and facilitation of electronic contracting;

- requiring the registration of cryptography providers;

- providing for the voluntary registration of authentication service providers, which would include products relating to advanced electronic signatures and digital certificates;

- providing for consumer protection in connection with electronic transactions, including requirements for a supplier to provide certain information and to use payment systems that are sufficiently secure in terms of accepted technological standards at the time of the transaction and the type of transaction concerned;

- establishing voluntary personal data protection provisions and the requirement for registration of critical databases;

- providing for the limitation of liability of service providers, including ISPs, in certain circumstances; and

- providing for "cyber inspectors" with powers to, among other things, monitor and inspect web sites or information systems and to investigate the activities of cryptography service providers. The cyber inspectors will have fairly extensive powers of search and seizure.

Broadcasting as defined in the ECA is currently exempt from the registration and classification requirements of the Film and Publication Board (the "**FPB**"). Broadcasters self-classify their own television content. The FPB published a draft Online Regulation Policy (the "**Policy**") in the government gazette on 4 March 2015. The draft Policy seeks to elevate the Film and Publication Act's "platform neutral approach" to ensure uniform compliance by all content distributors regardless of whether content is screened in cinemas, streams via the internet to television, sold in retail outlets, provided online or otherwise distributed to the South African public. Before this FPB policy was finalised, the Cabinet approved in August 2015, a Film and Publications Amendment Bill (the "Bill") for tabling in Parliament that would update the Act to deal with technological advances. The National Assembly referred the Bill to the Parliamentary Portfolio Committee for Communications (the "**Portfolio Committee**") which requested public comment on the Bill by 26 May 2016; thereafter public hearings were held on 30 and 31 August 2016. The Portfolio Committee is now engaged in deliberations on the Bill, which are expected to be completed in the second half of 2017. The MultiChoice group has made submissions on the Bill requesting clarification as to whether catch-up TV and online live streaming of TV channels by a licensed broadcaster will also fall under the current exemption provided to broadcasters licensed by ICASA to reduce risk of financial impact of classifying content by the FPB. Video On Demand Services such as DStv Box Office and Showmax, however, will still fall under the jurisdiction of the FPB and will be required to register as online distributors and pay a fee for classification or self-classification of content.

Over the past five years there have been initiatives by various government departments to put in place legislative prohibitions on alcohol advertising. The broadcasting sector and others have raised concerns about the adverse economic impacts of a ban on alcohol advertising. These initiatives re-emerged in the final National Liquor Policy gazetted by the Minister of Trade and Industry on 30 September 2016. The Minister of Trade and Industry also gazetted on the same date a Liquor Amendment Bill that deals with, among other issues, providing the Minister with the powers to prohibit alcohol advertising on television during specified periods. The broadcasting sector and the MultiChoice group have made submissions to the Ministry of Trade and Industry on the Bill highlighting the tremendous financial impact of loss of advertising revenue from alcohol advertising and the impact on sport development.

Broadcasting

In line with the ECA, on 4 August 2008, ICASA issued a technology neutral individual subscription broadcasting service licence to MultiChoice Africa (Pty) Ltd for a period of 15 years. Prior to this, MultiChoice Africa (Pty) Ltd had broadcast pursuant to the terms of a deeming provision under the Broadcasting Act (Act 4 of 1999). The ECA also required that all licences issued prior to it coming into effect on 19 July 2006 be converted to reflect the new regulatory regime, and on 17 December 2008, MCSA's subsidiary, M-Net, received its 15-year converted broadcasting licence and associated radio frequency spectrum licence. The broadcasting licence is platform-neutral thereby allowing broadcast via any other medium, subject to the necessary frequency spectrum licence. The licence requires shareholding by historically disadvantaged persons of 30%: a requirement with which we are already in full compliance. The remainder of the conditions relate to coverage area, training and skills development. M-Net's licence expires on 17 December 2023. The procedure for the authorisation of channels to be added to the package is set out in ICASA's Subscription Broadcasting Regulations.

The ECA prohibits foreigners from, directly or indirectly, exercising control over, or having an interest in excess of 20% in, a commercial broadcasting licensee. In addition, no person may, directly or indirectly, exercise control over more than one commercial television broadcasting service licence. The ECA also prohibits a person in control of a newspaper from acquiring or retaining financial control of a television broadcasting service licence, in cases where the newspaper has a circulation of 20% of the total newspaper readership in an area that overlaps substantially with the relevant television licence area.

In respect of multi-channel broadcasters such as M-Net and MCSA, the IBA Act mandated ICASA to assess whether the limitations on control of broadcasting services should be applicable to multi-channel broadcasters and make recommendations for the amendment of these provisions to the Minister of Communications. ICASA made the recommendation that these rules should not apply to subscription broadcasters (such as M-Net and MCSA). These recommendations were sent to the previous Minister of Communications, but were never tabled in Parliament as required. In November 2009, ICASA published a Discussion Document on Ownership and Control which was followed by hearings on this matter. The outcome of this process did not effect this recommendation.

The ECA provides that subscription broadcasting services may not acquire exclusive rights for the broadcast of national sporting events identified by ICASA in consultation with the Ministers of Communications and Sport. On 7 April 2010, ICASA published the Sport Broadcasting Services Regulations, which identify national sporting events that cannot be acquired exclusively for broadcasting by subscription television broadcasting licensees and that are required to be broadcast live, delayed live or delayed by free-to-air television broadcasting licensees. The Sport Broadcasting Services Regulations identify a range of national sporting events concerning rugby, football, cricket and boxing events (for example, the Summer Olympics, the ICC Cricket and IRB Rugby World Cups, the International Boxing Federation and the FIFA World Cup). The list of national sporting events may also be subject to change every four years by ICASA.

The Regulations relating to the extent to which subscription broadcasting services must carry the television programmes provided by the public broadcast service licensee (the "**Must Carry Regulations**") became effective on 10 October 2008. The purpose of the Must Carry Regulations is to provide for terms and conditions under which the subscription broadcasting service (the "**SBS**") licensees will carry the programmes of the public broadcasting service (the "**PBS**") licensees; and the terms and conditions under which the PBS licensees may offer its programs to the SBS licensees. An obligation imposed on the SBS licensees under the Must Carry Regulations is that all SBS licensees must carry the channels of the PBS licensee designated as "must carry channels" (as defined in the regulations) as part of the service offering. An obligation imposed on the PBS licensees is that the PBS licensee must offer its television programmes, at no cost, to a SBS licensee upon request from the SBS licensee. The SBS licensee is, however, required to bear the costs of carriage of the PBS's television programs on its distribution platform in accordance with the Regulations.

In 2010, ICASA published an invitation to apply for a radio frequency spectrum licence for the purposes of providing a mobile digital video broadcasting service (the "**ITA**"), together with the regulations for mobile television. The ITA was only for multiplex one; only existing individual broadcasting service licensees could apply and the maximum any one party could apply for was 60%. MultiChoice Africa (Pty) Ltd made an application for 60% of the multiplex. ICASA announced on 10 September 2010 that e.tv was awarded a licence for 40% of the multiplex and that MultiChoice Africa (Pty) Ltd was awarded the licence for the remaining 60% of the multiplex.

ICASA published the Final Digital Migration Regulations on 14 December 2012. These regulations provide for M-Net to share multiplex two with e.tv. M-Net is allocated 40% and e.tv is allocated 50% of the multiplex, the remaining 10% capacity on multiplex two will be equally shared between the two broadcasters when test or trial licences using this capacity expire. The dates for digital broadcasting switch-on and analogue broadcasting switch-off are not stated in the regulations. The Minister of Communications gazetted the date of the digital broadcasting switch-on as being 1 February 2016; the date for the analogue switch-off has not yet been gazetted.

In 2013, the Minister of Communications announced her intention to issue a policy directive to ICASA to develop a regulation on market definition for wholesale access to premium TV content to address market competition. In terms of the policy directive, ICASA had to consider the policy directive and decide whether it will proceed with such a regulation. ICASA has not yet published any such regulation.

In response to the South African government's Broad Based Black Economic Empowerment strategy, the Information Communications Technology ("**ICT**") sector originally submitted a draft charter to the Minister of Communications in April 2005. The Charter was negotiated among the industry participants. The final draft of the Charter was gazetted and published on 1 April 2012. The Charter has set targets in respect of ownership, management and control, human resource development, procurement, enterprise development, corporate social investment and access to ICTs. The primary objectives of the Charter are to enable the meaningful participation of black people in the sector. The ICT BEE Sector Code was gazetted for implementation on 6 June 2012. The ICT BEE Sector Code requires that an ICT BEE Charter Council be established (the ICT BEE Charter Council was established on 23 September 2015). The main purpose of the ICT BEE Charter Council is to monitor the implementation of the ICT BEE Sector Code by the ICT sector. The Department of Trade and Industry amended the ICT BEE Sector Code on 7 November 2016. Despite the amendment, all BEE certificates issued in terms of the old ICT Sector Codes of 2012 prior to 7 November 2016 will remain valid until they expire.

The Media Development and Diversity Agency Act (Act No. 14 of 2002), establishes an agency which, among other things, aims to support media development and diversity projects. The media sector makes contributions to the agency by agreement. Media24 agreed to contribute Rand 1.2 million per annum for a period of three years commencing 1 April 2009 and Rand 1 million per annum for a period of the two years thereafter. MCSA agreed to make a contribution of Rand 8 million for five years commencing 1 April 2010 (which terminated on 31 March 2015). M-Net agreed to make a contribution of Rand 0.3 million for a period of six years commencing 1 April 2009 (which terminated on 31 March 2015). We are currently negotiating a new contributions agreement with the Media Development and Diversity Agency and believe that we will likely agree to increase the Group's total contributions under the new agreement.

The ECA requires broadcasters to make an annual contribution to the Universal Service and Access Fund of 0.2% of revenue from their licensed activities, but broadcasters are permitted to have their annual MDDA contribution set off against their prescribed annual contribution to the Universal Service and Access Fund.

Telecommunications

The Regulation of Interception of Communications and Provision of Communication-Related Information Act (Act No. 70 of 2002) ("**RICA**") imposes requirements on communication service providers licensed under the ECA to provide communication services that are able to be intercepted and to store, record and in terms of section 39 of RICA verify certain customer information. RICA also requires telecommunications service providers to acquire, at their own cost, facilities and devices, determined in terms of a directive, able to be intercepted and to store communication-related information. Telecommunication service providers must also contribute to an Internet Service Provider assistance fund.

Print Media

Media24 and the print-media industry as a whole enjoy the right to freedom of expression and the right to a free press in terms of the Constitution of the Republic of South Africa (Act No. 108 of 1996) (the "**Constitution**"). Certain forms of content are, however, prohibited by the Constitution and are regulated across all media platforms. As in other countries, the print media industry is governed by a number of laws which restrict the content of published information. There are no government licensing or registration requirements to be met. The industry has implemented certain self-regulation mechanisms for complaints about print-media content through the office of a Press Ombudsman and Press Council. Media24 has also appointed an in-house ombudsman to deal with complaints from its newspaper readers. Media24 is not subject to any other form of regulation that is unique to print media.

Rest of Sub-Saharan Africa

Prohibition of Anti-Competitive Practices in Sub-Saharan Africa

In 2013, the Common Market of Eastern and Southern African Countries ("**COMESA**") introduced a competition law regime which imposes competition law requirements over and above national competition laws, as regards mergers in particular, but also as regards prohibited anti-competitive practices.

Burundi*, Comoros, Djibouti, the Democratic Republic of Congo, Egypt*, Ethiopia*, Eritrea, Kenya*, Libya*, Madagascar*, Malawi*, Mauritius*, Rwanda*, Swaziland*, Seychelles*, Sudan, Uganda, Zambia* and Zimbabwe* are COMESA member states. Eight COMESA countries are part of the Southern African Development Community and four are part of the East African Community ("**EAC**") (namely Kenya, Uganda, Rwanda and Burundi). A tripartite task force has been set up to harmonise their programs and the overall regional integration process for the three Regional Economic Communities.

The COMESA countries denoted with an asterisk (*) above have national competition laws, although Burundi, Libya and Madagascar do not have an operational merger control regime as yet. Some COMESA member states, namely Malawi, Swaziland, Zambia and Zimbabwe have recognised the COMESA Competition Commission ("**CCC**") as a "one-stop-shop", and as such do not require domestic notification if a notification to the CCC is made. Non-COMESA countries in sub-Saharan Africa which have national competition laws and operational competition authorities include South Africa, as well as Algeria, Botswana, Cameroon, The Gambia, Namibia, Morocco, Tanzania and Tunisia.

A COMESA notification is triggered where: (i) both the acquiring and target firm or either the acquiring or target firm operate in two or more COMESA Member States; and (ii) the combined turnover or assets of the merger parties in the Common Market meet the prescribed financial thresholds. The CCC recently published its Merger Assessment Guidelines which provide clarity on the interpretation of the COMESA Competition Regulations in so far as merger control is concerned. The CCC has also introduced rules which prescribe merger notification thresholds. The rules prescribe a method for calculating combined annual turnover and asset values of parties to a merger in the Common Market. In addition, the maximum filing fee payable to the CCC has been amended to be calculated at 0.1% of the combined annual turnover or asset value (whichever is higher), capped at a maximum fee of $200,000. COMESA's recent competition law developments may pave the way for other regional blocks to follow. One such block is the EAC which, despite having competition legislation, does not currently have an operational competition authority.

COMESA enjoys fairly broad powers to investigate prohibited anti-competitive practices and has recently launched an investigation into the Confederation of African Football in relation to the commercialisation of media and marketing rights for African football tournaments. National competition authorities, particularly in Kenya and Zambia, have also been active.

It should also be noted that, pursuant to the Kenyan Competition Act, the Competition Authority of Kenya can operate a leniency program offering leniency to an undertaking that voluntarily discloses the existence of an agreement or practice that is prohibited under the Competition Act. However, the Competition Authority of Kenya has yet to publish final guidelines setting out the details of the leniency programme.

Regulation of Video-entertainment in Sub-Saharan Africa

MCA is licensed, through its local joint venture operations, to provide satellite direct-to-home pay-television services in Namibia and Nigeria. In Kenya, MCA has landing rights authorisation for its satellite broadcasting channels. The MCA representatives in Ethiopia and Liberia are licensed to provide video-entertainment services. MCA's representative in Mauritius is licensed to provide subscription DTH satellite broadcasting services. MCA's joint venture operation in Angola holds a licence to provide a digital television broadcasting service, which authorises the provision of a satellite pay-TV distribution service through the supply and commercialisation of pay-TV channel bouquets. MCA’s franchise in Zimbabwe is licensed to provide content distribution services. In addition, MCA is licensed through its local joint venture operations and franchises to provide DTT broadcasting services to fixed and mobile devices in Ghana, Kenya, Malawi, Mozambique, Namibia, Nigeria and Rwanda. In Kenya, MCA’s local joint venture has been awarded a licence to self-provide signal distribution services. In Zambia, MCA's local joint venture has been awarded a landing rights authorisation and a subscriber management service licence. In Uganda, licences issued to MCA’s joint venture operations to provide DTT and DTH satellite pay TV services have expired and are pending renewal by the regulatory authority. MCA’s local joint ventures applied for renewal of their licenses in a timely fashion but the renewal process has been delayed as the regulator is implementing a new licensing and regulatory framework. All broadcasters in Uganda are currently operating without updated licences. MCA’s existing services are provided lawfully and continue to operate pending the outcome of this process. In Zambia, the signal distributor for MCA’s DTT service has surrendered frequencies used for that service to the regulatory authority. MCA’s local joint venture is liaising with the regulator to mitigate the risk of non-compliance.

MCA also holds licences through its local joint venture operations and franchises to provide subscriber management support services for its video-entertainment services in Botswana, Ghana, Kenya, Malawi, Mozambique, Seychelles, Tanzania and Zanzibar. MultiChoice Botswana intends to institute legal proceedings to challenge narrow aspects of its subscription management service licence.

In a number of countries in sub-Saharan Africa, the regulatory frameworks are undergoing change to, among other things, address convergence and the digital migration, thereby posing potential risks that new licensing and compliance obligations may be placed on the Group. Some of the key countries (for MCA’s purposes) undergoing legislative reforms or reviewing their regulatory frameworks include Angola, Ghana, Kenya, Malawi, Namibia, Nigeria, Rwanda, Swaziland, Tanzania, Uganda and Zambia.

In Angola, the Media Legislative Reform Package, including the Television Law, the Press Law and the Media Regulatory Authority Law came into effect in January 2017. The Television Law created a framework for the licensing of DTH satellite services. The Media Regulatory Authority Law provides for the establishment of the Angola Media Regulatory Authority. The enactment of these laws and the establishment of a regulatory authority could lead to publication of regulations, which could impact the provision of our services in Angola.

In Botswana, draft regulations under the Communications Act of 2012 were being developed but have not progressed since February 2015. The draft regulations deal with, *inter alia*, tariff regulation, limitations on foreign ownership of broadcasting stations and local content regulation.

In Kenya, the regulatory authority is currently reviewing most of the regulations for the ICT sector. The government is also reviewing the ICT Policy.

Malawi passed the Communications Act in November 2016. Most of the provisions in the Communications Act are in force but the section on foreign ownership regulations is not in force. The regulatory authority is in the process of implementing its new licensing and regulatory framework and is in the process of negotiating licences with operators.

Mozambique submitted a draft Radio and Television Bill to Cabinet in April 2017 which proposes to regulate television broadcasting, including local content quotas and local language requirements, other content regulation and advertising limitations.

In Ghana, the regulatory authority is implementing detailed customer service guidelines for pay TV services.

In Namibia, the draft Broadcasting Code of Conduct Regulations 2017 propose, *inter alia*, local content quotas, watershed periods and advisories.

In Nigeria, the National Broadcasting Code (the "**Code**", underwent its five-yearly review in May 2017. Possible adverse amendments to the Code include higher licence fees, local ownership requirements and requirements that FTA decoders be non-proprietary. Amendments to the broadcasting legislation are anticipated, including in order to give effect to the Nigerian Government's White Paper on the "Transition from Analogue to Digital Terrestrial Broadcasting in Nigeria" from April 2012, which could impact the licensing and regulation of broadcasting services and the continued ability of broadcasters to self-provide broadcasting signal distribution for their own broadcasting services. The broadcasting regulator has implemented a set top box control system for Nigeria and provided for a National Common Set Top Box system, which it will use to ensure that free-to-air DTT services are available to the public only pursuant to the payment of a content access fee. A Nigerian signal distribution licensee has instituted legal proceedings challenging MCA's DTT joint venture operation's ability to self-provide signal distribution for its own DTT service. The claimant seeks to set aside the joint venture's licence and also claims damages in that regard. The House of Representatives Committee on Information and Orientation is also investigating MCA's DTT joint venture operations licensing, pay per view and pay as you go, and subscription fee increases. The Senate is investigating MCA's DTH joint venture's business practices, alleging unwholesome practices such as abuse of monopoly and price increases. MCA's joint venture operations are in discussions with the regulator regarding the basis of calculation of the annual licence fees payable. The National Broadcasting Commission Amendment Bill 2015 proposes extending the broadcasting regulator's jurisdiction to give it competition law powers and to impose a blanket prohibition on exclusivity and compel sub-licensing of sports and news. The draft Copyright Amendment Bill proposes compulsory licensing of copyrighted works in the public interest to address abuse of dominance or abuse of rights, at regulated prices. The Federal Competition and Consumer Protection Bill was passed by the House of Representatives in March 2017 and the Senate in June 2017. It contains competition law of general application which does not accord with international best practice and could have the effect of prohibiting exclusivity arrangements and grant broad powers to regulate monopolies. The Association of Cable Operators of Nigeria instituted action against MCA's joint venture operation to compel it to sub-license English Premier League rights to its members.

In Rwanda, the regulatory authority is expected to review existing regulations to align them with the Information and Communication Technologies Law which was passed in June 2016.

In Swaziland, the Ministry of Information, Communications and Technology is in the process of drafting the Swaziland Broadcasting Bill of 2016, which is expected to be presented to the Parliament during 2017. The Bill seeks to regulate broadcasting services in Swaziland.

In Tanzania, the regulator began reviewing the majority of its existing regulation in March 2017, including the Licensing Regulations, Digital and Other Broadcasting Networks and Services Regulations, Competition Regulations, Tariff

Regulations, Consumer Protection Regulations and Quality of Service Regulations. The revised draft regulations propose to hold support services (subscription management services) providers responsible for subscription broadcasting services, prohibit DTH operators from carrying Tanzania free-to-air television channels, prohibit advertising on subscription broadcasting and require the submission to the regulator of copyright agreements in respect of the acquisition of exclusive rights to broadcast live sports events. It also proposes increasing annual license fees for support service licensees from 0.8% to 1% of the licensee's gross annual turnover. The regulator is proposing minor amendments to the Competition and Tariff Regulations but those regulations retain wide and vague competition provisions, which we believe extend beyond the regulator's statutory powers, create confusion between the competition jurisdiction of the competition regulator and the sector regulator in respect of the electronic communications sector, set out detailed requirements for all licensees to file their tariffs with the regulator and for dominant licensees to obtain regulatory approval before imposing any tariffs, as well as contain specific compliance requirements for promotions and special offers. The regulator is proposing minor amendments to the Consumer Protection and Quality of Service Regulations, which retain heavy compliance obligations. On 29 April 2017, the broadcasting regulator directed MCA's joint venture operation to remove Tanzanian free-to-air channels from the DTH satellite service in Tanzania. MultiChoice Tanzania has instituted proceedings before the Federal Competition Tribunal to challenge this decision.

In Uganda, the regulatory authority is in the process of putting in place a new licensing and regulatory authority, including a new advertising code which will impose extensive obligations on broadcasters in respect of advertising and a framework for quality of services for television broadcasting services which include detailed consumer protection obligations.

We expect other countries on the continent, where MCA has not previously been regulated to follow the general regional trend and begin regulating video-entertainment.

Data Protection in Sub-Saharan Africa

In addition to the increase in video-entertainment regulations, we are witnessing the development of consumer protection and data protection laws in some African countries. A number of countries in sub-Saharan Africa, including, among others, Angola, Benin, Burkina Faso, Cape Verde, Chad, Equatorial Guinea, Gabon, Ghana, Ivory Coast, Madagascar, Mali, Mauritius, São Tomé and Principe and Senegal, have adopted data protection laws which contain a variety of compliance requirements. Seychelles and South Africa have passed their laws but the laws are not yet in force. A number of countries, including Ethiopia, Kenya, Mauritania, Namibia, Niger, Nigeria, Rwanda, Sierra Leone, Somalia, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe, are also in the process of putting in place data protection laws.

China

Regulation of the Internet in China: Overview

The operation of telecommunications businesses in China, including internet-related businesses, is subject to regulation by the government. The Ministry of Industry and Information Technology ("**MIIT**") is the primary regulator of internet businesses. The former General Administration of Press and Publications ("**GAPP**") and the former State Administration of Radio, Film and Television ("**SARFT**"), two other government agencies that were also responsible for regulating certain aspects of internet businesses in China, were merged in 2013 pursuant to a government restructuring plan which created the General Administration of Press, Publication, Radio, Film and Television ("**GAPPRFT**"). The Cyberspace Administration of China ("**CAC**") is a key regulator of internet content and cybersecurity in China. Other government authorities also participate in the regulation of certain aspects of internet businesses, such as foreign investment, advertising, security, encryption and content.

Internet Access and Information Services

Both internet access and internet information services in China are governed by the Telecommunications Regulations, which classify all telecommunication businesses in the PRC as either basic or value-added. Internet access and internet information services are classified as value-added telecommunications businesses. Internet access services refer to the services provided to users by means of access servers and corresponding hard and software resources to access the internet. Such services may be operated by any non-foreign invested domestic Chinese company which has obtained a permit from MIIT or its relevant local counterpart (a "**Telecoms Operating Permit**"). Foreign investment in such services are subject to various restrictions depending on the type of service in question, as discussed in further detail in the "*Foreign Investment*" section of this Part VII.

Internet information services, as defined in the Administrative Measures on Internet Information Services, refer to the provision of information to online users through the internet. Commercial internet information services generally refer to the provision of revenue generating information services through the internet. The Telecommunications Services Classification Catalogue issued by MIIT in December 2015 and effective 1 since March 2016, further divides internet information services into information dissemination platform and delivery services, information search and inquiry services, information community platform service, instant messaging services and information security and management services. Commercial internet information services may be provided by a non-foreign invested domestic Chinese company that has obtained a Telecoms Operating Permit or a foreign-invested telecommunications enterprise ("**FITE**") that has obtained a Telecoms Operating Permit and approval from the Ministry of Commerce ("**MOFCOM**") or its local counterpart, as discussed in further detail in the "*Foreign Investment*" section of this Part VII.

Internet information service providers are subject to an array of other regulations with respect to the types of content and services, for which providers must obtain approval from various agencies.

Under the Regulations on the Administration of Online Publishing Services ("**Online Publishing Regulations**"), all entities engaging in internet publishing must be approved by GAPPRFT and have their publications registered with GAPPRFT. Further, pursuant to the Online Publishing Regulations and a notice jointly issued by the former GAPP, the National Copyright Administration and the National Working Group for Eliminating Pornography and Illegal Publications on 28 September 2009, GAPPRFT has the authority to review and approve the content of any online games before they can be launched by an internet content provider. Also, internet information service providers that provide a range of "internet cultural activities" for profit must obtain approval from the Ministry of Culture ("**MOC**") pursuant to the Interim Regulations on the Administration of Internet Culture issued by the MOC on 17 February 2011 and effective since 1 April 2011. "Internet cultural activities" are broadly defined to include, among other things, producing, reproducing, importing, distributing and broadcasting internet cultural products. These products refer to cultural products produced, disseminated and distributed through the internet, which mainly include (i) internet cultural products specially produced for the internet, such as online music entertainment, online games, online shows and plays (programs), online performances, online works of art, online cartoons, etc.; and (ii) internet cultural products derived from cultural products (such as music entertainment, games, shows and plays (programs), performances, works of art, cartoons, etc.) by certain technical means and disseminated on and distributed over the internet. The Provisional Measures on Administration of Online Games issued by MOC on 3 June 2010 and effective from 1 August 2010, reiterate the requirement that approval from MOC is required in order for an internet service provider to operate online games, issue online virtual currency or provide online virtual currency transaction services. Lastly, foreign-invested enterprises are not permitted to engage in internet publishing or internet cultural activities in China.

The Administrative Measures on Internet Information Services also set forth a list of prohibited types of content. The Anti-Terrorism Law, issued by the Standing Committee of the National People's Congress on 27 December 2015 and effective since 1 January 2016 also imposes various prevention, reporting and take-down obligations for terrorism-related information. Internet information service providers are required to monitor their websites, including chat rooms and electronic bulletin boards, for prohibited content and remove any such content. Some types of prohibited content are vaguely defined and the potential liability of internet information service providers for such content remains unclear. In August 2017, the CAC issued new regulations requiring users of online bulletin board systems and Internet forums to register their real names on these systems and forums. Users who are not registered will not be permitted to post comments. These new regulations will enter into effect on 1 October 2017.

Furthermore, an enterprise must obtain a permit from GAPPRFT in order for it to legally engage in disseminating, including launching, live or on-demand broadcasting, transmission and downloading of audio-visual programs through the internet to various devices, including computers, television sets and mobile phones. The Administrative Provisions on Internet Audio-Visual Program Services ("**IPTV Provisions**"), issued by MIIT and the former SARFT in December 2007 and effective from January 2008, reaffirmed this permit requirement and extended it to video-sharing websites. These regulations also specify that only State-owned or State-controlled enterprises may apply for, and obtain, such permits for them to engage in the dissemination of audio-visual programs through information networks and foreign-invested enterprises are not permitted to apply for such permits. However, pursuant to an official interpretation of the IPTV Provisions by the former SARFT in March 2008, if a provider of audio-visual program services was issued a permit prior to the promulgation of the IPTV Provisions on 20 December 2007 and such provider does not have a record of regulatory non-compliance, then even though such provider is not State-owned or State-controlled, then it may still apply for an extension of the permit when the permit issued to it prior to December 2007 expires after the promulgation of the IPTV Provisions. There are also various regulations enacted by Chinese governmental authorities requiring internet live-streaming service providers to verify identity information from users and to register such information with relevant Chinese governmental authorities.

In addition to the foregoing requirements, domestic Chinese-invested online payment service providers are required to obtain a Payment Services Permit from the People's Bank of China pursuant to the Administrative Measures on Payment Services Provided by Non-financial Institutions ("**Payment Services Regulations**"), issued by the People's Bank of China ("**PBOC**") on 21 June 2010 and effective from 1 September 2010. The Payment Services Regulations only apply to domestic Chinese-invested service providers. Regulations governing foreign invested service providers have not been issued so far, although the Payment Services Regulations provide that they shall be issued separately at a later date. There are also various regulations enacted by Chinese governmental authorities governing different types of online accounts that may be opened by customers and deposit reserve requirements for non-bank payment institutions. On 4 August 2017, the PBOC issued a notice to various branches of the PBOC, commercial banks and non-bank payment institutions (the "**NBP Institutions**") that operate online payment services. The NBP Institutions were asked to phase out the current payment services business model which involves the NBP Institutions connecting directly to banks for payment processing and to transition their business to a Central Online Platform ("**COP**") processing business model. Under the COP model, all payment requests and processing will need to go through the COP. The NBP Institutions were given until 30 June 2018 to transition all of their online payment businesses to the COP processing business model.

As new regulations about specific types of content and online services are still being issued, certain types of content and online services for which approval is not now required may require approval in the future. In addition, because of the lack of specificity in some of these regulations, it is not always clear if the activity engaged in by a specific internet information service provider actually requires specific or additional approval.

Cybersecurity

Chinese governmental authorities have enacted various laws and regulations regarding the protection of data and the restriction on transfer of data. For example, the Cybersecurity Law, promulgated by the Standing Committee of the National People's Congress on 7 November 2016 and which entered into effect on 1 June 2017, requires network operators to take appropriate measures to safeguard network security, prevent illegal activities and maintain confidentiality of network data. In addition, the Cybersecurity Law requires personal information and important data collected or generated in China during operations by operators of critical information infrastructure ("**CII**") to be stored in China. If such information needs to be transferred out of China for business reasons, a security review would be required. The

National Cyberspace Security Strategic Plan, issued by the CAC on 27 December 2016, and the Cybersecurity Law list several industries, such as public communications and information services, energy, transportation, irrigation, finance and other industries where damage or data breach could materially endanger national security and public interest, as industries in which information infrastructure is critical. Personal information is defined under the Cybersecurity Law as basically personally identifiable information, which is any information that, by itself or in combination with other information, can identify a person. Such information includes individuals' names, dates of birth, ID numbers, biologically identified personal information, addresses and telephone numbers. However, the Supreme People's Court and the Supreme People's Procuratorate of the PRC have interpreted "personal information" in the criminal context also to include information that can identify the activities of a specific person and information that tracks a person's whereabouts. It is unclear whether the Chinese government would adopt this expanded definition for the purposes of cybersecurity related matters. There are various regulations enacted by the Chinese governmental authorities that provide some guidance on whether specific types of data are subject to the local storage requirement and cybersecurity review, but there are still ambiguities relating to CII and the cybersecurity review process that need to be clarified.

On 2 May 2017, the CAC issued the Measures for the Security Review of Network Products and Services (for Trial Implementation) (the "**Security Review Measures**") that came into effect on 1 June 2017. The Security Review Measures stipulate that an operator of CII needs to conduct a cybersecurity review when procuring important network products and services. The review would need to be conducted by an industry expert panel organized by the relevant governmental authorities and would involve both an evaluation of risks related to the products/services themselves as well as the process adopted in connection with the provision of the products and services.

Foreign Investment

Foreign investment in telecommunications services is mainly governed by the Provisions on the Administration of Foreign-Invested Telecommunications Enterprises. Foreign investors are permitted to own up to 50% equity interest in enterprises that provide certain types of value-added telecommunications services, such as internet information services, but subject to certain exclusions such as internet access services, internet publishing or the provision of online cultural products. In March 2015, MOFCOM and the National Development and Reform Commission jointly published a 2015 revision of the Catalogue Guiding Foreign Investment in Industries, which became effective on 10 April 2015. Pursuant to this revision, and certain other implementing regulations, foreign investors may now establish wholly foreign-owned enterprises to engage in e-commerce in China.

In addition, foreign investment in telecommunications services in the Shanghai free trade zone in China have been further liberalised. A FITE established in the Shanghai free trade zone enjoys additional liberations: foreign equity interest in such a FITE may be greater than 50% if it provides online app store services, store and forwarding services, domestic multiparty telecommunications services and internet access services. China also has entered into certain preferential trade agreements with Hong Kong and Macau which allow qualified Hong Kong and Macau companies to set up a FITE in China to provide certain types of value added telecommunications services that otherwise may not be provided by a FITE established by non-qualified Hong Kong and Macau companies.

In January 2015, MOFCOM issued the draft Foreign Investment Law ("**Draft FIL**") for public consultation. The Draft FIL, if adopted, would overhaul the foreign investment regime of China. One of the major changes is that except for certain restricted and prohibited industries and investments over certain threshold amounts, foreign investors will be accorded national treatment and no longer be subject to foreign investment approval requirements. This means that foreign investment in the permitted industries will only need to be filed with the government authorities after the investment is made. The lists of the restricted and prohibited industries have not been issued. On 3 September 2016, the Standing Committee of the National People's Congress implemented part of the changes proposed in the Draft FIL by adopting the Decision on Revising Four Laws, including the PRC Wholly Foreign-owned Enterprise Law ("**NPC Decision**"). The NPC Decision, which entered into effect on 1 October 2016, changed the foreign investment approval regime such that the establishment of, or any change to, a foreign-invested enterprise that is not engaged in any type of business for which foreign investment is restricted will no longer need to be approved by MOFCOM, and will only require a filing for recordal with MOFCOM. To implement this filing for recordal process, MOFCOM issued the Provisional Measures for Administration of Recordal for Establishment of, and Change to, Foreign-invested Enterprises on 8 October 2016. Foreign investment in telecommunications services is still restricted under PRC law and therefore the establishment of a FITE is still subject to the approval of MIIT and MOFCOM or its local counterpart.

FITEs shall have a registered capital of not less than RMB 10 million for those providing permitted value-added telecommunications services in more than one province in China and RMB 1 million for those providing permitted value-added telecommunications services only within one province. As stated above, the establishment of a foreign-invested telecommunications enterprise must be approved by MIIT and MOFCOM or its relevant local counterpart, and the enterprise must obtain a Telecoms Operating Permit.

To regulate the cooperation between foreign investors and domestic operators of value-added telecommunications services ("**Operating Companies**"), MIIT requires that an Operating Company or its shareholders own the domain names and trademarks used in a value-added telecommunications business. The premises and infrastructure (such as servers hosting the major components of the services to be provided), which the Operating Company requires for its business, must be located within the geographic area for which the Operating Company has obtained its permit to operate value-added telecommunications services.

Operating Permits

On July 13, 2017, MIIT issued the Measures on the Administration of Telecommunications Business Operating Permits ("**Operating Permit Measures**"), which came into effect on 1 September 2017 and replaced the old measures of the same name issued in 2009. The Operating Permit Measures allow a licensed operator to authorise an indirectly majority-held affiliate to operate a licensed telecoms service. This was already the unwritten policy of the Chinese government authorities in the past and the Operating Permit Measures have now codified this practice. In addition, the Operating Permit Measures eliminate the previous restriction that telecoms operators may not authorise more than one affiliate to provide the same licensed telecoms service in the same region.

Russia

Overview

In Russia there is currently no "special" law that regulates solely the commercial activities performed via the internet. Rather, internet platforms (such as Mail.ru and Avito.ru) and other companies engaged in e-commerce are subject to a number of different laws (that apply to both the array of commercial activities performed via the internet and offline activities). The operation of the internet-related businesses in Russia is also subject to regulation by the government. The relevant governmental authorities may adopt governmental regulations that govern various aspects of internet activities.

One of the primary regulators of the internet activities is the Ministry of Telecom and Mass Communications, which is responsible for telecommunications, mass media, IT and postal services in the Russian Federation. The Ministry develops and implements the national policy and legal regulation of mass media, including the internet.

The Federal Service Supervision of Communications, Information Technology and Mass Media ("**Roskomnadzor**") is the governmental body tasked with monitoring and supervisory functions in the sphere of mass media, mass communication, information technology and personal data protection.

Roskomnadzor monitors general compliance with legislation relating to the internet and maintains federal "blacklists" of internet resources publishing prohibited content.

To the extent that the activities over the internet involve transacting with consumers, such activities will also be subject to regulation by the Federal Service for Supervision of Consumer Rights Protection and Human Welfare ("**Rospotrebnadzor**"). Other government authorities also participate in the regulation of certain aspects of internet businesses, such as foreign investment, advertising, security, encryption and content.

Regulation of Online Sales

The Civil Code of the Russian Federation (in four parts: the first part No. 51-FZ, dated 30 November 1994; the second part No. 14-FZ, dated 26 January 1996; the third part No. 146-FZ, dated 26 November 2001 and the fourth part No. 230-FZ, dated 18 December 2006 (all as amended)) (the "**Civil Code**") contains general rules on formation and termination of contracts, including contracts of sale, and the most important rules governing intellectual property rights. Sale of goods between individuals is also mainly regulated by the provisions of the Civil Code.

The Civil Code has undergone a number of major changes in the recent years aimed at enhancing the overall protection of bona fide market participants. Among the most notable changes, the Civil Code (Article 1212) now allows a consumer that has permanent residence in Russia to rely on the mandatory provisions of Russian law to protect its rights, even if foreign (non-Russian law) has been chosen to apply to the contract between the seller (who is an entrepreneur) and the consumer. The relevant provisions will apply if the seller is directing its activities towards Russia (including through the sales on the internet). The provisions relating to the intellectual property rights contained in the Civil Code have also been modified to include the concept of "free" and "open" licenses and to extend the authority of courts to grant provisional measures against illegal use of intellectual property on the internet.

On 27 September 2007, a government regulation entitled "On Adoption of the Rules of Distance Selling of Goods" was adopted. The regulation sets out mandatory rules that govern distance sales (including sales on the internet) of goods by legal entities and self-employed entrepreneurs to consumers. The regulation, among other things (a) sets out a list of goods that may not be offered through distance selling (e.g., alcohol); (b) establishes the main obligations of sellers towards consumers (the obligations to (i) provide consumers with certain mandatory information about the goods and their manufacturer and (ii) supply goods of sufficient quality, among others); and (c) sets out the rights of consumers in distance sales. Rospotrebnadzor monitors compliance with this regulation.

Legal entities, engaged in e-commerce, are subject to Russian taxation based on general principles (including Russian corporate profit tax, value-added tax ("**VAT**"), corporate property tax, employment-related social insurance contributions and withholding of individual income tax). Cross-border payments of passive income such as dividends, interest, royalties, etc. are subject to Russian corporate profit tax which is withheld from the Russian source of income; such income may be exempt from Russian tax by virtue of double tax treaties.

With effect from 2015, a few new concepts have been introduced in the Russian Tax Code with the aim to prevent cross-border tax abuse. These concepts include CFC rules, tax residency linked to the place of effective management, and the "beneficial ownership" test for international treaty relief.

With effect from 2017, special VAT rules (known as "Google tax") were introduced with the aim to enforce the VAT payment by non-resident providers of e-services to Russia-based individuals. These rules require the registration for the VAT purposes and payment of VAT by the respective providers of e-services or by their foreign settlement or payment agents. A similar VAT regime for online shops is currently being discussed. The "Google tax" rules do not apply to online shops: however, a few new VAT rules for internet shops (such as introduction of the 18% VAT on sales by foreign internet shops to Russian customers and the 0% VAT on sales by Russian internet shops to foreign customers) are currently in discussion.

Data Protection

Federal Law of the Russian Federation "On Personal Data Protection" No. 152-FZ, dated 27 July 2006 (as amended), sets out the obligations applicable to the Group's internet platforms (such as Mail.ru, Avito.ru and eSky.ru) relating to protection of personal data of individuals. According to the law, in order to process one's personal data the personal data operator must obtain the consent of the relevant individual in writing. There are certain exemptions from this requirement, including where the processing of personal data is being carried out for the purposes of performance of a contract (for example, a contract on provision of services to the individual) between the personal data operator and the individual.

On 21 July 2014, Federal Law of the Russian Federation "On Amendments to Certain Legislative Acts of the Russian Federation for Clarification of the Procedure of Personal Data Processing in Information and Telecommunication Networks" No. 242-FZ was adopted. The law became effective on 1 September 2015. The law requires all operators processing personal data of Russian citizens to record, systematise, accumulate, store, amend, update and extract such personal data using "databases located in Russia" (the "localisation requirement").

Beginning on 1 July 2017, administrative fines for violation of legislative requirements applicable to personal data processing are differentiated depending on the type of violation. The maximum fine was increased and amounts to Russian Ruble 75,000 (approximately $1,339 based on an exchange rate of $1 to RUB 56) for legal entities as opposed to Russian Ruble 20,000 previously. A failure to comply with personal data protection regulations (including the localisation requirement) may also result in access to a relevant internet resource being blocked in Russia (that is, the relevant website may become unavailable for everyone using services of Russian telecom/hosting service providers). Roskomnadzor has used this power to block (through the court proceedings) the access to the LinkedIn website in Russia. This was caused by LinkedIn refusing to comply with localisation requirements and breach of requirements applicable to processing of personal data of third parties.

Consumer Protection

Law "On Protection of Consumer Rights" No. 2300-1, dated 7 February 1992, contains rules that apply in relation to sales between legal entities or self-employed entrepreneurs (as sellers) and private individuals acquiring goods or services for their personal use (consumers) (as buyers).

The law regulates the relationships between buyers and sellers, sets the rights of the consumers to buy goods of sufficient quality and contains the provisions regulating distance selling of goods. The governmental authority of the Russian Federation that is involved in regulating the area of consumer rights protection is Rospotrebnadzor.

A draft Federal Law "On Amendments to the Law "On Protection of Consumer Rights" is currently under consideration in the State Duma. The draft law introduced a new category of participants in Internet sales – so called aggregator of goods (services). An aggregator is defined as a legal entity or an individual entrepreneur that provides information on goods, opportunities to enter into a contract between a buyer and a seller, and to make advance payments via the Internet. If the draft law is adopted, such aggregators will be obliged to provide information on themselves, a seller (manufacturer) and goods (services), and to compensate damages caused by provision of false information.

Electronic Payments

On 1 January 2010, Federal Law No. 103-FZ, "On Activities Related to Acceptance of Payments from Individuals Performed by Payment Agents", dated 3 June 2009, came into force. This law regulates the acceptance of payments for goods, works or services supplied by third parties (including, goods, works and services provided via the internet) from an individual by a payment agent.

On 28 December 2011, Federal Law No. 161-FZ, “On the National Payment System” became effective. It contains the rules regulating electronic payment services and legal requirements for organisations providing such services. According to the law, only credit organisations (banks and non-banking credit organisations) have the rights to effect money transfer operations. Thus, a company planning to operate payment services by effecting any type of money transfer (including operations with electronic money) between its contractors and their customers should acquire the status of a non-banking credit organisation.

PayU Limited Liability Company (“**PayU**”) was registered as a non-banking credit organisation by the Central Bank of the Russian Federation in April 2013. Before April 2013, PayU acted as an agent of existing non-banking credit organisations according to agency agreements that were not directly prohibited by Federal Law “On the National Payment System.”

Since 1 July 2016, money transfer operators located in the Russian Federation have been required to engage payment infrastructure service operators that are located and carry out all of their functions exclusively in the Russian Federation. Payment infrastructure service operators are prohibited from transmitting information on any transfer of funds that occurs within the framework of the payment system in the Russian Federation to anyone located outside of the Russian Federation, or from providing access to such information to anyone located outside of the Russian Federation. However, these amendments do not extend to cross-border transfer of funds.

Pursuant to legislative amendments adopted on 3 April 2017 and which came into force on 5 May 2017 (in response to sanctions imposed by Ukraine), if a foreign state introduces any restrictive measures affecting payment systems, the operators of which are registered with the Central Bank of the Russian Federation (including any prohibition to engage payment infrastructure service operators located in Russia), cross-border fund transfers to such foreign state can only be made through a money transfer operator and payment infrastructure service operator that are controlled by a Russian legal entity.

Federal Law No. 115-FZ “On Combating Money Laundering and Financing of Terrorism” dated 7 August 2001 imposes an obligation on entities performing operations with monetary funds or other property to identify clients, their representatives and beneficiaries before they are taken on as clients. The identification involves a set of measures to ascertain information on the clients, their representatives and beneficiaries and to verify such information through review of the original documents and/or duly certified copies.

Cash Register Equipment

Amendments adopted on 3 July 2016 to Federal Law No. 54-FZ “On the Application of Cash Register Equipment in Settlements in Cash and/or via Electronic Means of Payment” establish new rules for using cash register equipment and require, in particular, that taxpayers who are involved in e-commerce in goods and services should use new cash register equipment models and provide purchasers with fiscal cash receipts in the form of an electronic document. With a number of exceptions, the requirements enter into force from 1 July 2017.

Possibility to Block Access to Domain Names, Websites and IP Addresses / Information Storage Obligations

In recent years, Federal Law of the Russian Federation “On Information, Information Technologies and Protection of Information” dated 27 July 2006 (the “**Law on Information**”), has been amended several times with an aim to tighten the government’s control over dissemination of information over the internet and to grant the right to Roskomnadzor or other regulators to block access to internet resources (including domain names, websites and IP addresses) in certain situations.

The Law on Information requires, among other things, that an entity organising distribution of information via the internet (e.g., an owner of a website such as Odnoklassniki or VKontakte) notify Roskomnadzor of commencement of its activities. Such an entity is also required to (i) store data on receipt, transfer and processing of information by the internet users (and information about the internet users) for at least one year; and (ii) share the above information with the law-enforcement authorities. Federal Law No. 374-FZ dated 6 July 2016, which amends the Law on Information, also provides for an obligation to store actual text messages of the internet users, voice information, images, sounds, video and other electronic messages of the internet users for up to six months starting from 1 July 2018. These amendments have been criticised by the internet community because the storage requirement results in significant increases of costs for the relevant companies and compliance with the law as amended places a substantial financial burden on them. The procedure, exact terms and volume of the information to be stored will be determined by the Government of the Russian Federation. Until such Government resolution is adopted, it is virtually impossible to provide a reliable estimate of costs of compliance with the law as amended. The same law places an obligation on an entity organising distribution of information via the internet that uses additional encoding of electronic messages (or provides such encoding possibility for the users) to provide necessary decoding information to the law enforcement authorities.

The Law on Information also provides for creation of federal "blacklists" of internet resources that: (i) contain child pornography; (ii) display materials advocating drug abuse, sale and production; (iii) display materials advocating suicide; (iv) offer gambling services; or (v) display other content that cannot be distributed in Russia in accordance with a decision of a Russian court. The lists are maintained by Roskomnadzor. Any internet resource containing such prohibited content may be added to the relevant blacklist. Once Roskomnadzor has identified a website containing prohibited content, it will request that the owners of the website remove it. Failure to comply with such a request results in the addition of the website to the blacklist and access to the relevant resource being blocked in the Russian Federation.

In addition, the Law on Information allows Roskomnadzor to block (on the basis of a court order) access to websites hosting audio and video content that breaches copyrights of third parties. Access to websites can also be blocked before a lawsuit has been filed with court, through a preliminary injunction mechanism. Starting from 1 May 2015, repeated breach of copyright may lead to "perpetual" cessation of access to the relevant website.

The Law on Information authorises the Prosecutor General and its deputies to request Roskomnadzor to block access to internet resources hosting information that is deemed to instigate mass riots, extremist activities or participation in public activities in breach of law. Upon the receipt of such request, Roskomnadzor will block access to the relevant resource, with a follow-up notification to the owner. No court decision is required to block access in this situation.

On 1 October 2017, Federal Law of the Russian Federation "On Amendments to the Law on Information" No. 156-FZ will come into force. This law allows Roskomnadzor to block (without a court order) websites which are confusingly similar to those which were blocked due to a breach of copyright of third parties (i.e., so-called "mirror websites"). On 29 July 2017, Federal Law "On Amendments to the Law on Information" No. 276-FZ was adopted. It provides for restrictions in relation to technologies that allow the use of information resources and websites, access to which was blocked by Roskomnadzor (the "VPN technologies"). Upon the request of Roskomnadzor, the owner of the VPN technology is obliged to ensure that the VPN technology is not used to access blocked Internet resources. Failure to comply with the above requirements may result in limitation of access of the owner to the VPN technologies. The amendments will come into force on 1 November 2017. Starting from 30 July 2017 this law has also repealed the requirements in relation to websites with more than 3,000 unique users per day, including the obligation to disclose the identity of its owner (by indicating his/her name and email address) and register with Roskomnadzor.

On 1 January 2018, Federal Law of the Russian Federation "On Amendments to the Law on Information" No. 241 FZ will come into force. The amendments set out additional requirements for operators of programs and information systems used for internal exchange of messages between users (i.e., "messengers"). In particular, operators of messengers are obliged (i) to identify the users via their phone numbers; (ii) upon request of governmental bodies, to limit the transfer of messages containing information which is prohibited for transfer or transferred in violation of legislative requirements.

Obligations of Search Engine Operators

As of 1 January 2016, the Law on Information was amended to provide for a new obligation of operators of search engines. Such operators must – at the request of an individual – terminate provision of references to internet sites containing information about the relevant individual if such information is disseminated in violation of the legislative requirements, is false, obsolete or irrelevant due to subsequent events or actions of the relevant individual (except for certain information related to crimes or alleged crimes). Provision of references to outdated information must be ceased within 10 business days of the relevant request and, if the search engine operator fails to delete the references, the applicant may apply to court with the relevant claim.

Starting from 1 October 2017, operators of search engines will be prohibited from showing websites which are confusingly similar to those which were blocked by the relevant decision of Roskomnadzor (i.e., so-called "mirror websites") in search results.

Registration of Websites as Mass Media

Law "On Mass Media" No. 2124-1, dated 27 December 1991 (as amended, the "**Mass Media Law**"), requires that the mass media be registered with Roskomnadzor. According to the prevailing practice, registration of websites as mass media is optional. The Mass Media Law seems to apply only to those websites which have been registered as mass media.

Limitations for Foreign Persons and Political Context

After a number of countries introduced sanctions against the Russian Federation in connection with the political crisis in Crimea and Ukraine, there has been an overall tendency in the Russian legislation to restrict foreign participation in different spheres of the Russian economy.

On 1 January 2016, Federal Law "On Amendments to the Mass Media Law" No. 305-FZ came into force. The law introduced further restrictions on foreign participation in the Russian media vehicles, including websites registered as a mass media. Although the relevant provisions of the Mass Media Law are ambiguously worded (and it remains to be seen how they will be interpreted and applied in practice), the intention of the law was to limit direct and indirect foreign participation in mass media (including websites registered as mass media) to 20% of the share capital of such mass media.

On 10 January 2016, amendments to the Mass Media Law entered into force which require editorial staff of mass media, broadcasters and publishers to notify Roskomnadzor on a quarterly basis about receiving money from foreign states, international organisations and foreign organisations acting as foreign agents of non-governmental organisations, foreign citizens, stateless persons and Russian organisations whose participants and/or founders fall into the above categories. Such information is then published on the official website of Roskomnadzor. These rules do not apply to (i) funds received, in particular, from the founder of the relevant mass media, from advertising or sale of products of the relevant mass media; and (ii) representative offices of foreign mass media.

Further amendments to the Mass Media Law adopted on 3 July 2016, established special rules for measuring TV audience for advertising purposes. Such measurements may only be performed by a special company authorised by Roskomnadzor, and the law limited direct and indirect foreign participation in such special company to 20% of its share capital.

On 3 June 2015, Federal Law No. 129-FZ "On Amending Certain Legislative Acts of the Russian Federation" entered into force. Pursuant to amendments, operation (activity) of a foreign or international non-governmental organisation may be recognised as undesirable by the Russian Chief Prosecutor with the approval by the Russian Ministry of Foreign Affairs, if such operation poses a risk to the Russian constitutional system, national defence or the safety of the state. A special list of undesirable organisations is maintained by the Ministry of Justice of the Russian Federation.

Recognition as an undesirable organisation results in prohibition of opening Russian subdivisions of such organisation, distributing informational materials which such organisation produces, carrying out projects and activities by the organisation and conducting operations with funds and other assets involving such organisation.

Continued operation of an undesirable organisation entails administrative fines for operating an undesirable organisation, and individuals who have been subject to such administrative liability twice within a one-year period may be subject to criminal liability (including imprisonment of up to six years) for managing such an undesirable organisation. Foreign citizens may be banned from entering Russia if they participate in the operation of an undesirable organisation.

The literal interpretation of the law does not suggest that it applies only to non-commercial organisations, though the existing practice shows that only non-commercial organisations were targeted so far. The existence of such law and, more importantly, the ambiguity of its wording which gives possibility for abuse and misuse should be taken into account.

There are also a number of draft laws in State Duma (one of the chambers of the Russian parliament) regarding further restrictions for foreign capital. We note that one of such draft laws, in particular, limits direct and indirect foreign participation in operators of online audio-visual services with over 100,000 daily views to 20% of the share capital in such operators.

On 26 July 2017, Federal Law "On Security of Critical Information Infrastructure of the Russian Federation" No. 187-FZ was adopted. The law will become effective from 1 January 2018. It provides, *inter alia*, the definition of critical information infrastructure as information systems, information and telecommunication networks, automated control systems operating in the spheres of healthcare, science, transport, communications, power, banking and other financial spheres, fuel-power complex, atomic energy, defence, space-rocket, mining, metal and chemical industry, owned, leased and otherwise legitimately used or operated by Russian legal entities, individuals and state authorities. The law also provides that the objects of critical information infrastructure should be divided into three categories of significance and be registered with the register of significant objects of critical information infrastructure. Depending on the category of significance the holder of critical information infrastructure will be obliged to comply with the relevant security, technical and other requirements, which are subject to regulation of governmental authorities.

Advertising

There is no special law regulating advertising activities on the internet. The general regime for advertising activities is set out by Federal Law "On Advertising" No. 38-FZ, dated 13 March 2006 (as amended). The law envisages certain general requirements applicable to advertisements and contains a list of goods and services the advertising of which is prohibited (e.g., tobacco). Article 8 of the law imposes additional requirements that advertisements of goods distributed through distance sales should satisfy. It requires that such advertising contain detailed information on the seller of the relevant goods.

News Aggregators

On 1 January 2017, Federal Law of the Russian Federation No. 208-FZ (amending the Law on Information) came into force. It set outs certain obligations for owners of so-called news aggregators – software applications, websites and/or website pages in the internet which (i) are used to process and disseminate news on the internet in the state language of the Russian Federation, state languages of the constituent republics of the Russian Federation or other languages of the peoples of the Russian Federation containing advertising aimed at consumers in Russia; and (ii) have more than 1 million unique visitors per day. The register of news aggregators is maintained by Roskomnadzor. Mass media are not considered to be news aggregators.

Owners of news aggregators are now required to check authenticity of socially important information prior to its distribution and delete it immediately upon a request from Roskomnadzor. However, the aggregators will not be liable for distribution of the information if it is a literal reproduction of news disseminated by mass media.

The news aggregators are also required, in particular: (i) to prevent the use of the news aggregator in order to (a) conceal or falsify information of public significance, (b) to disseminate misleading information of public significance under the disguise of reliable news or (c) to disseminate information in violation of the legislation of the Russian Federation; (ii) to prevent the dissemination of news about the private life of a person in violation of civil legislation; (iii) to observe the prohibitions and restrictions stipulated by the legislation of the Russian Federation on referendums and the legislation of the Russian Federation on elections; (iv) to observe rights and legitimate interest of citizens and organisations, in particular the honour, dignity and goodwill of individuals and goodwill of organisations; and (v) to prevent the use of the service for the dissemination of the news with the purpose to discredit citizens on the grounds of their gender, age, racial or ethnic origin, as well as in connection with their political beliefs.

The news aggregators are required to store for up to six months the news they have disseminated, information on their source, as well as information on dates of their publication. Access to such data shall be provided to Roskomnadzor at its request.

News aggregators may only be owned by Russian companies or by Russian citizens.

Draft Laws

There are also a number of legislative initiatives on regulation of social networks introduced to the Russian parliament, which are currently under consideration. One such draft law provides that private individuals will need to provide their passport to register on social networks and seeks to prohibit anyone under the age of fourteen from having a profile on social networks. The other draft law provides for administrative liability in the amount of RUB 50,000,000 (approx. U.S. Dollar 892,857) to be imposed on operators of social networks for failure to delete information, the dissemination of which is prohibited under Russian law, including defamatory information. Operators of social networks will be liable even if the offence is committed outside of the Russian Federation, but was aimed against interests of the Russian Federation.

It is difficult to predict whether and in what form these draft laws will be adopted.

Reform of Interested and Major Party Transactions

The concept of "major and interested party transactions" under Russian law is aimed at, among other things, protection of minority shareholders of a company (as it allows them to block transactions that can potentially divert value from the company to the majority shareholder).

A number of significant changes to the regulation of major and interested party transactions came into force on 1 January 2017. The amendments substantially narrow the scope of transactions falling within the major and interested party transaction regulation regime and simplify their approval process. The major transactions which meet the definition of "ordinary course of business" do not require specific approval. A transaction will be considered to be within the ordinary course of business unless it results in the cessation of the company's business, a change in the type of business undertaken by the company, or a material change in the scale of the company's business.

Interested party transactions no longer require mandatory prior approval. They may be approved in advance only in case of a specific request of a shareholder/participant holding at least 1% of the voting shares/participation interest. Approval of an interested party transaction falls within the competence of the general participants'/shareholders' meeting only if it involves assets with a value of over 10% of the book value (as opposed to a previous threshold of 2%), all other transactions will be approved at the board level.

The right to challenge interested and major transactions that were entered into without proper corporate approval currently belongs only to the owner of 1% of the voting shares (previously any shareholder could challenge the relevant transaction).

Brazil

Regulation of the Internet in Brazil

Online businesses are governed by civil legislation and do not require special licensing except to the extent that they engage in regulated activities. The main regulations on internet activities are fairly recent, and include (i) Federal Law No. 12,965/2014 (Internet Act), which, among other things, deals with the liability for content published online; (ii) Federal Law No. 12,737/2012, which defines cybercrimes; (iii) Decree No. 7,962/2012, which governs consumer aspects of e-commerce transactions; (iv) the Brazilian Civil Code (Federal Law No. 10,406, of 10 January 2002), which contains general rules on the formation and termination of contracts that are applicable to online businesses; and (v) Decree 8,771/2016, which regulates the Internet Act and imposes strict controls of access to personally identifiable information databases by employees. General consumer rights protection laws on the offer of products and services, as well as some regulations designed for internet businesses, are strictly enforced by public prosecutors. Other laws, with respect to content, information protection, personal data and others, although not specifically designed for internet business, may be applicable to the extent of the services carried out online.

Online payments have recently begun to be regulated in Brazil, by Federal Law No. 12,865/2013, which classifies certain payment activities. Online payment institutions must now obtain Brazilian Central Bank authorisation in order to operate as such and are subject to specific regulations and supervision. Our online payment business in Brazil has requested the relevant authorisation from the Brazilian Central Bank and we are currently waiting for its approval. Payment institutions may continue to perform activities during the analysis period. At the end of 2016, the Brazilian Central Bank determined that payment transactions have to be settled in a centralised system. Traditional payment services providers, such as issuers and acquirers, needed to comply with this requirement by 30 October 2017. Other participants involved in the settlement chain, such as payment facilitators (which might include marketplaces), are also subject to this requirement, but they have until 28 September 2018 to comply. If an online payment institution intends to perform financial services that are regulated by the Brazilian Central Bank, such as collecting deposits and making loans, a financial institution licence is required. However, this is not the case with our businesses in Brazil.

Foreign Investment

Foreign investors are subject to ownership restrictions in broadcasting and print media (newspapers and periodicals) in Brazil. At least 70% of the voting and total capital stock in broadcasting and print media businesses must be owned by Brazilian-born nationals or individuals who have acquired and held Brazilian citizenship for more than 10 years. Editorial and content controls are subject to the same citizenship requirements. Foreign investments in publishing companies with scientific, technical, cultural and artistic publications and foreign influence in editorial and management activities of such companies are possible in view of the Federal Law 5,250, of 9 February 1967, known as the Press Law.

Regulation of Mobile Value-Added Services in Brazil

Under Brazilian telecommunications regulation, data information and content service for mobile phone services consumers are considered to be an activity that adds features to the telecommunications service but are not considered telecommunications services. Therefore, it is not regulated by Agência Nacional de Telecomunicações (ANATEL), the Brazilian telecommunications agency.

All telecommunications service providers must grant network access to any party interested in providing value-added services, on a non-discriminatory basis, unless technically impossible. Telecommunications service providers are also allowed to render value-added services through their own networks.

Net neutrality and zero-rating agreements are facing legal discussions in Brazil.

Intellectual Property

Brazil has specific regulations governing intellectual property rights. Under the Federal Copyright Act, copyrights are considered personal property and foreign copyright holders domiciled outside of Brazil will enjoy the protection afforded in agreements, conventions and treaties that are in force in Brazil. Software is protected as a copyright under the Brazilian Software Law.

India

Regulatory Overview

India has a quasi-federal structure for making laws, with the constitution of India outlining the law-making powers of the Central Government and State Governments. Most of the legislation that applies to businesses that operate in India is a combination of laws made by the Central Government and State Governments. Laws made by the Central Government that impact our businesses deal with, among other things, the regulation of foreign investment and thresholds of foreign shareholding in particular business sectors, company formation and related matters, payment and settlement systems used for online payments, telecommunications and direct taxes. Laws made by the State Governments that impact businesses deal with obtaining of licenses and permissions needed for establishing any business within a state, trade and commerce within the state, acquisition of real estate space for businesses, indirect taxes, etc. Both the Central Government and the State Governments have powers to make laws with respect to certain subject matters, such as labour and the transfer of property other than agricultural land, with the Central Government law prevailing over State laws in case of a conflict.

Generally Applicable Laws

While there is a multitude of legislation applicable to businesses operating within India, the most significant laws applicable to Naspers's business interests in India are discussed below.

Foreign Exchange Management Act 1999. Any investment by Naspers in India will be considered as a foreign investment into India. Foreign investment into India is governed under the policy of the Central Government, by way of press notes and the consolidated foreign direct investment policy of India. The consolidated foreign direct investment policy is updated annually and compile all the press releases and policy circulars of the Central Government from the past year. The Department of Industrial Policy & Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**") has recently released the latest consolidated foreign direct investment policy, effective from 28 August 2017. The statute that regulates inflow of foreign investment is the Foreign Exchange Management Act 1999 and related rules and regulations. India does not have free capital account convertibility and, accordingly, foreign companies can only acquire those financial assets in India (including, for example, shares and securities) which are expressly allowed under the Foreign Exchange Management Act. Foreign investment may be made either through the automatic route (i.e., prior approval of the Government of India is not required for the foreign investment) or the government route (i.e., prior approval of the Government of India is required for the foreign investment) depending on the sector of investment. Proposals for foreign investment under the government route are considered by the concerned administrative Ministry/Department. Proposals for foreign investment in the e-commerce sector will be considered by the DIPP. Most services and manufacturing sectors are open for 100% foreign direct investment under the automatic route, barring a few areas of investment such as real estate trading, defence, inventory-based model of e-commerce and multi-brand retail trading. Most IT and IT-enablement services sectors are open for investment by foreign companies with no additional sector specific restrictions as compared to domestic companies. However, based on recent changes, foreign investment in the marketplace model of e-commerce is permitted under the automatic route, with certain sector specific restrictions.

Indian Contract Act 1872. All contracts entered into between businesses will be governed under the Indian Contract Act 1872. This British-era legislation is based on common law and outlines, among other things, the basic essentials for formation of a contract, performance of obligations and damages in case of breach. Contracting parties are, however, free to agree upon most terms of their contract, so long as such terms are not conflicting with any other specific State or Central law. Online terms and conditions that are agreed by customers using the various platforms operated by Naspers businesses in India will also be governed by the Indian Contract Act 1872.

Sale of Goods Act 1930. Any agreement for purchase or sale of goods is governed by the Sale of Goods Act 1930. This is, again, a British legacy statute and lays down the basic principles for forming a contract for the sale or purchase of any form of goods, including future goods. It sets out the basic requirements that a buyer and seller must adhere to while performing their respective obligations. The provisions of the Sale of Goods Act 1930 can be overridden at all times by any contrary arrangements that contracting parties may agree in their contracts.

Consumer Protection Laws

The Consumer Protection Act 1986 is the law protecting the interests of consumers in the Indian market. It provides for the establishment of judicial forums to specifically address consumer complaints. Any consumer availing of services or goods from a service provider or a retailer of goods can approach the consumer forum to claim compensation for deficiency of services or defective goods. Apart from awarding damages for actual loss suffered, the judicial bodies are also empowered to award punitive damages.

Competition

The Competition Act 2002 (the "**Competition Act**") regulates the manner in which businesses compete in the market. It is an important piece of legislation for businesses, regulating both the conduct of enterprises and structural changes in the market. While the Competition Act has certain similarities with the United States' antitrust regime, it is largely in line with the European antitrust laws. The main features of the Competition Act are (a) merger control i.e., regulation of mergers, acquisitions and amalgamations above certain thresholds ("**M&A Transactions**"), (b) prohibition of anti-competitive agreements, and (c) prohibition of abuse of dominant position by an enterprise. The prohibitive sections of the law are applicable to business entities irrespective of their size or sector and, to that extent, will apply to Naspers businesses in India. Certain kinds of M&A Transactions involving parties with assets and turnover below specified thresholds are exempted from obtaining prior approval from the regulator, the Competition Commission of India ("**CCI**"). The extant regulations also provide for specified M&A Transactions (such as intra-group acquisitions) which "need not normally take" approval from the CCI. The CCI ensures compliance with this law and is empowered to impose significant penalties for violations. The CCI has been fairly active since its inception and continues to actively prosecute and impose fines on enterprises for violations.

Data Protection Laws

The data protection regime in India is governed by the Information Technology Act, 2000 and rules issued thereunder.

The Information Technology Act 2000 casts responsibility on organisations that handle or deal with sensitive personal data or information, to ensure that they have in place reasonable security measures to handle such data. If the organisation is negligent in implementing the necessary protections, they could be liable to pay damages to the affected person. Further, they cannot disclose the data in their possession without the consent of the person concerned.

Payment and Settlement Systems

Online payment gateways are regulated by the Reserve Bank of India under the Payment and Settlement Systems Act 2007 and related regulations. The law mandates that any participant or operator of a payment system should obtain an authorisation from the Reserve Bank of India ("**RBI**") for commencing operations in India. The RBI monitors the operations and has the power to supervise any such payment system participant or operator in India. The RBI also regulates issuance of pre-paid payment instruments such as smart cards, internet wallets, mobile wallets, paper vouchers and any such instruments which can be used to access the pre-paid amount. The operations of PayU are regulated under this law and are subject to general supervision of the RBI.

E-commerce

With respect to e-commerce, in the past there were no clear regulations in India governing online businesses. There have, however, been some recent clarifications under the foreign investment regulations, specific to the e-commerce sector. Any form of foreign investment in conventional retail business in India is regulated with certain onerous conditions and thresholds for maximum foreign participation. Subject to certain specified exceptions, Indian laws prohibit any form of foreign investment in a company engaging in online retail trading. Foreign investment, in the form of a 100% equity interest, is permitted in wholesale trading and online marketplaces (B2B e-commerce sector) where the online marketplaces are required not to exercise any ownership over the inventory of goods (i.e., the business provides the platform over which third-party sellers offer their products and services for sale to consumers and the e-commerce entity is merely a facilitator between the buyer and seller of goods and services). In case there is any ownership over the goods by the e-commerce entity, it will constitute an inventory-based model in which foreign investment is prohibited.

Certain key conditions which a foreign owned and controlled e-commerce entity operating a marketplace needs to adhere to include, *inter alia*, the following: (i) the entity will not permit more than 25% sales affected through its marketplace from one vendor or their group companies; (ii) the website should clearly provide name, address and contact details of the seller, post-sales, delivery of goods to the customers and customer satisfaction will be the responsibility of the seller; (iii) payments for sale may be facilitated by the e-commerce entity in conformity with the RBI guidelines; (iv) marketplace e-commerce entities cannot directly or indirectly influence the sale price of the goods or services and should maintain a level playing field; and (v) any warranty or guarantee of goods or services are the responsibility of the seller.

Foreign investment in B2C e-commerce is permitted only in the following circumstances: (i) manufacturer is permitted to sell its products manufactured in India through e-commerce retail; (ii) a single-brand retail trading entity operating through brick and mortar stores is permitted to undertake retail trading through e-commerce; and (iii) an Indian manufacturer is permitted to sell its own single-brand products through e-commerce. The Indian manufacturer would have to be the investee company, which is the owner of the Indian brand and which manufactures in India, in terms of value, at least 70% of its products in-house, and sources, at most, 30% from Indian manufacturers.

The e-commerce businesses owned or invested into by subsidiaries of Naspers in India, namely MMT, OLX and TravelBoutiqueOnline are primarily aggregators of various forms of services. They connect buyers with the provider of the service or facilitate a transaction between a buyer and seller.

Such types of businesses will be governed by the foreign investment regulations applicable to e-commerce activities. As discussed earlier, 100% foreign investment is permitted, with certain sector specific restrictions, in the marketplace model of e-commerce. Flipkart, which operates a marketplace model of e-commerce, and in which Naspers is a minority investor, complies with the conditions required in order for a business to constitute an e-commerce marketplace.

Taxation Laws

Provision of e-commerce services in India would also have income tax and indirect tax implications. With respect to indirect taxes, until recently, service tax was levied on provision of services. With effect from 1 July 2017, the Goods and Service Tax (GST) laws, comprising the Central GST Tax Act 2017, the Integrated GST Act 2017 and the various State and Union Territory GST Acts along with rules and regulations have been introduced to consolidate the existing indirect tax structure by subsuming most Central and State taxes, including service tax, excise duty, value added tax etc. The taxable event for levy of GST is the ‘supply’ of goods and or services. Supply has been very broadly defined to include sales, barter, exchange, transfer etc. Under the new GST regime, all intra-state supply of goods and or services would attract Central GST (CGST) and State GST (SGST), whereas all inter-state supplies would be subject to Integrated Goods and Services Tax (IGST). The GST rates range between 5% to 28%.

GST laws have specific provisions applicable for marketplaces and the e-commerce sector. Marketplace operators are mandatorily required to deduct a percentage amount as the GST liability of the seller and are required to deposit this GST with the government under a mechanism termed as the “Tax Collection at Source” (TCS). Eventually, the marketplace seller must file monthly returns under GST laws to claim the credit of TCS collected by the marketplace operator. The GST laws also have other specific requirements for persons operating in this segment.

Overall, GST laws are expected to usher in a uniform tax regime and bring some clarity to indirect taxation in this sector. This will alleviate the indirect tax disputes and ambiguities that the e-commerce sector was facing under the previous indirect tax regime.

PART VIII
MANAGEMENT, CORPORATE GOVERNANCE, REMUNERATION AND SHARE SCHEMES

BOARD OF DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

Overview

We have a unitary board, which fulfils oversight and controlling functions. Our Memorandum of Incorporation provides that the board of directors (the "**Board**") must consist of at least four members and at most 20 members at any time. The Board currently consists of 17 members. In accordance with the Company's Memorandum of Incorporation and the JSE's listing requirements, one-third of the non-executive directors comprising our Board are, on a rotating basis, obliged to retire and are eligible for re-election at each annual general meeting of shareholders. The business address for all the directors is 40 Heerengracht, Cape Town, 8001, South Africa. Twelve of our directors are South African citizens, two directors are United States citizens, one is a Brazilian citizen, one is a Chinese citizen and one is a Dutch citizen.

The majority of Board members are non-executive directors, who are independent of management, to ensure that no one individual has unfettered powers of decision making and authority. At 31 March 2017, the Board comprised 10 independent non-executive directors, three non-executive directors and four executive directors, as defined under the JSE listing requirements.

The Board has a charter evidencing a clear division of responsibilities. The roles of chair and chief executive are separate, ensuring a clearly defined division of responsibilities. Among other obligations, the Board determines our purpose and what we do, provides strategic direction to the Group and is responsible for the adoption of strategic plans and the implementation of values that support this. The Board also evaluates and approves the annual business plan and budget compiled by management.

Board Committees

While the whole Board remains accountable for the performance and affairs of the Group, it delegates to Board subcommittees and management certain functions to assist it to properly discharge its duties. Appropriate structures for those delegations are in place, accompanied by monitoring and reporting systems.

Executive Committee

This committee comprises one independent non-executive director, two non-executive directors, one being the chair of the Board, who also serves as the chair of the executive committee, and two of the executive directors. The executive committee acts on behalf of the Board in respect of the management of urgent issues when the Board is not in session, subject to statutory limits and the Board's limitations on delegation.

Audit Committee

The members of this committee, chaired by Mr. Don Eriksson, are all independent. Both the internal and external auditors have unrestricted access to the committee. The internal and external auditors may also report their findings to the committee with members of executive management not in attendance. Among others, the main responsibilities of the audit committee are to address all matters required to be dealt with by an audit committee in terms of the Companies Act and the JSE listing requirements, including reviewing the annual financial statements, integrated annual report, internal controls, risk management and legal issues.

Risk Committee

The committee, chaired by Mr. Don Eriksson, comprises four independent non-executive directors, one non-executive director and two of the executive directors. Among others, the main responsibility of the risk committee is to assist the Board in its responsibilities regarding the governance of risk and opportunities through formal processes.

Human Resources and Remuneration Committee

The committee, chaired by Prof. Rachel Jafta, comprises only non-executive directors, the majority of whom are independent, with another non-executive director as an alternate member. Executive directors and certain members of management attend meetings by invitation as appropriate. Among others, the main responsibilities of the committee are to determine our remuneration policy, and to review and approve remuneration packages of executive directors, including incentive schemes and compensation increases.

Nomination Committee

The committee, chaired by Mr. Koos Bekker, comprises two independent directors and one non-executive director with another non-executive director as an alternative member. Executive directors and certain members of management attend meetings by invitation. The main responsibilities of the nomination committee are to make recommendations to the Board on the appointment of new directors and review the effectiveness of corporate governance guidelines and the charter of the Board.

Social and Ethics Committee

The committee, chaired by Mr. Don Eriksson, comprises three independent non-executive directors, two executive directors, the CEO of Media24 and the executive chair of the MultiChoice South Africa group. The main function of this committee is to address all matters required of such a committee by the Companies Act.

Directors

The following table sets out certain information relating to our directors as at the date of this document. All the directors are non-executive directors other than Bob van Dijk, Vasileios Sgourdos, Mark Sorour and Nolo Letele.

Name	Age	Position	Year first appointed in current position
Koos Bekker	64	Chairman of the Board of Directors(1)(4)	2015
Bob van Dijk	44	CEO Naspers and Director(1)(3)(5)	2014
Vasileios (Basil) Sgourdos	47	CFO Naspers and Director(1)(3)(5)	2014
Mark Sorour	55	CIO Naspers and Director	2015
Steve Pacak	62	Director(1)(3)	2015
Emilie Choi	38	Director(3)	2017
Hendrik du Toit	56	Director	2016
Craig Enenstein	48	Director	2013
Donald Eriksson	72	Director(2)(3)(5)	2013
Prof. Rachel Jafta	56	Director(2)(3)(4)(5)	2003
Francis (Nolo) Letele	68	Director(5)	2013
Liu Guijin	71	Director	2016
Prof. Debra Meyer	50	Director(5)	2009
Roberto Oliveira de Lima	66	Director	2013
Fred Phaswana	73	Director(1)(4)	2003

Jacobus Stofberg	66	Director[(4)]	2013
Ben van der Ross	71	Director[(2)(3)]	1999

(1) Member of the Executive Committee.

(2) Member of the Audit Committee.

(3) Member of the Risk Committee.

(4) Member of the Human Resources and Remuneration and Nomination Committee.

(5) Member of the Social and Ethics Committee.

Koos Bekker led the founding team of M-Net/MultiChoice video-entertainment business in 1985. He was also a founder of MTN. Mr. Bekker headed the MIH group in its international and internet expansion until 1997, when he became CEO of Naspers. He serves on the boards of other companies in the wider Naspers Group, as well as on various public bodies. On 31 March 2014, he retired as CEO of Naspers and stepped down from the Board. On 17 April 2015, he was reappointed to the Board and succeeded Mr. Theunissen Vosloo as non-executive chair of the board of directors. Academic qualifications include a BA (Hons) and honorary doctorate in commerce from Stellenbosch University, an LLB from the University of the Witwatersrand and an MBA from Columbia University.

Bob van Dijk was appointed CEO of Naspers in April 2014. He has over a decade of general management experience in online growth businesses, as a founder and entrepreneur and later with eBay and Schibsted, spanning the online marketplaces, online classifieds and fashion segments. He was Vice President and General Manager of eBay Germany and Europe Emerging Markets. He started his career at McKinsey with a focus on mergers and acquisitions and media. Mr. van Dijk has an MBA (honors) from INSEAD and an MSc (cum laude) in econometrics from Erasmus University Rotterdam.

Vasileios (Basil) Sgourdos was appointed financial director of Naspers in July 2014. A qualified South African chartered accountant, he worked for PricewaterhouseCoopers from 1989 to 1994. Thereafter he joined Naspers, initially as the finance manager of the South African operations division in MultiChoice and then as CFO of Naspers's investment in Thai-listed United Broadcasting Corporation Pcl., where he remained for 10 years. Mr. Sgourdos then spent two years in Amsterdam as general manager of video-entertainment business development globally before being appointed as group CFO of MIH in January 2009. He held this position until he became Group CFO of the Group on 1 July 2014.

Mark Sorour joined the Group in 1994 as Head of Business Development and Corporate Finance throughout Africa, the Middle East, Thailand, China, Europe, the United States and Asia. Following assignments in Hong Kong and Amsterdam, he returned to Cape Town in 2002 as the Group's CIO. Since then, he has had global responsibility for equity capital markets and merger and acquisitions activities. Mr. Sorour was appointed on 16 April 2014 as an alternate executive director on the Board and then appointed as an executive director on 15 January 2015. Mr. Sorour is a qualified South African chartered accountant and holds a BComm and Dip Acc from the University of KwaZulu-Natal.

Steve Pacak, a qualified South African chartered accountant, began his career with Naspers at M-Net in 1988 and has held various executive positions in the MIH group. He was appointed an Executive Director of Naspers Limited in 1998 and retired from his executive position on 30 June 2014. Mr. Pacak is now a non-executive director on the Board, having been appointed on 15 January 2015, and a director of MultiChoice South Africa Holdings and other companies in the wider Group. He is also a director of Keeromstraat 30 Beleggings (RF) Limited.

Emilie Choi received her MBA from the University of Pennsylvania in 2007 and her BA in economics from the Johns Hopkins University in 2000. Ms. Choi has experience in the fields of consumer internet, media, software as a service and mergers and acquisitions. She has been at LinkedIn since 2009 and is the company's Vice President and Head of Corporate Development. Prior to that, she worked at Warner Bros. Entertainment, first in Corporate Business Development and Strategy, and then in Digital Business Strategy and Operations for Warner Bros. Television. Ms. Choi also served as a senior analyst at Yahoo, Inc. Corporate Development and began her career as an investment banking analyst at Legg Mason Wood Walker, Inc.

Hendrik du Toit is CEO of Investec Asset Management and a director of Investec plc and Investec Limited. Mr. du Toit holds an MPhil in economics and politics of development from Cambridge University, as well as a MCom in economics and international finance (cum laude), BCom in economics honors degree (cum laude) and a BCom in law from Stellenbosch University. Hendrik has served on the boards of various industry associations, most recently the Investment Association of the U.K., which represents firms with funds under management of more than $6 trillion.

Craig Enenstein is currently the CEO of Corridor Capital, LLC, an operationally intensive private equity firm focused on the lower middle market. Corridor Capital, LLC is based in Los Angeles and was founded by Mr. Enenstein in 2005. He holds an MBA in Finance from Wharton School of Business, an MA in International studies from the Lauder Institute: University of Pennsylvania and a BA from the University of California, Berkeley.

Don Eriksson is a qualified South African chartered accountant and an honorary life member of the Institute of Directors of South Africa (IoDSA). Mr. Eriksson is currently chair of Oakleaf Insurance Company Limited, Renasa Insurance Company, Renasa Holdings, Concourse Holdings and the remuneration committee of Discovery Health Medical Scheme (DHMS). Until recently, he was the chair of Insure Group Managers, Summerfield Retirement Village and the audit and risk committee of DHMS. He served on the council of the IoDSA for a number of years and was a partner at Coopers & Lybrand (now PricewaterhouseCoopers).

Prof. Rachel Jafta is a professor in economics at Stellenbosch University. She joined Naspers as a director in 2003 and was appointed a director of Media24 in 2007. She is a member of the South African Economic Society, and director of Econex, chair of the Cape Town Carnival Trust and a member of the Management Committee of the Bureau for Economic Research at Stellenbosch University and a member of the International Advisory Board of Fondação Dom Cabral Business School, Brazil. She is a member of the audit, risk and nomination committees at Naspers. She is chair of the Naspers human resources and remuneration committee and chair of the nomination committee at Media24. She was appointed chair of the Media24 board in April 2013. She is also a director of Naspers Beleggings (RF) Limited. Prof. Jafta holds an MEcon and a PhD from the University of Stellenbosch.

Nolo Letele joined M-Net in 1990 and pioneered MultiChoice's expansion outside of South Africa. In 1995, he moved to Ghana, where he served as West African regional general manager. In 1999, he was appointed CEO of MultiChoice SA, and later served as MultiChoice group CEO until 2010, when he was appointed Executive Chair of the MultiChoice South Africa Holdings board. Mr. Letele has won several awards including Media Man of the Year in 2001 (Saturday Star – Business Report); Media Owner of the Year in 2003 (Financial Mail Adfocus); and the Lifetime, Africa Achievement Prize for media development in Africa (Millennium Excellence Foundation). Mr. Letele holds an honours degree in electronic engineering from Southampton University, United Kingdom. In addition to his position on the Naspers Board, he is a member of the board of other companies.

Guijin Liu graduated from Beijing University of Foreign Studies in 1971 and joined the Ministry of Foreign Affairs. He served in the General Office of MFA, various Chinese Embassies and in the Department of African Affairs for many years. Liu Guijin is experienced in international affairs, particularly regarding relations between China and the developing world, such as Africa. He contributed to international conferences of the UN, AU and other organisations representing China. Recently, he participated in high level academic forums such as the World Economic Forum in Davos, Switzerland. He currently serves as Dean of the China-Africa International Business School, Zhejiang Normal University, PRC and is President of the Chinese Society of Asia and Africa Studies.

Prof. Debra Meyer is a professor of biochemistry and executive dean of the Faculty of Science at the University of Johannesburg. She was a Fulbright Scholar at the University of California, Davis where she obtained a PhD in biochemistry and molecular biology. She has completed modules in media strategy and academic leadership at Harvard and GIBS (University of Pretoria) and makes regular contributions to several newspapers and magazines. She serves as a trustee or board member for several organisations. She is also a director of Naspers Beleggings (RF) Limited.

Roberto Oliveira de Lima is the former Executive Vice President of Accor Brasil, former Chairman and CEO of Credicard Group, a Citibank company, and former President and CEO of Vivo Participações and Vivo SA, a major Mobile Telecommunications company in Brazil, belonging to Telefonica Group. He currently serves on the Board of directors of Telefonica Brasil and Rodobens Negocios Imobiliarios. As a pro bono activity, he serves in the board of Fundação SOS Mata Atlantica. Mr.Oliveira de Lima holds a BA and MA in Business Management from Fundação Getulio Vargas in Brazil and a MA from Institut Superieur des Affaires at Jouy en Josas – France.

Fred Phaswana holds the qualifications MA (Unisa) and BComHons (Rand Afrikaans University, now University of Johannesburg) and obtained a BA (Philosophy, Politics and Economics) from the University of South Africa in 2000. He joined the Board as a director in 2003. He is Chairperson of the Standard Bank Group and of Standard Bank of South Africa Limited and joint chair of Mondi Group. He is also a director of Keeromstraat 30 Beleggings (RF) Limited.

Jacobus Stofberg was a founder member of M-Net in 1986. He served as CEO of the MIH group from 1997 to 2011, and has been instrumental in the expansion of the Group. Prior to joining M-Net, he was a partner of Coopers & Lybrand (predecessor to PricewaterhouseCoopers Inc.). He holds a BCom (Law) and LLB from Stellenbosch, a BCompt (honours) from the University of South Africa and has qualified as a chartered accountant in South Africa.

Ben van der Ross, who holds the qualification of DipLaw from UCT and is an admitted attorney, is chair of Strategic Real Estate Management Proprietary Limited, the managers of the Emira Property Fund. He also serves on the boards of MMI Holdings Limited, FirstRand Limited, Distell Limited and Lewis Group Limited. He is also a director of Naspers Beleggings (RF) Limited.

Senior Management

The following table sets out certain information relating to our senior management as at the date of this Prospectus.

Name	Age	Position	Year first appointed in current position
Bob van Dijk	44	CEO Naspers and Director	2014
Vasileios (Basil) Sgourdos	47	CFO Naspers and Director	2014
Mark Sorour	55	Chief Investment Officer	2002
Larry Illg	46	CEO Naspers Ventures	2014
Pat Kolek	46	COO Naspers	2016
Nolo Letele	67	Acting executive chair, MultiChoice South Africa group	2017
Aileen O'Toole	43	Group Chief People Officer	2014
Laurent Le Moal	46	CEO PayU	2016
Imtiaz Patel	53	CEO Video-entertainment Africa	2017
Oliver Rippel	40	CEO B2C e-commerce	2011
Martin Scheepbouwer	43	CEO Classifieds	2012
Charles Searle	53	CEO Internet Listed Assets	2006
David Tudor	51	Group General Counsel	2015
Esmaré Weideman	55	CEO Media24	2011

Larry Illg is CEO of Naspers Ventures. He has over 20 years of professional experience and over a decade with leading, global internet companies. Most recently, Mr. Illg was VP and General Manager New Ventures at Trulia, a U.S. online real estate marketplace. Previously, he spent eight years as senior executive at eBay, responsible for strategy and general management of many of its global marketplaces and classifieds assets. Before joining eBay, he spent several years as strategy adviser for leading, global consumer goods companies. He started his career at the U.S. Federal Reserve Board. He holds a bachelor's degree in economics and an MBA, both from the University of California, Berkeley.

Pat Kolek joined Naspers in 2014 as CFO, e-commerce and was appointed COO of Naspers in July 2016. As Group COO, he is focused on aligning group strategy with company objectives, leading core business activities and strategic initiatives such as large acquisitions and divestitures. Mr. Kolek has more than 20 years' experience in executing business growth and development strategies for hyper growth organisations. Prior to Naspers, Mr. Kolek spent 10 years at eBay, most recently as VP and CFO of eBay International and previously as the COO of eBay Classifieds. He holds a bachelor's degree in commerce from Santa Clara University and is a certified public accountant.

Aileen O'Toole joined Naspers as Senior Vice President and Chief People Officer in May 2014. She has almost two decades of human resources leadership experience in fast growing hi-tech and e-commerce companies. Most recently she spent 10 years with eBay where she led human resources for eBay Europe and Global Classifieds. She also worked with businesses in the online payments, online comparison-shopping and e-tail sectors. Prior to eBay, Ms. O'Toole led human resources for Europe at Jabil Global Services and also spent time with the Telenor group. She holds a BA (Hons) in History and Politics, and an MBS in Strategic Management and Planning, both from the University College Dublin.

Laurent Le Moal was appointed CEO of PayU in January 2016. He is responsible for global operations and brings extensive knowledge of digital payments and high-growth markets to PayU. He concluded an 11-year career at PayPal as Vice-President and General Manager for Continental Europe, where he successfully led the launch of PayPal in Africa, Israel, the Middle-East and Russia. Mr. Le Moal started his career as a business analyst at McKinsey, before founding TalentManager in 1999. TalentManager is a leading recruitment software provider and he spent three years growing the business, successfully selling the Italian operation. He holds an MBA from the London Business School and is a graduate of Bocconi University in Italy (CEMS Master in international management).

Imtiaz Patel was the Director of Professional Cricket at the United Cricket Board of South Africa prior to joining the Group. He joined SuperSport in 2000 as its Director of Enterprises and later also assumed the role of Head of Production. In March 2005, he was appointed as CEO of SuperSport. During his term of office, Imtiaz completed the Harvard Senior Executive Program at the Business Schools of the Universities of the Witwatersrand and Harvard. He was responsible for the transformative broadcast rights deal with the Premier Soccer League and received the prestigious Naspers Phil Weber award in 2009.

Oliver Rippel is CEO B2C e-commerce which includes e-tail, marketplaces and travel. He joined Naspers in January 2009 as head of business development in Southeast Asia before managing e-commerce in Africa and Middle East shortly after. From 2011 to 2014 he oversaw e-commerce in Southeast Asia, India and Africa. Between 2014 and 2015, he was managing online services segments including e-tail outside of Europe, travel, real estate, and mobile services. Prior to working for Naspers, Mr. Rippel spent nine years at eBay, first in his home country of Germany and then as part of the Asia-Pacific region in China, Korea and Southeast Asia. There he mostly focused on strategy, business development, category management and marketing operations. He studied economics in Berlin, Germany.

Martin Scheepbouwer is responsible for the classifieds operations at Naspers, centred around OLX, Dubizzle, Avito and letgo. In the seven years prior to joining Naspers, he had a variety of senior roles in internet companies, first at eBay and then at Schibsted. During this tenure he has accumulated extensive experience in all relevant business aspects such as strategy, finance, product management, operations and sales. Mr. Scheepbouwer has worked in all life-cycle phases, from starting a greenfield operation to managing a mature internet company with a large staff and large financials. Moreover, he has chosen to broaden his professional impact by publishing in five languages some of his thoughts on best-in-class problem solving with Thinking Backwards. He holds an MSc in engineering from Delft University, an MBA from INSEAD and has seven years of consulting experience with McKinsey.

Charles Searle joined the Naspers Group in 1998. He is currently responsible for the Group's listed internet assets, including Tencent Holdings Limited, a leading Chinese internet company listed on the Hong Kong Stock Exchange, and Mail.ru, a leading Russian internet company listed on the London Stock Exchange. He is also involved in the MIH Internet Group's mergers and acquisitions activities where he previously held the position of Internet Chief Investment Officer. Prior to joining Naspers, Mr. Searle held senior corporate finance and M&A positions at Cable & Wireless, Hong Kong Telecom and Deloitte. He is a member of the Institute of Chartered Accountants in Australia.

David Tudor has been a legal adviser to the Naspers group of companies since 1996. Before joining the Group he was a partner in Mallinicks Attorneys (now Webber Wentzel) and worked in London at two leading international law firms. In 2008, he was appointed MIH group senior counsel and led the legal teams for the group's M&A activities in Latin America, Central and Eastern Europe and Russia. He became general counsel of the Allegro group before being promoted to the position of General Counsel: Global Transaction e-Commerce at the Naspers Group. In June 2015, Mr. Tudor was appointed Naspers Group General Counsel. He holds an LLM (with distinction) from the University of Edinburgh and an LLB and a BBusSc (Hons) from the University of Cape Town.

Esmaré Weideman has more than 25 years of experience as a journalist, political writer, news editor and editor at some of South Africa's most prestigious publications. She was editor-in-chief of Media24's flagship weekly magazines, Huisgenoot, YOU and DRUM, before being appointed Media24 CEO in 2011. She is a director of Media24. She has a BCom and a BJournalism Hons (cum laude) from the University of Stellenbosch.

Conflicts of Interest

The duties owed by the directors and members of the Company's senior management do not give rise to any potential conflicts of interests with such person's private interests and other duties.

Corporate Governance

Naspers has a primary listing on the JSE. The Company is therefore subject to the JSE Listings Requirements, the guidelines in the King Code and Report on Corporate Governance for South Africa 2009 ("**King III**"), as well as legislation applying to publicly listed companies in South Africa. Naspers also has a secondary listing of its ADSs on the London Stock Exchange. In addition, a subsidiary Myriad International Holdings B.V., has bonds guaranteed by Naspers, which are listed on the Irish Stock Exchange.

Compliance with the applicable listing requirements of the JSE, London Stock Exchange and Irish Stock Exchange is monitored by the audit and risk committees of the Board. The Board's executive, audit, risk, human resources and remuneration, nomination, and social and ethics committees fulfil key roles in ensuring good corporate governance. The Group uses independent external advisers to monitor regulatory developments, locally and internationally, to enable management to make recommendations to the Board on matters of corporate governance.

The Board, its committees, and the boards and committees of subsidiaries MultiChoice and Media24 are responsible for ensuring the appropriate principles and practices of King III are applied and embedded in the governance practices of group companies.

A disciplined reporting structure ensures the Naspers board is fully apprised of subsidiary activities, risks and opportunities. All controlled entities in the group are required to subscribe to the relevant principles of King III. Business and governance structures have clear approval frameworks.

Naspers has an internal control oversight forum comprising the chief financial officers and risk and internal audit managers of Naspers, Naspers e-commerce, MultiChoice and Media24, the Naspers company secretary, the Naspers global governance partner, the company secretaries of MultiChoice and Media24 and group general counsel. The forum was tasked to ensure the Naspers group's governance structures and framework are employed in the in-scope entities in the group during the financial year. Compliance and progress are monitored by the audit and risk committees and reported to the Board.

Naspers is required, in terms of the JSE Listings Requirements, to report against the application of the principles of King III. In line with the overriding principle in King III of apply or explain, the Board, to the best of its knowledge, believes the Group has applied or is embedding processes in support of the relevant principles of King III.

Following the release of the King IV Report on Corporate Governance for South Africa, 2016 ("**King IV**") in November 2016, we reviewed and interpreted King IV for the Naspers environment. We used King IV's awareness initiatives and a review of the Naspers board's policies, charters and governance practices as the starting point. In the 2017/2018 financial year we will effect system and process changes to enable implementation of recommended (or alternative) practices to demonstrate the application of King IV's principles. Focus areas for the 2018 financial year will include, but not be limited to, enhanced disclosures in the 2018 integrated annual report and continued focus on governance of information and technology, in particular information and technology security.

The JSE Listings Requirements have been amended with effect from 19 June 2017 to incorporate the relevant principles of King IV. JSE listed issuers, however, have been permitted a period of time within which to apply King IV in accordance with the application provisions of King IV: for the Company, this is the 2018 financial year.

Conviction, bankruptcy or sanction

At the date of this prospectus, none of the members of our Board or our senior management for the previous five years:

- has had any convictions in relation to fraudulent offences; nor

- has held an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies, of any company at the time of or preceding any bankruptcy, receivership or liquidation; nor

- has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company,

save that

(i) Mr. Enenstein served as a board member of both TrashMasters, LLC ("**TrashMasters**"), a Delaware LLC, and Rolloffs Hawaii, LLC ("**Rolloffs**"), a Hawaii LLC and a wholly-owned subsidiary of TrashMasters, when Rolloffs filed in the United States Bankruptcy Court for the District of Hawaii on 9 December 2016. Following a material policy change in payment terms made by the City and County of Honolulu, which controls the only municipal solid waste landfill on the island, Rolloffs became unable to meet its financial obligations without a material cash infusion or out of court restructuring of its senior debt. Consequentially, Rolloffs filed for bankruptcy protection and ultimately sold its assets to a competitor through an auction process, the transaction concluding in January 2017; and

(ii) Mr. Rippel is a member of the supervisory board of Markafoni, which is being liquidated by way of voluntary administration in accordance with applicable law.

REMUNERATION AND BENEFITS AS AT 31 MARCH 2017

Remuneration of Directors

Executive Director	Salary US$ '000	Annual cash bonuses and performance-related payments US$ '000	Pension contributions paid on behalf of director to the pension scheme US$ '000	Total US$ '000
Vasileios (Basil) Sgourdos	828	443	105	1,376
Mark Sorour	682	1,718	233	2,633
Bob van Dijk	1,104	973	125	2,202
Total	**2,614**	**3,134**	**463**	**6,211**

Annual performance payments made in respect of the 2016/2017 performance year for Mr. Sgourdos, Mr. Sorour and Mr. van Dijk were based on a combination of financial, operational and discrete personal objectives, approved by human resources and the remuneration committee. For Mr. van Dijk and Mr. Sgourdos these financial objectives had a weighting of 50% of maximum annual bonus and for Mark Sorour the weighting is 30% of maximum annual bonus.

	Directors' fees		Committee and trustee fees		Other fees[2]		
Non-executive Director	**Paid by the Company US$ '000**	**Paid by subsidiary US$ '000**	**Paid by the Company US$ '000**	**Paid by subsidiary US$ '000**	**Paid by the Company US$ '000**	**Paid by subsidiary US$ '000**	**Total US$ '000**
Koos Bekker	504	20	-	-	-	-	**524**
Hendrick du Toit[1]	-	-	-	-	-	-	**-**
Craig Enenstein	246	-	-	-	-	50	**296**
Donald Eriksson	218	47	224	36	-	-	**525**
Liu Guijin[1]	232	-	-	-	-	-	**232**
Prof. Rachel Jafta	218	61	180	26	-	-	**485**
Francis (Nolo) Letele	218	-	22	-	-	275	**515**
Prof. Debra Meyer	218	20	22	12	-	-	**272**
Roberto Oliviera de Lima	232	-	-	-	-	50	**282**
Steve Pacak	246	31	25	14	-	187	**503**
Fred Phaswana	242	-	46	-	-	-	**288**
Jacobus Stofberg	221	-	-	-	-	-	**221**
Ben van der Ross	218	-	68	-	-	-	**286**
Total	**3,013**	**179**	**587**	**88**	**-**	**562**	**4,429**

(1) Appointed 1 April 2016. Hendrik du Toit elected not to receive director's fees.

(2) Compensation for assignments.

Directors' fees include fees for services as directors, where appropriate, of Media24 Proprietary Limited, MultiChoice South Africa Holdings Proprietary Limited and NMS Insurance Services Limited. An additional fee may be paid to directors for work done as directors with specific expertise. Committee fees include fees for attending meetings of the audit committee, risk committee, human resources and remuneration committee, nomination committee, and social and ethics committee. Committee and trustee fees include, where appropriate, fees to be considered by shareholders at the annual general meeting on 25 August 2017 for services as trustees of the group share-based schemes.

Non-executive directors are subject to regulations on appointment and rotation in terms of the Company's Memorandum of Incorporation and the Companies Act.

Remuneration of Senior Management including pension, retirement and similar benefits of Directors and members of Senior Management

The total of executive Directors' and key management's emoluments amounted to $51,9m (2016: $42,2m), comprising short-term employee benefits of $14.5 million (2016: $10.2 million), post-employment benefits of $1.0 million (2016: $0.7 million) and a share-based payment expense of $36.4 million (2016: $31.3 million). No other remuneration is paid to executive directors. Remuneration is earned for services rendered in conducting the business of the Group.

Termination of service contracts of Directors and members of Senior Management

The service contracts of Directors and members of Senior Management do not include predetermined compensation as a result of termination that would exceed one year's salary and benefits and none are linked to any restraint payments.

SHARE SCHEMES

The Group had various equity compensation plans for employees in operation, the majority of which are classified as equity-settled. In terms of these plans, employees are offered awards in the form of either share options, share appreciation rights ("**SARs**") or restricted stock units ("**RSUs**"). All awards are granted subject to the completion of a requisite service (vesting) period by employees. Unvested awards are subject to forfeiture on termination of employment. Vesting takes place in tranches depending on the duration of the total vesting period. The plans are described more fully below.

In respect of the share options and SARs on exercise date, following completion of the vesting period, awards are generally settled with employees through the issuance of equity instruments of Naspers or its subsidiaries for equity-settled plans and in cash or other assets for cash-settled plans. In respect of RSUs, awards are automatically settled in Naspers equity instruments with participants on the vesting date.

The Naspers share-based incentive scheme, as well as the various share-based incentive schemes operated at a subsidiary level, are governed by the respective trust deeds and plans of the schemes. These include the maximum awards permissible, the vesting periods and the period to expiry from the date of offer. The maximum awards permissible range from 10% to 15% of the respective companies' issued/ authorised/nominal share capital. Vesting periods range from one to five years, with expiry dates ranging from five to 10 years from the date of offer. At 31 March 2017, the Group held 3,293,211 N Ordinary Shares as treasury shares to settle outstanding options under certain group share incentive schemes. The expected dilutive effect of these treasury shares on the group's earnings, on a per-share basis, was 2 U.S. cents per N Ordinary Share. In accordance with schedule 14 of the JSE Limited Listings Requirements and the Companies Act, at the annual general meeting in August 2011 shareholders approved that up to 40,588,541 N Ordinary Shares (10% of the Company's N Ordinary Share capital at 31 March 2010) may be issued for the Group's share-based incentive schemes. During the financial year to 31 March 2017, 345,138 new N Ordinary Shares had been so issued, resulting in a total of 29% of the approved 40,588,541 Naspers N Ordinary Share capital being used to date. For further details of each of the share-based incentive schemes, see our Audited Consolidated Financial Statements and related notes incorporated by reference elsewhere in this Prospectus.

The trustees/administrators of the share-based incentive schemes may at any time, with the agreement of the beneficiaries, cancel any acquisition of scheme shares to the extent that delivery of the scheme shares has not yet occurred. In circumstances where the acquisition price (as defined in the share-based scheme rules) of scheme shares is substantially higher than the current market price thereof, the trustees/administrators may, in their discretion, determine that the current awards no longer serve as an incentive to beneficiaries and that they should be cancelled as permitted by the share-based scheme rules.

Almost all our executive Directors and senior management participate in the Naspers share-based incentive scheme. A number also participate in one or more of the various share-based incentive schemes that Naspers operates at a subsidiary level, most notably the MIH Holdings and MIH (Mauritius) Limited share incentive schemes. The aggregate number of Class N Ordinary Shares allocated to the executive directors, senior management and other members of management participating in our share-based incentive plans as at 31 March 2017 was 1,514,618, at purchase prices ranging from Rand 138.87 to Rand 2,431.64 and vesting periods until 29 August 2021.

Share incentive plans in operation in FY 2017

Information on the share trust incentive plans

	Date of Incorporation	**Maximum awards permittable***	**1/3 vest after 3, 4, 5 years**	**1/4 vest after 1, 2, 3, 4, years**	**1/5 vest after 1, 2, 3, 4, 5 years**	**Period to expiry from date of offer**	**IFRS 2 Classification**
2005 MIH China / MIH TC Share Trust	30 September 2005	See note 2		✓		5 to 10 years	Equity settled
2013 Movile Share option plan	21 November 2013	See note 6			✓	10 Years	Equity settled
Buscapé Co Brasil Holdings B.V. Share Option Scheme	24 November 2016	See note 3		✓		10 Years	Equity settled
Dante International S.A. Share option plan (eMag)	20 November 2014	10%			✓	10 Years	Equity settled
ifood.jo share option scheme	21 November 2013	10%			✓	10 Years	Equity settled
Irdeto Access Share Trust	14 October 1999	See note 5	✓			10 years	Offers pre Sept 2005 - Cash settled, Offers post Sept 2005 - Equity settled
Media24 Share Trust	31 August 2000	15%	✓			10 years	Cash settled
MIH (Mauritius) Limited Share Trust.................	25 March 1999	See note 1	✓			10 years	Equity settled
MIH Allegro B.V. 2012 Share Trust	14 September 2012	See note 4			✓	10 Years	Equity settled
MIH Buscapé Holdings B.V. 2011 Share Trust	05 December 2011	See note 3			✓	6 Years	Equity settled
MIH Buscapé Holdings B.V. 2012 Share Trust	14 September 2012	See note 3			✓	10 Years	Equity settled
MIH Buscapé Holdings B.V. Share Trust	15 March 2010	See note 3	✓			5 years & 3 months	Equity settled
MIH China / MIH TC Share Trust......................	23 February 2003	See note 2		✓		10 years	Equity settled
MIH Holdings Share Trust	27 September 1993	See note 1	✓			10 years	Equity settled
MIH Russia Internet B.V. Share Trust	04 June 2007	10%			✓	10 years	Equity settled
Movile internet Movel S.A. Share option plan ..	23 March 2011	See note 6	✓			8 years	Equity settled
Naspers Restricted Stock Plan Trust................	11 September 2015	See note 9		✓		**	Equity settled
Naspers Share Incentive Trust	14 August 1987	See note 1	✓			10 years	Equity settled
Novus Holdings Share Trust.............................	11 March 2015	See note 7	✓			6 years	Equity settled
Paarl Media Holdings Share Trust...................	29 May 2001	5%	✓			10 years	Cash settled
Playkids Share option Scheme.........................	25 June 2015	15%			✓	10 years	Equity settled
The OLX B.V. Share Trust................................	31 March 2011	15%	✓			7 years & 3 months	Equity settled

* The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that the applicable Trust may hold and subsequently allocate to participants, as indicated in the notes below, where applicable.

** The Naspers shares are automatically settled with the participants on their respective vesting dates.

(1) At the Naspers annual general meeting held on Friday 27 August 2010 a resolution was adopted by shareholders whereby the maximum number of shares available for fresh allocation after 27 August 2010 to participants under this scheme and any other share incentive scheme of Naspers or any direct or indirect subsidiary of Naspers is 40,588,541 shares which number will increase by virtue of any subdivision of shares or decrease by virtue of any consolidation of shares, as the case may be.

(2) The MIH China/MIH TC and 2005 MIH China/MIH TC share trusts and the MIH China 2008 share appreciation rights plan may collectively issue no more than 10% of the total number of MIH China (B.V.I) Limited and MIH TC Holdings Limited (B.V.I) ordinary shares in issue.

(3) The Buscapé Co Brasil Holdings B.V. Share Option Scheme, MIH Buscapé Holdings B.V., MIH Buscapé Holdings B.V. 2011 and MIH Buscapé Holdings B.V. 2012 share trusts may collectively issue no more than 15% of the total number of MIH Buscapé Holdings B.V. ordinary shares and notional shares in issue as recorded in the most recent pro-forma capitalisation table.

(4) The MIH Allegro B.V. 2008 and MIH Allegro B.V. 2009 share appreciation rights plans and the MIH Allegro B.V. 2012 Share Trust may collectively issue no more than 10% of the total number of MIH Allegro B.V. ordinary shares and notional shares in issue as recorded in the most recent pro forma capitalisation table.

(5) The Irdeto Access B.V. 2008 and Irdeto Access B.V. 2012 share appreciation rights plans and Irdeto Access Share Trust may collectively issue no more than 15% of the total number of Irdeto Access B.V. ordinary and notional shares as recorded in the most recent pro forma capitalisation table.

(6) The Movile Internet Movile SA and 2013 Movile share option plans may collectively issue no more than 10% of the total number of Movile Internet Movel S.A. notional shares as recorded in the most recent capitalisation table.

(7) At the Novus general meeting held on Friday 20 February 2015 a resolution was adopted by shareholders whereby the maximum number of shares available for fresh allocation after 20 February 2015 to participants under this scheme and any other share incentive scheme of Novus or any direct or indirect subsidiary of Novus is 34,733,245 shares which number will increase by virtue of any subdivision of shares or decrease by virtue of any consolidation of shares, as the case may be.

(8) The Naspers Global Classifieds, Naspers Global ecommerce, Naspers Global etail and Naspers Global online services SAR (formerly Naspers Global Expansion SAR) schemes may collectively issue no more than 5% of the then total notional shares of all the underlying assets as recorded in the most recent pro forma capitalisation tables.

(9) The Naspers Restricted Stock Plan Trust may issue no more than 200,000 awards in aggregate during any one financial year.

Information on the SARs

	Date of Incorporation	Maximum awards permittable*	1/3 vest after 3, 4, 5 years	1/4 vest after 1, 2, 3, 4, years	1/5 vest after 1, 2, 3, 4, 5 years	Period to expiry from date of offer	IFRS 2 Classification
CEE Classifieds SAR plan................................	19 June 2014	10%			✓	10 Years	Equity settled
CEE Marketplace SAR plan.............................	19 June 2014	10%			✓	10 Years	Equity settled
Dubizzle Limited SAR Scheme.........................	23 August 2013	10%			✓	10 Years	Equity settled
Fashion Days SAR plan...................................	19 June 2014	15%			✓	10 Years	Equity settled
FixeAds B.V. SAR Scheme	09 November 2012	10%			✓	10 Years	Equity settled
Flipkart Private Limited SAR Scheme ^^	23 August 2013	5%			✓	10 Years	Equity settled
Irdeto Access B.V. 2008 SAR Scheme	05 September 2008	See note 5			✓	5 years & 14 days	Equity settled
Irdeto Access B.V. 2012 SAR Scheme	28 August 2012	See note 5			✓	10 Years	Equity settled
Konga Online Shopping Limited SAR scheme.	25 June 2015	5%			✓	10 Years	Equity settled
Level Up! International Holdings Pte Ltd SAR scheme..	30 March 2011	10%	✓			7 years & 14 days	Equity settled
Markafoni SAR plan	19 June 2014	15%			✓	10 Years	Equity settled
Media24 Limited SAR Scheme.........................	20 September 2005	10%	✓			5 years & 14 days	Equity settled
MIH Allegro B.V. 2008 SAR Scheme	11 July 2008	See note 4			✓	7 years & 14 days	Equity settled
MIH Allegro B.V. 2009 SAR Scheme	25 September 2009	See note 4			✓	7 years & 14 days	Equity settled
MIH China/MIH TC 2008 SAR Scheme............	05 September 2008	See note 2			✓	5 to 8 years & 14 days	Equity settled
MIH Internet Africa 2012 SAR Scheme	28 August 2012	15%			✓	10 Years	Equity settled
MIH Internet SEA Private Limited SAR Scheme (formerly MIH India Ecommerce Private Limited SAR Scheme)	28 August 2012	15%			✓	10 Years	Equity settled
MultiChoice 2008 SAR Scheme	02 April 2008	10%	✓			10 Years	Equity settled
MWEB Holdings (Thailand) Limited (Kaidee) SAR Scheme...	28 August 2012	15%			✓	10 Years	Equity settled
Naspers Fintech B.V. SAR Scheme (formerly PayU Global B.V. SAR Scheme)......................	20 February 2014	15%			✓	10 Years	Equity settled
Naspers Global Classifieds SAR plan	19 June 2014	See note 8			✓	10 Years	Equity settled
Naspers Global ecommerce SAR plan.............	19 June 2014	See note 8			✓	10 Years	Equity settled
Naspers Global etail SAR plan	19 June 2014	See note 8			✓	10 Years	Equity settled
Naspers Global Online Services SAR plan	19 June 2014	See note 8			✓	10 Years	Equity settled
Naspers Ventures B.V. SAR plan.....................	14 April 2016	10%		✓		10 Years	Equity settled
Netrepreneur Connections Enterprises Inc. (Sulit) SAR Scheme	28 August 2012	13%			✓	10 Years	Equity settled
Paarl Coldset (Pty) Ltd SAR Scheme #............	10 March 2010	5%	✓			5 years & 14 days	Equity settled
Paarl Media Holdings (Pty) Ltd SAR Scheme #	10 March 2010	5%	✓			5 years & 14 days	Equity settled
Property24 SAR scheme	25 June 2015	15%			✓	10 Years	Equity settled
Showmax SAR scheme	25 June 2015	15%			✓	10 Years	Equity settled
Similar Web SAR plan	29 August 2014	5%			✓	10 Years	Equity settled
Souq Group limited SAR Scheme ^^................	23 August 2013	5%			✓	10 Years	Equity settled
Takealot Online Proprietary limited SAR scheme..	25 June 2015	5%			✓	10 Years	Equity settled
Tokobagus Exploitatie B.V. SAR Scheme........	09 November 2012	15%			✓	10 Years	Equity settled

* The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that the applicable SAR plan may allocate to participants.

For these two schemes, the initial grants vest 1/3 after 2, 3 and 4 years with all subsequent grants vesting as indicated in the table above.

^^ For these two schemes, the initial grants vest 40% after 1 year and 20% after 2, 3 and 4 years with all subsequent grants vesting as indicated in the table above.

Additional Information

All share options, with the exception of options granted in the Naspers Restricted Stock Plan Trust (Naspers RSU scheme) are granted with an exercise price of not less than 100% of the market value or fair value of the respective company's shares on the date of the grant. All share options granted in the Naspers RSU scheme have a strike price of zero. All SARs are granted with an exercise price of not less than 100% of the fair value of the SARs on the date of the grant. All unvested share options/SARs are subject to forfeiture upon termination of employment. All cancelled options/SARs are options/SARs cancelled by mutual agreement between the employer and employee.

MIH Holdings Limited Plan – In terms of a section 311 scheme of arrangement on 20 December 2002 , Naspers Limited offered one Naspers N Ordinary Share to all the minority shareholders of MIH Holdings Limited, including the MIH Holdings plan, for every 2.25 MIH Holdings shares that it held. All the MIH Holdings shares were exchanged for Naspers N Ordinary Shares on 23 December 2002. Subsequent offers are of Naspers N Ordinary Shares. Unvested share options are subject to forfeiture upon termination of employment. Cancelled options are options cancelled by mutual agreement between the employer and employee.

MIH (Mauritius) Limited Share Trust – As part of the merger between MIH Limited and MIH (BVI) Limited on 20 December 2002, Naspers offered 3.5 Naspers N ordinary shares for each MIH Limited share held by minority shareholders, including the MIH Limited plan. The MIH Limited plan was converted into the MIH (BVI) Limited plan at which time all its MIH Limited shares were exchanged for Naspers N Ordinary Shares and ADSs. Subsequent offers are of Naspers N Ordinary Shares. During this financial year, the ADSs were converted into Naspers N Ordinary Shares.

Director's interests in Company shares

The Directors of Naspers have the following interests in Naspers A Ordinary Shares as at 1 November 2017:

	Class A Ordinary Shares		
	Beneficial		
Name	**Direct**	**Indirect**	**Total**
Jacobus Stofberg	-	166	166

Note: Koos Bekker and Cobus Stofberg each have an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 168,605 Naspers Beleggings (RF) Limited ordinary shares, 16,860,500 Keeromstraat 30 Beleggings (RF) Limited ordinary shares and 169,865 Naspers A Ordinary Shares. No other director of Naspers had any direct interest in Naspers A Ordinary Shares at 1 November 2017.

The Directors of Naspers (and its associates) have the following interests in Naspers N Ordinary Shares as at 1 November 2017:

	Class N Ordinary Shares		
	Beneficial		
Name	**Direct**	**Indirect**	**Total**
Koos Bekker	-	4,688,691	4,688,691
Emilie Choi(1)	-	-	-
Hendrick du Toit(2)	-	-	-
Craig Enenstein	-	-	-

Donald Eriksson	-	-	-
Liu Guijin[(2)]	-	-	-
Prof. Rachel Jafta	-	-	-
Francis (Nolo) Letele	737	-	737
Prof. Debra Meyer	-	-	-
Roberto Oliviera de Lima	-	-	-
Steve Pacak	630,635	237,548	868,183
Fred Phaswana	-	3,530	3,530
Vasileios (Basil) Sgourdos	-	86,990	86,990
Mark Sorour	1,262	51,556	52,818
Jacobus Stofberg	159,831	291,888	451,719
Ben van der Ross	-	400	400
Bob van Dijk	-	290,729	290,729
Total	**792,465**	**5,651,332**	**6,443,797**

(1) Appointed 22 April 2017

(2) Appointed 1 April 2016

MAJOR SHAREHOLDERS

The Company's share capital consists of Class A Ordinary Shares and Class N Ordinary Shares. Certain Class N Ordinary Shares are represented by the ADSs. As of 19 September 2017, we had 907,128 Class A Ordinary Shares and 438,265,253 Class N Ordinary Shares in issue.

The Class N Ordinary Shares are listed on the JSE and carry one vote per share. The Existing ADSs are listed on the LSE and holders are entitled to the voting rights of the underlying Class N Ordinary Shares, subject to certain voting procedure conditions of the ADSs. The Class A Ordinary Shares are not listed on any stock exchange and carry 1,000 votes per share on a poll. The holders of the Class A Ordinary Shares collectively hold 67.4% of our total voting rights. Except by virtue of the different rights attached to the Class A Ordinary Shares and those attached to the Class N Ordinary Shares, none of our shareholders has any voting rights different from any other holders of our shares.

Naspers Beleggings and Keeromstraat (with their registered business addresses at 40 Heerengracht, Cape Town, 8001) collectively hold 53.9% of the voting rights in respect of Naspers, exercise their voting rights in consultation with one another in terms of a voting pool agreement and constitute the control structure of Naspers. Under the voting pool agreement, if Naspers Beleggings and Keeromstraat cannot agree on how to vote then they are required to vote against resolutions that would materially change the control, directorate or senior management of Naspers or the nature, scope or size of Naspers's businesses. In addition, Naspers Beleggings and Keeromstraat have entered into a pre-emptive rights agreement granting reciprocal pre-emptive rights in respect of the Class A Ordinary Shares that they each hold.

The voting control structure described above has been in place since 1995 and ensures independence of the Group, which is critical to our ability to control our business successfully. Many international media companies have similar control structures in place. Our Board is not currently aware of any arrangements that may result in a change of control of the Company.

If the Company is wound up, the remaining assets will be distributed among the shareholders in proportion to the number of shares held by each of them, subject to the rights of any shareholders to whom shares have been issued on special conditions, and subject further to the right of the Company to apply set-off in respect of the liability, if any, of shareholders for unpaid capital or premiums. At liquidation any surplus for distribution among shareholders will be applied first to repay an amount equal to the nominal value per share to shareholders. Thereafter every A Ordinary Share will rank equally with every N Ordinary Share in the share capital of the Company.

Shareholder votes are exercised within the framework of the listing requirements of the JSE, the Companies Act and the rules of the Securities Regulation Panel established under the Companies Act, which contains provisions aimed at protecting minority shareholders and certain restrictions on the voting rights of majority shareholders.

The following table presents, as at 31 March 2017, the beneficial ownership (or control) of each class of our ordinary shares by each person or entity which, to our knowledge, owns more than 5% of either class of its ordinary shares and all of our directors as a group. Unless otherwise indicated, to our knowledge, all shareholders listed below have sole voting and investment power with respect to their ordinary shares, except to the extent applicable law gives spouses shared authority. The shareholders listed below do not have different voting rights from other shareholders of the same class.

Beneficial Owner	**Number of Class A Ordinary Shares**	**Percentage of Class A Ordinary Shares**	**Number of Class N Ordinary Shares**	**Percentage of Class N Ordinary Shares**	**Total Voting Percentage**
Public Investment Corporation of South Africa[1]	-	-	61,210,487	13.97%	4.55%
Naspers Beleggings[2]	445,839	49.15%	-	-	33.14%
Keeromstraat[2]	279,406	30.80%	-	-	20.77%
Wheatfields 221 Proprietary Limited[3]	169,865	18.73%	-	-	12.63%
Directors as a group	166	0.02%	6,363,510	1.45%	0.47%
Other	11,852	1.31%	370,691,256	84.58%	28.44%
Total	**907,128**	**100.00%**	**438,265,253**	**100.00%**	**100.00%**

(1) Asset managers whose shareholdings vary based upon their own portfolio management activities.

(2) Heemstede Beleggings, our wholly owned subsidiary, holds 49.0% of Naspers Beleggings (the remaining 51% of the shares of Naspers Beleggings are widely held by another 2,611 shareholders), which, in turn, holds 49.2% of the Class A Ordinary Shares, which carry approximately 33.1% of the total voting rights of our ordinary shares. Keeromstraat holds 30.8% of the Class A Ordinary Shares, which represents 20.8% of the total voting rights of our ordinary shares. Keeromstraat has 2,843 shareholders, none of whom are controlling shareholders. Some of our directors are on the boards of Keeromstraat and Naspers Beleggings, but do not represent the majority of board members of either. Each of these boards operates independently. Naspers Beleggings and Keeromstraat collectively hold 53.9% of the voting rights in respect of Naspers, exercise their voting rights in terms of a voting pool agreement and constitute the control structure of Naspers.

(3) Mr. Koos Bekker (director and chairman of Naspers) and Mr. Cobus Stofberg (director of Naspers) each have an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 168,605 Naspers Beleggings ordinary shares, 16,860,500 Keeromstraat ordinary shares and 169,865 Naspers's Class A Ordinary Shares. Wheatfields 221 Proprietary Limited is not part of the control structure of Naspers.

RELATED PARTY TRANSACTIONS

In the course of our ordinary business activities, we regularly enter into agreements with companies within the Group. These agreements mainly relate to the rendering of intra-Group services, such as the provision of software and IT, treasury, controlling, marketing and other services. We also enter into agreements with joint ventures and associates. We believe that all transactions with subsidiaries, joint ventures and associates are negotiated and executed on an arm's-length basis and that the terms of these transactions are comparable to those currently contracted with unrelated third-party suppliers and service providers.

We participate in a number of transactions with other related parties, associated companies, joint ventures, directors (key management personnel) and shareholders. Certain of these transactions are described below and do not include those that are eliminated on consolidation or profits and losses eliminated through the application of the equity method.

- Almost all our executive directors and senior management participate in the Group's share incentive schemes and also receive other annual compensation for their services. See "*Share Schemes*" in this Part VIII and the Audited Consolidated Financial Statements, including the notes thereto, incorporated by reference elsewhere in this Prospectus.

- In our media business, transactions and balances with joint ventures and associates mainly relate to the sale and purchase of goods and services for the printing and distribution of magazines and newspapers. These transactions are summarised in our Audited Consolidated Financial Statements, including the notes thereto, incorporated by reference elsewhere in this Prospectus.

PART IX
MEMORANDUM OF INCORPORATION AND SHARE CAPITAL

MEMORANDUM OF INCORPORATION AND SOUTH AFRICAN COMPANY LAW

The Company is incorporated in accordance with and governed by: (i) the unalterable provisions of the Companies Act and the JSE Listings Requirements; (ii) the alterable provisions of the Companies Act and the JSE Listings Requirements, subject to the limitations, extensions, variations or substitutions set out in the Memorandum of Incorporation; and (iii) the provisions of the Memorandum of Incorporation. The Company has all of the legal powers and capacity contemplated in the Companies Act, and no provision contained in the Memorandum of Incorporation should be interpreted or construed as negating, limiting or restricting those powers in any way whatsoever. The legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications, as contemplated in section 19(1)(b)(ii) of the Companies Act. The Memorandum of Incorporation does not contain any special conditions applicable to the Company, as contemplated in section 15(2)(b) or (c) of the Companies Act.

The Memorandum of Incorporation was adopted on 31 August 2012 and contains, *inter alia*, provisions to the following effect:

Share issues

Without prejudice to any right previously conferred on the holder of an issued share, unissued shares shall be offered to existing shareholders pro rata to their existing shareholding, except where such shares are issued: (i) in consideration for the acquisition of assets, for cash, as contemplated in, and in accordance with, the provisions of the JSE Listings Requirements; or (ii) pursuant to an approved share-based incentive scheme for executive directors or employees of the Naspers Group, in accordance with the provisions of the JSE Listings Requirements.

The Board may resolve to issue shares of the Company at any time, provided that such issue has been approved by general authority or specific authority by the shareholders in a general meeting. A general authority to the directors to issue shares shall be valid only until the next annual general meeting of the Company and it may be varied or revoked by any general meeting of the shareholders prior to such annual general meeting.

Should there be any issued preference shares in the share capital, the issue of further shares ranking in priority to, or *pari passu* with those preference shares, shall be deemed to be a variation of the rights attached to those preference shares adversely affecting those rights.

Notwithstanding anything to the contrary in the Memorandum of Incorporation, neither the Company nor the Board may: (i) grant special privileges regarding attending and voting at general meetings of shareholders and the appointment of directors; (ii) issue and/or allot preference shares convertible into Class A Ordinary Shares or Class N Ordinary Shares; or (iii) issue and/or allot any securities of the Company, redeem any issued preference shares, substitute preference shares for shares of the Company or acquire any securities which, in each case, may result in the votes exercisable by the holders of Class A Ordinary Shares constituting less than a majority of the votes exercisable by all the shareholders of the Company.

Voting rights

In terms of the Memorandum of Incorporation, at any general meeting, a resolution put to vote shall be decided by a poll in accordance with the provisions of the Companies Act. If voting on a particular matter is by polling, any person who is present at the meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the securities held by that shareholder. In the case of a poll, any holder of Class N Ordinary Shares present, in person or by proxy, will have one vote for each Class N Ordinary Share held by such shareholder, and holders of Class A Ordinary Shares present, in person or by proxy, will have 1,000 votes for every Class A Ordinary Share held by such shareholder.

Subject to the Companies Act and the JSE Listing Requirements, holders of Class A Ordinary Shares and Class N Ordinary Shares vote together as a single class, unless the relevant resolution affects the rights of the holders of the Class N Ordinary Shares or Class A Ordinary Shares as a separate class, in which case, at least 75 per cent. of the holders of the relevant class present or represented at any meeting called to vote on such resolution must approve the resolution.

Dividends and other distributions

Subject to the provisions of the Companies Act and the Memorandum of Incorporation, and particularly section 46 of the Companies Act, the Company may make a proposed distribution if such distribution: (i) is pursuant to an existing legal obligation of the Company or a court order; or (ii) is authorised by resolution of the Board, in compliance with the JSE Listings Requirements. The Company's shareholders in general meeting may not declare a distribution in excess of the amount recommended by the Board.

Holders of Class A Ordinary Shares are entitled to distributions of any kind as determined from time to time by the Board, equivalent to one-fifth of the distribution rights with respect to the distribution to which a holder of an N Ordinary Share in the issued capital of the Company is entitled, with respect to the same period.

Any distribution or other sum payable in cash to the holder of a share may be paid by electronic funds transfer or by cheque sent in a manner permitted by the Companies Act to the address of the shareholder recorded in the register of shareholders, in the case of joint holders, the holder whose name appears first in the register of shareholders in terms of the share at his registered address or any other address provided in writing to the Company by the shareholder or joint holders. The Company is not responsible for any loss that may occur when the distribution or other sum payable is transmitted to a shareholder.

Any unclaimed distribution shall be held in trust by the Company for a period of three years from the date it was declared. (No distribution will accrue interest unless otherwise provided under the conditions of issue of the shares in respect of which such distribution is payable.) Thereafter such unclaimed distributions may be declared forfeited for the benefit of the Company. The Board may at any time annul such forfeiture upon such conditions as it thinks fit. All unclaimed monies other than distributions, that are due to any shareholder(s), shall be held by the Company in trust for an indefinite period until lawfully claimed by such shareholder(s).

A distribution may also be paid in any other way determined by the directors, and if the directives of the directors in that regard are complied with, the Company shall not be liable for any loss or damage which a shareholder may suffer as a result thereof.

Without detracting from the ability of the Company to issue capitalisation shares, any distribution may be paid wholly or in part by the distribution of specific assets; or by the issue of securities or of shares, debentures or securities of any other company; or in cash; or in any other way which the Board or the Company in general meeting may at the time of declaring the distribution determine.

Any distribution must be made payable to shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.

Payments may be made to shareholders subject to certain solvency and liquidity requirements (as required in terms of the Companies Act) being met by the Company after such payment is made.

Shareholders not resident in South Africa may be subject to certain restrictions in relation to receipt of dividends which are imposed from time to time by the SARB.

Variation of rights

Subject to any preferences, rights or limitations under which any securities are held, the preferences, rights or limitations attached to all or any securities of any class may be amended, varied, cancelled or expanded by a special resolution of shareholders at a general meeting. Without limiting the generality of the foregoing, the rights attaching to shares shall be deemed to be amended by the creation or issue of any other shares ranking *pari passu* or in priority to any shares already issued by the Company. No such amendment, variation, cancellation or expansion, which directly or indirectly adversely affects those special rights or restrictions, shall be effected without:

(i) a special resolution, taken by the holders of shares in that class, at a separate meeting. No resolution of shareholders of the Company shall be proposed or passed, unless a special resolution of the holders of the shares of that class approved the amendment; or

(ii) the approval thereof by a special resolution passed at a separate general meeting of the holders of the shares in question in the same manner, *mutatis mutandis*, as a special resolution of the shareholders of the Company, and the provisions of the Companies Act and the Memorandum of Incorporation relating to general meetings shall apply to such separate general meeting, except that a quorum at any such general meeting shall be three persons present in person or by proxy, holding at least 25% of the issued shares of the class in question, provided that if a quorum is not so present, the provisions of section 64(4) of the Companies Act shall apply, the meeting shall be adjourned to the 5th business day thereafter, and the shareholders present or represented at the meeting to which the adjournment takes place, shall constitute a quorum.

Transfer of shares

The instrument of transfer of any share shall be in the form as determined by the Company from time to time, and shall be signed by the transferor. The Company shall be entitled to charge a fee on the registration of any letters of executorship, certificate of death, marriage certificate, power of attorney or other notice or instrument affecting the title to or the right to transfer any security.

Every instrument of transfer of a share shall:

- in the case of A Ordinary Shares, be left at the registered office of the Company; or
- in the case of N Ordinary Shares, be left at the offices of the transfer secretaries of the Company,

or such other place as the Company may designate from time to time.

Every instrument of transfer of a share shall be accompanied by the certificate issued in respect of the certificated securities to be transferred and/or such other proof as the Company may require to evidence the title of the transferor of his right to transfer the shares.

Any authority to sign instruments of transfer granted by a shareholder for the purpose of transferring shares, when lodged, produced or exhibited to or with the Company, shall be deemed to remain in full force and effect, and the Company may allow it to be acted upon, until such time as written notice of the revocation thereof is lodged at, in the case of A Ordinary Shares, the registered office of the Company or, in the case of N Ordinary Shares, at the offices of the transfer secretaries of the Company. Even after the lodging of such notice of revocation, the Company may give effect to any instrument of transfer signed under the authority to sign and certified (before the lodging of such notice) by any officer of the Company, as being in order.

The Board may, in its sole discretion, record in the register of shareholders that any share is held in trust or by a nominee, and the name of the beneficial shareholder

The transferor will remain the holder of the shares until the name of the transferee is entered in the Company's share register in respect of such shares.

The Board may suspend the right of holders of A Ordinary Shares to transfer shares during the 14-day period which precedes a general meeting or which precedes the date upon which dividends are payable, or at any other time, provided that the aggregate period of suspension in one calendar year does not exceed 60 days.

Alteration of share capital

Any alterations of the share capital, authorised shares and rights attaching to classes of shares of the Company must be effected in accordance with the JSE Listings Requirements and Companies Act and will require shareholder approval by special resolution.

In particular, a special resolution of the ordinary shareholders of the Company is required for:

- the creation of any class of shares;
- the variation of any preferences, rights, limitation and other share terms attaching to any class of shares;
- the conversion of one class of shares into one or more other classes;
- the increase of the number of securities;
- consolidation of securities;
- sub-division of securities; and
- the conversion of shares from par value to no par value.

General meetings

Under South African law, the Company is required to hold an annual shareholder general meeting not more than 15 months after the date of its most recent annual general meeting. The JSE Listings Requirements require that within four months after the end of each financial year and at least 15 business days before the date of the annual general meeting, the Company must distribute to all holders of securities a notice of the annual general shareholder meeting accompanied by the consolidated annual financial statements for the relevant financial year, which financials will have been reported on by the Company's auditors.

The Board has the power to convene a general shareholder meeting at any time. In addition, in terms of section 61(3) of the Companies Act, shareholders holding at least 10 per cent. of the voting rights in relation to the matter to be considered at a meeting may requisition a shareholders meeting.

The Company is required to provide at least 15 days' written notice of any annual general shareholder meeting or any general shareholder meeting, where resolutions are to be voted upon.

The notice must, *inter alia*, be in writing and must include: the place, date and time of the meeting and the record date for the meeting; the general nature of the business to be transacted (or any specific purpose if the meeting was called by the shareholders); a copy of the proposed resolutions to be considered at the meeting and a notice of voting rights that will be required to adopt each resolution. For such time as the Company is primarily listed on the JSE, any notice shall be given to the Issuer Regulations Division of the JSE. All notices shall, in addition to the above, be released through the JSE Limited's news service, Stock Exchange News Service (SENS).

A shareholder is entitled to appoint a proxy (which person is not required to be another shareholder) to represent and vote on behalf of the shareholder at any general shareholder meeting, including the annual general shareholder meeting of the Company in accordance with South African law.

Business may not be transacted at any general shareholder meeting, including the annual general meeting, unless a quorum is present. The quorum for a shareholder meeting to begin or for a matter to be considered, shall be at least three shareholders entitled to attend and vote and present in person or by proxy. In addition:

(i) a shareholder meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25 per cent. of the voting rights that are to be entitled to be exercised in respect of at least one matter to be decided at the meeting; and

(ii) a matter to be decided at a shareholder meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate 25 per cent. of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

If a quorum is not present within one hour from the time appointed for the general shareholder meeting to commence, the general meeting will stand adjourned to the same calendar day in the next week, or if that day is a public holiday, the next calendar day which is not a public holiday, at the same time and place in accordance with the provisions of sections 64(4) and (5) of the Companies Act.

The chairperson of the Board or, failing him, the lead director (or if more than one of them are present and willing to act, the most senior of them) shall act as the chairperson of each general meeting, provided that if no chairperson or lead director is present and willing to act, the shareholders present shall elect one of the directors or, if no director is present and willing to act, one of the shareholders present, to be the chairperson of that general meeting. In the case of an equality of votes, the chairperson of the meeting shall be entitled to a second or casting vote.

Share ownership thresholds

The JSE Listing Requirements require Naspers to disclose in its annual financial statements the interest of any shareholder, other than a Director, who, so far as it is known to the Company, is directly or indirectly beneficially interested in 5% or more of any class of Naspers's capital, together with the amount of each such shareholder's interest or, if there are no such shareholders, an appropriate negative statement.

In addition, the Companies Act requires a person to notify a listed company within three business days of that person acquiring or disposing of a beneficial interest in sufficient securities of a class issued by that company such that, as a result of the acquisition or disposal, the person holds 5%, 10%, 15% or any further whole multiple of 5% of the issued securities of that class. When the company receives such a notice, it must: (i) file a copy with the South African Takeover Regulation panel; (ii) report the information to the holders of the relevant class of securities (unless the notice concerned the disposition of less than 1% of the class of securities); and (iii) within 48 hours after receipt of the notice, publish the information contained in the notice on SENS (unless the notice concerned the disposition of less than 1% of the class of securities).

Directors

Number of directors

The directors shall be not less than four and not more than 20 in number and shall be elected by the shareholders, as contemplated in section 68 of the Companies Act.

Directors' shareholding qualification

A director shall not be required to hold any shares in the Company.

Appointment of directors

There are no appointed or ex officio directors of the Company, as contemplated in section 66(4) of the Companies Act.

Directors may be appointed by the Company by ordinary resolution or by the Board for the purposes of filling vacancies, provided that the appointment of a director appointed by the Board must be confirmed by the shareholders at the next annual general meeting.

The Board may, in its sole discretion, impose that in order to become or remain a director or a prescribed officer of the Company, a person must be, and remain, independent from any competitor of the Company and in particular another media company, as determined by the Board from time to time.

Age of directors

In terms of a board-approved policy, any director who reaches the age of 75 shall vacate his office at the end of the financial year in which that director turns 75 years old, unless the board, in its discretion, decides otherwise. All internal appointments must also be re-appointed by the shareholders at the subsequent annual general meeting.

Retirement of directors

At every annual general meeting of the Company, in accordance with the JSE Listing Requirements, a minimum of one-third of the non-executive directors shall retire by rotation. The directors who are to retire are those whom have held their position for the longest period since their last election, but as between persons who became directors on the same day, the determination shall be made by ballot, unless otherwise agreed.

Directors obliged to retire are eligible for re-election at each annual meeting of shareholders. If re-elected he shall be deemed not to have vacated his office.

Vacation of office

The office of a director shall be vacated if he

- is prohibited from being a director of a company by virtue of section 69 of the Companies Act;
- is prohibited in terms of the JSE Listings Requirements;
- is not considered independent from any competitor of the Company and in particular another media company, as determined by the Board from time to time;

- gives notice to the Company of his resignation as a director; or

- reaches the age of 75 at the end of the financial year in which that director turns 75 years old, unless the board, in its discretion, decides otherwise.

Proceedings of the Board

The Board may meet, adjourn and otherwise regulate their meetings as they see fit and a director authorised by the Board may call a meeting of the Board at any time and must call such a meeting if required to do so by at least 25 per cent. of the directors, in the case of a Board that has at least 12 members, or two directors in any other case.

Unless otherwise determined by the Company in a general meeting, the quorum requirement for a directors' meeting to begin, the voting rights at such a meeting and the requirements for approval of a resolution at such a meeting are as set out in section 73(5) of the Companies Act, without variation. A resolution of directors shall be passed by a majority of the votes of the directors present and voting at the meeting at which it is proposed.

The Board may elect a chairperson and a lead director and determine the period for which each is to hold office. If more than one lead director is elected, the directors shall, upon their election, determine the order of their seniority. At any meeting of directors if the chairperson is not present or willing to act as such, the most senior lead director present and willing to act as such, shall act as chairperson. If no chairperson or lead director has been elected, or is present and willing to act as such, the directors present shall choose one of their number to be chairperson.

In the case of an equality of votes, the chairperson of the meeting shall not have a second or casting vote and the resolution being voted on shall fail.

The authority of the Board to consider a matter other than at a meeting, as set out in section 74 of the Companies Act, is not limited or restricted by the Memorandum of Incorporation, provided that each director has received notice of the matter to be decided. Any resolution signed by the majority of the directors and inserted in the minute book shall be as valid and effective as if it had been passed at a meeting of directors. Any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the director who signed it last (unless a statement to the contrary is made in that resolution).

The directors may delegate any of their powers to any one or more persons, and may take such action, or delegate to any person or persons the doing of all such acts (including the right to sub-delegate) as may be exercised or done by the Company and which are not in terms of the Companies Act or by the Memorandum of Incorporation expressly directed or required to be exercised or done by a general meeting. This is subject to such management and control not being inconsistent with and being in compliance with all resolutions passed by a general meeting. No resolution passed by a general meeting shall, however, invalidate any prior act of the directors or any person to whom powers of the directors have been delegated.

Remuneration of directors

The remuneration of the directors for their services as directors shall be determined from time to time by general meeting. The directors shall be reimbursed for all travelling, subsistence and other expenses properly incurred by them in the execution of their duties in connection with the business of the Company and which are authorised or approved by the directors.

Restrictions on voting

In terms of the Companies Act, directors are required to disclose any personal financial interest they may have in any matter to be decided by a board of directors in terms of section 75. Once a director has made a disclosure of a personal financial interest, such director must immediately leave the meeting (if present) and not take part in the consideration of the matter and may not vote on such a matter.

Borrowing powers

The directors may from time to time exercise all of the powers of the Company to borrow, for the purposes of the Company, such sums as they think fit and/or secure the payment or repayment of any such sums or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company. For these purposes, the borrowing powers of the Company shall be unlimited.

Indemnity

In terms of South African law, directors and officers of a Company may not be exempted by their Company from any liability that may by law attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Company nor may the Company indemnify them against any such liability. This does not however apply to insurance taken out and kept by the Company as indemnification against any liability of any director or officer towards the Company in respect of any negligence, default, breach of duty or breach of trust. Furthermore, the Company may:

- advance expenses to a director or directly or indirectly indemnify a director in respect of the defence of legal proceedings, as set out in section 78(4) of the Companies Act;

- indemnify a director in respect of liability as set out in section 78(5) of the Companies Act; and/or

- purchase insurance to protect the Company or a director as set out in section 78(7) of the Companies Act,

and the power of the Company in this regard is not limited, restricted or extended by the Memorandum of Incorporation. The above provisions shall apply *mutatis mutandis* in respect of any former director, prescribed officer, manager, company secretary or member of any committee of the Board, including the audit committee.

Liquidation

In the event of liquidation, after the payment of all debts, liquidation expenses and taxes any surplus available for distribution amongst shareholders will be applied first to repay an amount equal to R20 per A Ordinary Share to shareholders; thereafter every Class A Ordinary Share will rank equally with every Class N Ordinary Share in the share capital of the Company.

SHARE CAPITAL

Description of Authorised and Issued Share Capital

The authorised and issued share capital of the Company, as at 31 March 2017, was as follows:

Class of Shares	*Par Value*	*Authorised*	*Issued*
Class A Ordinary	20 Rand	1,250,000	907,128
Class N Ordinary	0.02 Rand	500,000,000	438,265,253

All of the Company's shares are in registered form. The underlying shares in respect of the ADSs are Class N Ordinary Shares. 1,706,437 of the Class N Ordinary Shares are in certificated form and 436,558,816 of the Class N Ordinary Shares are in uncertificated form. The Company's share register is managed by Link Market Services of Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, South Africa 2001.

The Class N Ordinary Shares have been created under South African legislation and their International Security Identification Number (ISIN) is ZAE000015889.

Treasury Shares

The group holds a total of 6,725,537 N Ordinary Shares, or 1.05%, of the gross number of N Ordinary Shares in issue at 31 March 2017 as treasury shares. Equity compensation plans hold 3,293,211 of the N Ordinary Shares and the remaining 3,432,326 N Ordinary Shares are held by a group company.

History of the share capital of the Company

Since 1 April 2014, there have been no changes to the authorised share capital of the Company and the following changes in the issued share capital of the Company have been made:

- In FY 2015 – the Group issued 1,691,155 N Ordinary Shares to external parties as purchase consideration in respect of acquisitions. The Group issued 699,556 N Ordinary Shares to share incentive trusts and group companies for the purposes of the group's share-based incentive schemes;

- In FY 2016 – the Group undertook a capital raising during December 2015 in terms of which it placed 18,167,848 new N Ordinary Shares with qualifying institutional investors at a price of 1,975 Rand per share. The shares issued represented approximately 4.3% of Naspers's issued N Ordinary Share capital prior to the capital raising. The Board also approved a capitalisation award of 194,997 A Ordinary Shares to holders of Class A Ordinary Shares which was implemented on 26 November 2015. The Group issued 548,797 N Ordinary Shares to share incentive trusts and group companies for the purposes of the group's share-based incentive schemes; and

- In FY 2017 – the Group issued 345,138 N Ordinary Shares to share incentive trusts and group companies for the purposes of the group's share-based incentive schemes.

PART X
INFORMATION RELATING TO THE ADSs

TERMS OF THE DEPOSIT AGREEMENT

The following is a description of certain provisions of the Deposit Agreement. This description does not purport to be complete and is qualified in its entirety by reference to the Deposit Agreement.

The Depositary

The Bank of New York Mellon, the Depositary, is a state-chartered New York banking corporation and a member of the United States Federal Reserve System, subject to regulation and supervision principally by the United States Federal Reserve Board and the New York State Banking Department. The Depositary was constituted in 1784 in the State of New York. It is a wholly-owned subsidiary of The Bank of New York Mellon Corporation, a New York bank holding company. The principal office of the Depositary is located at 225 Liberty Street, New York, New York 10286. Its principal administrative offices are located at 101 Barclay Street, New York, New York 10286. A copy of the Depositary's articles of association, as amended, together with copies of The Bank of New York Mellon Corporation's most recent financial statements and annual report are available for inspection at the principal office of the Depositary located at 225 Liberty Street, New York, NY 10286 and at The Bank of New York Mellon, One Canada Square, London E14 5AL.

American Depositary Receipts

The Depositary will execute and deliver the American Depositary Receipts (the "**ADRs**"). Each ADR is a certificate evidencing a specific number of ADSs. The Existing ADSs are, and the Additional ADSs will be, denominated in U.S. Dollars. Each Existing ADS represents, and each Additional ADS will represent, an interest in the N Ordinary Shares of the Company deposited with Société Générale South Africa Limited, FirstRand Bank Limited or Standard Bank of South Africa, each acting as custodian for the Depositary in South Africa. The ADSs will also represent any other securities, cash or other property which may be held by the Depositary. The Depositary's office at which the ADRs will be administered is located at 101 Barclay Street, New York, New York 10286.

The ADRs are in registered form. They are available in certificated form, the records of which are maintained on the books of the Depositary. The registered shareholder register includes Cede & Co., which is the nominee name for The Depositary Trust Company of New York through which banks and brokers hold the depositary receipts in book entry form.

An ADS holder may hold ADSs either directly (by having an ADR registered in its name) or indirectly through a broker or other financial institution. An ADR holder is an ADS holder who holds the ADSs directly. This description assumes the ADSs are held directly by an ADR holder. An ADS holder, who holds the ADSs indirectly, must rely on the procedures of its broker or other financial institution to assert the rights of ADR holders described in this section. Such an ADS holder should consult with its broker or financial institution to ascertain what those procedures are.

The Company does not and will not treat an ADR holder as one of its shareholders and an ADR holder does not and will not have shareholder rights. South African law governs shareholder rights. The Depositary will be the holder of the shares underlying the ADSs. An ADR holder will have ADR holder rights. The Deposit Agreement (among the Company, the Depositary, an ADR holder and the beneficial owners of ADRs) sets out ADR holder rights as well as the rights and obligations of the Depositary. New York law governs the Deposit Agreement and the ADRs.

The underlying Shares

Each Existing ADS represents, and each Additional ADS will represent, an interest in the N Ordinary Shares of the Company.

Dividends and Other Distributions

The Depositary has agreed to pay to an ADR holder the cash dividends or other distributions the Depositary or the custodian receives on Class N Ordinary Shares or other deposited securities, after deducting its fees and expenses. These distributions are and shall be paid to the ADR holder in proportion to the number of shares its ADSs represent.

Cash

The Depositary will convert any cash dividend or other cash distribution the Company pays on the Class N Ordinary Shares into U.S. Dollars, if it can do so on a reasonable basis and can transfer the U.S. Dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the Deposit Agreement allows the Depositary to distribute the foreign currency only to those ADR holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADR holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, the Depositary will deduct any withholding taxes that must be paid. It will distribute only whole U.S. Dollars and cents and will round fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when the Depositary cannot convert the foreign currency, an ADR holder may lose some or all of the value of the distribution.

Shares

The Depositary may, where feasible, distribute additional ADSs representing any Class N Ordinary Shares the Company distributes as a dividend or free distribution. The Depositary will only distribute whole ADSs. It will sell Class N Ordinary Shares which would require it to deliver a fractional ADS and distribute the net proceeds in the same way as it does with cash. If the Depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new shares.

Rights to purchase additional shares

If the Company offers holders of its securities any rights to subscribe for additional Class N Ordinary Shares or any other rights, the Depositary may make these rights available to ADR holders. If the Depositary decides it is not legal and practical to make the rights available but that it is practical to sell the rights, the Depositary will use reasonable efforts to sell the rights and distribute the proceeds in the same way as it does with cash. The Depositary will allow rights that are not distributed or sold to lapse and an ADR holder will receive no value for rights.

If the Depositary makes rights available to an ADR holder, it will exercise the rights and purchase the Class N Ordinary Shares on behalf of the ADR holder. The Depositary will then deposit the Class N Ordinary Shares and deliver ADSs to the ADR holder. The Depositary will only exercise rights if the exercise price and any other charges the rights require are paid by the ADR holder.

U.S. securities laws may restrict transfers and cancellation of the ADSs represented by Class N Ordinary Shares purchased upon exercise of rights. For example, an ADR holder may not be able to trade these ADSs freely in the United States. In this case, the Depositary may deliver restricted depositary Class N Ordinary Shares that have the same terms as the ADRs described in this section except for changes needed to put the necessary restrictions in place.

Other Distributions

The Depositary will send an ADR holder anything else the Company distributes on deposited securities by any means the Depositary thinks legal, fair and practical. If it cannot make the distribution in that way, the Depositary may choose (i) to sell what the Company distributed and distribute the net proceeds, in the same way as it does with cash; or (ii) to hold what the Company distributed, in which case ADSs will also represent the newly distributed property.

The Depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADR holder. The Company has no obligation to register ADSs, Class N Ordinary Shares, rights or other securities under the Securities Act. The Company also has no obligation to take any other action to permit the distribution of ADRs, Class N Ordinary Shares, rights or anything else to ADR holders. As a result an ADR holder may not receive the distributions the Company makes on its shares or any value for them if it is illegal or impractical for the Company to make them available to the ADR holder.

Deposit, Withdrawal and Cancellation

Issuing ADSs

The Depositary will deliver ADSs on the deposit of shares or evidence of rights to receive shares with a custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the Depositary will register the appropriate number of ADSs in the names requested and will deliver the ADRs at its office to the appropriate persons.

Cancellation of ADSs and obtaining Shares

ADSs may be cancelled by turning them in at the Depositary's office. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the Depositary will deliver the Shares and any other deposited securities underlying the ADR to the designated recipient at the office of the custodian. Or, at the request, risk and expense of the ADR holder cancelling the ADRs, the Depositary will, if reasonably practical, deliver the deposited securities at its office.

Voting Rights

An ADR holder may instruct the Depositary to vote the Shares or other deposited securities underlying the ADRs but only if the Company asks the Depositary to ask an ADR holder’s instructions. Otherwise, the ADR holder will not be able to exercise its right to vote unless it withdraws the Shares. However, there may not be sufficient notice of the meeting to enable an ADR holder to withdraw its Shares.

If the Company asks for an ADR holder’s instructions, the Depositary will notify the ADR holder of the upcoming vote and arrange delivery of its voting materials. The materials will (i) describe the matters to be voted on and (ii) explain how the ADR holder may instruct the Depositary to vote the Shares or other deposited securities underlying the ADSs. For instructions to be valid, the Depositary must receive them on or before the date specified. The Depositary will try, as far as practical, subject to South African law and the provisions of the Memorandum of Incorporation, to vote or to have its agents vote the shares or other deposited securities as instructed. If, on notifying an ADR holder of the upcoming vote, the Depositary does not receive voting instructions by the date specified in relation to certain ADSs, it will consider that it has been authorised and directed to give a discretionary proxy to a person designated by the Company to vote the number of deposited securities represented by those ADSs. In those circumstances the Depositary will give a discretionary proxy to vote on all questions to be voted upon unless the Company notifies the Depositary that:

- the Company does not wish to receive a discretionary proxy;
- the Company thinks there is substantial shareholder opposition to the particular question; or
- the Company thinks the particular question would have a material and adverse impact on its shareholders.

The Depositary will only vote or attempt to vote Shares represented by an ADR holder's ADSs as instructed by that ADR holder or as described above.

The Company cannot assure ADR holders that they will receive the voting materials in time to ensure that they can instruct the Depositary to vote their shares. In addition, the Depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions.

Fees and Expenses

Charges incurred by ADR holders or persons depositing Shares	*Activity incurring charge*
US $5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	• Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property • Cancellation of ADSs for the purpose of withdrawal, including if the Deposit Agreement terminates
US $0.02 (or less) per ADS	Any cash distribution to an ADR holder
A fee equivalent to the fee that would be payable if the securities distributed to an ADR holder had been shares and the shares had been deposited for issuance of ADSs	Distribution of securities distributed to holders of deposited securities which are distributed by the Depositary to ADR holders
US $0.02 (or less) per ADS per calendar year (to the extent the Depositary has not collected the US $0.02 cash distribution fee during that year)	Depositary services
Registration or transfer fees	Transfer and registration of shares on its share register to or from the name of the Depositary or its agent when an ADR holder withdraws shares or a shareholder in the Company deposits shares
Expenses of the Depositary in converting foreign currency to U.S. Dollars	
Cable, telex and facsimile transmissions expenses (when expressly provided in the Deposit Agreement)	
Taxes and other governmental charges the Depositary or the custodian have to pay on any ADR or share underlying an ADR (e.g., stock transfer taxes, stamp duty or withholding taxes)	
Any charges incurred by the Depositary or its agents for servicing the deposited securities	

Payment of Taxes

The Depositary may deduct the amount of any taxes owed from any payments to an ADR holder. It may also sell deposited securities, by public or private sale, to pay any taxes owed. An ADR holder will remain liable if the proceeds of the sale are not enough to pay the taxes. If the Depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to the ADR holder any proceeds, or send to them any property, remaining after it has paid the taxes.

Reclassifications, Recapitalisations and Mergers

If the Company changes the nominal value or par value of its shares or reclassifies, splits up or consolidates any of the deposited securities or recapitalises, reorganises, merges, consolidates or sells assets affecting the Company or to which it is a party then the cash, shares or other securities received by the Depositary will become deposited securities. In such circumstances each ADS will automatically represent its equal share of the new deposited securities.

The Depositary may, if the Company approves, and will if the Company requests, deliver new ADRs or ask an ADR holder to surrender its outstanding ADRs in exchange for new ADRs if:

- the Company changes the nominal value or par value of its shares or reclassifies, splits up or consolidates any of the deposited securities;

- the Company recapitalises, reorganises, merges, consolidates or sells assets affecting the Company; or

- the Company distributes securities on the shares that are not distributed to an ADR holder.

Any new ADRs will identify the new deposited securities.

Amendment and Termination

Amending the Deposit Agreement

The Company and the Depositary may agree, for any reason and without the consent of ADR holders, to amend the Deposit Agreement and the ADRs. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the Depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADR holders, it will not become effective for outstanding ADRs until 30 days after the Depositary notifies ADR holders of the amendment. At the time an amendment becomes effective, an ADR holder is considered, by continuing to hold its ADR, to agree to the amendment and to be bound by the ADRs and the Deposit Agreement as amended.

Termination of the Deposit Agreement

The Depositary will terminate the Deposit Agreement if the Company asks it to do so. The Depositary may also terminate the Deposit Agreement if the Depositary has told the Company that it would like to resign and the Company has not appointed a new depositary bank within 90 days. In either case, the Depositary must notify the ADR holders at least 30 days before termination.

After termination, the Depositary and its agents will only do the following under the Deposit Agreement:

- collect distributions on the deposited securities;

- sell rights and other property; and

- deliver shares and other deposited securities upon cancellation of ADRs.

One year after termination, the Depositary may sell any remaining deposited securities by public or private sale. After that, the Depositary will hold the money it received on the sale, as well as any other cash it is holding under the Deposit Agreement for the pro rata benefit of the ADR holders that have not surrendered their ADRs. It will not invest the money and has no liability for interest. The Depositary's only obligations will be to account for the money and other cash and indemnify the Company. After termination its only obligations will be to indemnify the Depositary and to pay fees and expenses of the Depositary that the Company agreed to pay.

Limitations of obligations and liability of the Company and the Depositary to ADR holders

The Deposit Agreement expressly limits the obligations of the Company and the Depositary. No disclaimer of liability under the Securities Act is intended by any provision of the Deposit Agreement. It also limits liability of the Company and the Depositary. The Company and the Depositary:

- are only obligated to take the actions specifically set forth in the Deposit Agreement without negligence, wilful misconduct or bad faith;

- are not liable if either the Company or the Depositary is prevented or delayed by law or circumstances beyond their control from performing their obligations under the Deposit Agreement;

- are not liable if either the Company or the Depositary exercises discretion permitted under the Deposit Agreement;

- have no obligation to become involved in a lawsuit or other proceeding related to the ADRs or the Deposit Agreement on behalf of an ADR holder or any other party; and

- are not liable for any action or non-action taken by them in reliance of advice from a professional or an ADS holder.

The Depositary is not liable for any acts or omissions made by a successor depositary.

In the Deposit Agreement, the Company agrees to indemnify the Depositary for acting as Depositary, except for losses caused by the Depositary's own negligence, wilful misconduct or bad faith, and the Depositary agrees to indemnify the Company for losses resulting from its negligence, wilful misconduct or bad faith.

Requirements for Depositary actions

Before the Depositary will deliver or register a transfer of an ADR, make a distribution on an ADR, or permit withdrawal of shares, the Depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any shares or other deposited securities;

- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and

- compliance with regulations it may establish, from time to time, consistent with the Deposit Agreement, including presentation of transfer documents.

The Depositary may refuse to deliver ADRs or register transfers of ADRs generally when the transfer books of the Company or the Depositary are closed or at any time if the Company or the Depositary thinks it advisable to do so.

Right to receive the shares underlying the ADRs

An ADR holder has the right to cancel its ADRs and withdraw the underlying shares at any time except in the following circumstances:

- When temporary delays arise because: (i) the Depositary has closed its transfer books or the Company has closed its transfer books; (ii) the transfer of shares is blocked to permit voting at a shareholders' meeting; or (iii) the Company is paying a dividend on its shares.

- When any ADR holders owe money to pay fees, taxes and similar charges.

- When it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADRs or to the withdrawal of shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the Deposit Agreement.

Pre-release of ADRs and Shares

The Deposit Agreement permits the Depositary to deliver ADRs before deposit of the underlying Shares and to deliver Shares prior to the receipt and cancellation of ADRs if the person to whom such Shares are to be delivered is a South African banking institution. This is called a pre-release. The Depositary may also deliver Shares upon cancellation of pre-released ADRs (even if the ADRs are cancelled before the pre-release transaction has been closed out). A pre-release of ADRs is closed out as soon as the underlying Shares are delivered to the Depositary. The Depositary may receive ADRs instead of Shares to close out a pre-release of ADRs. The Depositary may pre-release only under the following conditions:

(1) before or at the time of the pre-release, the person to whom the pre-release is being made represents to the Depositary in writing that it or its customer (i) owns the Shares or ADRs to be deposited, (ii) assigns all beneficial rights, title and interest in such Shares or ADRs to the Depositary and (iii) will not take any action with respect of the Shares or ADRs that is inconsistent with the transfer of the beneficial ownership other than in satisfaction of the pre-release;

(2) the pre-release is fully collateralised with cash, US government securities or other collateral that the Depositary considers equally liquid and safe;

(3) the Depositary must be able to close out the pre-release on not more than five business days' notice; and

(4) any further indemnities or credit regulations that the Depositary requires have been satisfied.

In addition, the Depositary will limit the number of ADSs that may be outstanding at any time as a result of pre-release, although the Depositary may disregard the limit from time to time, if it thinks it is reasonably appropriate to do so.

Compliance with the Memorandum of Incorporation

The rights of an ADR holder will be subject to the Memorandum of Incorporation as if it were a holder of Shares and to all applicable provisions of South African law.

Disclosure of Beneficial Ownership

A holder of ADSs agrees to provide information that the Company or the Depositary requests about the capacity in which the ADS holder owns the ADSs and the identity of any other persons that have or share beneficial ownership of the ADSs and other matters.

TAXATION CONSIDERATIONS

The following summary of the principal South African and United Kingdom consequences of ownership of the ADSs is based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming. Any such changes or interpretations could affect the tax consequences to holders of the ADSs, possibly on a retroactive basis, and could alter or modify the statements and conclusions set forth herein. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of the ADSs. Each prospective holder is urged to consult its own tax adviser as to the particular tax consequences to such holder of the ownership and disposition of the ADSs, including the applicability and effect of any other tax laws or tax treaties, of pending or proposed changes in applicable tax laws as at the date of this prospectus, and of any actual changes in applicable tax laws after such date.

South African Tax Considerations

This section does not purport to address all South African tax consequences that may be relevant to the holders of the Shares and ADSs. This section applies only to holders who are not share traders and who hold the Shares and/or ADSs as “capital assets” under South African law. You should consult your own tax adviser regarding the South African income tax (including capital gains tax) and other tax consequences relevant to you resulting from the ownership and disposal of the Shares or ADSs.

This section sets forth the material South African tax consequences for the dividends distributed in respect of the Shares and ADSs and the capital gains tax and securities transfer tax consequences on the disposal of the Shares and ADSs.

This section is based on the South African Income Tax Act 58 of 1962 (the "**Income Tax Act**") and Securities Transfer Tax Act 25 of 2007 ("**STT Act**"), rulings and judicial decisions, all as currently in effect and all of which are subject to prospective and/or retroactive rulings and changes.

Meaning of "resident"

For the purposes of this section, the term "South African tax resident" includes:

- any natural person who is ordinarily resident in South Africa;
- a natural person who is not ordinarily resident in South Africa, but satisfies a physical presence test, which involves being present in South Africa for certain prescribed periods of time; and
- a person other than a natural person, which is incorporated, established or formed in South Africa, or which has its place of effective management in South Africa.

A South African tax resident, as defined in the Income Tax Act, excludes any person that is deemed to be exclusively resident in another country in terms of a double taxation treaty between South Africa and such other country.

Income tax implications on the dividends

Dividends distributed in respect of the Shares and ADSs and received by South African tax residents would generally be exempt from South African income tax with a few exceptions, none of which should be relevant to the holders of the Shares and ADSs.

For non-residents, dividends from a South African source are generally exempt from South African income tax. Dividends distributed in respect of the Shares and ADSs and received by non-residents would thus not be subject to South African income tax. We recommend that non-resident shareholders verify the treatment of the dividends received with their own tax advisers in terms of their domestic tax legislation.

South African withholding tax implications on the dividends

Dividends received by South African tax resident individuals and trusts (that are beneficial owners of the dividends) in respect of the Shares and ADSs would be subject to 20% dividends withholding tax. The dividends withholding tax would be withheld by the "regulated intermediary" of the Shares and ADSs, as defined in the Income Tax Act.

Dividends received by South African tax resident companies would be exempt from dividends withholding tax, provided the recipient company has submitted the appropriate declaration and written undertaking by the specified date or date of payment that such dividend is to be exempt from dividends withholding tax.

Dividends received by non-South African tax resident individuals, trusts and companies (that are beneficial owners of the dividends) would be subject to dividends withholding tax at 20% or lesser rate set out in a relevant double tax agreement. The non-resident shareholder would need to submit the appropriate declaration and written undertaking by the specified date or date of payment that such dividend is subject to dividends withholding tax at the reduced rate.

South African capital gains tax implications on the disposal of the Shares or ADSs

South African tax resident holders of the Shares or ADSs will realise a taxable capital gain or a capital loss on the sale, exchange or other disposition of these assets, unless that shareholder is entitled at the time of such sale, exchange or other disposition to defer the capital gain by virtue of "roll over" relief provided by the Income Tax Act or is obliged to limit, exclude or defer the capital loss. The capital gain or loss will be the difference between the base cost to the holders of the Shares or ADSs, and the proceeds received for the sale, exchange or other disposition of these assets. The base cost of an asset acquired on or after 1 October 2001 is generally its acquisition cost and certain further expenditure allowable in terms of the Income Tax Act. The proceeds in respect of the disposal of any asset are generally the amount received by or accrued to the seller in respect of such disposal. Where the proceeds constitute an amount other than cash, the proceeds will equal the fair value of the asset received.

In general, roll-over relief from capital gains tax only applies in relation to company formation transactions, share-for-share transactions, amalgamation transactions, intra group transactions, unbundling transactions and transactions relating to liquidation, winding up and de-registration, all as defined in the Income Tax Act. The Income Tax Act also provides for the roll-over of capital gains in respect of certain involuntary disposals under certain circumstances, at the election of the taxpayer.

The effective capital gains tax rate for South African resident individuals on the capital gain on the disposal of assets is 18% (at the highest marginal income tax rate of 45%). The effective capital gains tax rate for resident companies is 22.4%. The effective capital gains tax rate for resident trusts (where the capital gains are taxed in the trusts) is 36%.

Non-residents will not generally be subject to capital gains tax except on the disposal of immovable property situated in South Africa or any interest or right in immovable property situated in South Africa, as defined in the Income Tax Act and any assets of a permanent establishment of the non- resident in South Africa.

Non-resident holders of Shares and ADSs should generally not be liable for South African capital gains tax on any capital gains derived from the disposal of the Shares and ADSs, if they are holding these assets as capital assets.

Securities transfer tax on the transfer of the Shares or ADSs

There will be securities transfer tax at the rate of 0.25% of the taxable amount of the security for every transfer, sale or disposal of the security, unless a specific exemption applies. The taxable amount of a listed security is usually the consideration for the purchase of the security or the closing price of the security.

The "participant", as defined in the STT Act (usually, the custodian or administrator), of the Shares and ADSs will usually be liable for the securities transfer tax payable, which is then recoverable from the transferee of the securities.

The following include some of the instances where the transfer or disposal of the securities would be exempt from securities transfer tax:

(i) the transfer or disposal does not result in a change in beneficial ownership in the securities;

(ii) the transfer or disposal is as a result of one of the corporate roll-over relief provisions in the Income Tax Act;

(iii) the transfer or disposal is from a lender to a borrower, or vice versa, of a "lending arrangement", as defined in the STT Act;

(iv) the transfer or disposal is from a transferor to a transferee, or vice versa, in terms of a "collateral arrangement", as defined in the STT Act.

United Kingdom Tax Considerations

The following is a general summary of certain U.K. tax considerations relating to the ownership and disposal of the ADSs. It is based on current U.K. tax law and published HM Revenue & Customs ("**HMRC**") published practice as at the date of this prospectus, both of which are subject to change, possibly with retrospective effect.

The summary applies only to persons who are resident in the U.K. for tax purposes and, if individuals, who are domiciled in the U.K., and are not resident for tax purposes in any other jurisdiction and do not have a permanent establishment or fixed base in any other jurisdiction with which the holding of ADSs is connected ("**U.K. Holders**"). Further, the following information does not take into account individuals to whom split year treatment applies. Persons (a) who are not resident (or, if resident, are not domiciled) in the U.K. for tax purposes, including those individuals and companies who trade in the U.K. through a branch, agency or permanent establishment in the U.K. to which the ADSs are attributable, or (b) who are resident or otherwise subject to tax in a jurisdiction outside the U.K., are recommended to seek the advice of professional advisers in relation to their taxation obligations.

This summary is for general information only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular investor. It does not address all of the tax considerations that may be relevant to specific investors in light of their particular circumstances or to investors subject to special treatment under U.K. tax law. In particular:

- this summary only applies to the absolute beneficial owners of the ADSs and any dividends paid in respect of the underlying Shares where the dividends are regarded for U.K. tax purposes as that person's own income (and not the income of some other person);

- this summary: (a) only addresses the principal U.K. tax consequences for investors who hold ADSs as capital assets (other than under a personal equity plan, an individual savings account, a self-invested personal pension or other regime which exempts dividends from tax), (b) does not address the tax consequences which may be relevant to certain special classes of investor such as dealers, brokers or traders in shares or securities and other persons who hold ADSs otherwise than as an investment, (c) does not address the tax consequences for holders that are financial institutions, insurance companies, collective investment schemes, pension schemes, charities and tax-exempt organisations, (d) assumes that the holder is not an officer or employee of the Company (or of any related company) and has not (and is not deemed to have) acquired the ADSs by virtue of an office or employment, and (e) assumes that the holder does not control or hold (and is not deemed to control or hold), either alone or together with one or more associated or connected persons, directly or indirectly (including through the holding of the ADSs), an interest of 10% or more in the Shares, voting power, and/or rights to profits or capital of the Company, and is not otherwise connected with the Company.

This summary further assumes that:

- a holder of ADSs is, for U.K. tax purposes, absolutely beneficially entitled to the underlying Shares and to the dividends on those Shares;

- the Shares are not registered in a register kept in the U.K., by or on behalf of the Company, and they will not become so registered; and

- any instrument effecting a transfer of Shares to the Depositary is executed and retained outside the U.K. and does not relate to any property situated in the U.K. or to any matter or thing done, or to be done, in the U.K.

Potential investors in the ADSs should satisfy themselves prior to investing as to the overall tax consequences, including, specifically, the consequences under U.K. tax law and HMRC practice of the acquisition, ownership and disposal of the ADSs, in their own particular circumstances by consulting their own tax advisers.

Taxation of dividends

<u>Withholding Tax</u>

Dividend payments in respect of the ADSs may be made without withholding or deduction for or on account of U.K. tax.

<u>Income Tax</u>

Individual U.K. Holders

General:

The general tax treatment of dividends received from the Company to individual U.K. Holders is as follows:

- Dividends received from the Company do not carry a tax credit.

- All dividends received by an individual U.K. Holder from the Company (or from other sources) will, except to the extent that they are earned through an individual savings account, self-invested pension plan or other regime which exempts the dividends from tax, form part of the individual U.K. Holder's total income for income tax purposes and will represent the highest part of that income.

- A nil rate of income tax applies to the first £5,000 of taxable dividend income received by an individual U.K. Holder in a tax year (the "Nil Rate Amount"), regardless of what tax rate would otherwise apply to that dividend income. It is expected that legislation to be contained in the Finance (No.2) Bill 2017 will, if approved by the U.K. Parliament, reduce the Nil Rate Amount to £2,000 with effect from 6 April 2018.

- Any taxable dividend income received by an individual U.K. Holder in a tax year in excess of the Nil Rate Amount is taxed at a special rate, as set out below.

- That tax will be applied to the amount of the dividend income actually received by the individual U.K. Holder (rather than to any grossed-up amount).

Dividend Income in excess of the Nil Rate Amount:

Where an individual U.K. Holder's taxable dividend income for a tax year exceeds the Nil Rate Amount, the excess amount (the "Relevant Dividend Income") will be subject to income tax:

- at the rate of 7.5%, to the extent that the Relevant Dividend Income falls below the threshold for the higher rate of income tax;

- at the rate of 32.5%, to the extent that the Relevant Dividend Income falls above the threshold for the higher rate of income tax but below the threshold for the additional rate of income tax; and

- at the rate of 38.1%, to the extent that the Relevant Dividend Income falls above the threshold for the additional rate of income tax.

In determining whether and, if so, to what extent the Relevant Dividend Income falls above or below the threshold for the higher rate of income tax or, as the case may be, the additional rate of income tax, the individual U.K. Holder's total taxable dividend income for the tax year in question (including the part within the Nil Rate Amount) will, as noted above, be treated as the highest part of the individual U.K. Holder's total income for income tax purposes..

Corporate U.K Holders

U.K. Holders within the charge to U.K corporation tax which are "small companies" (for the purposes of U.K. taxation of dividends) will not generally be subject to tax on dividends from the Company.

Other U.K. Holders within the charge to U.K corporation tax will not be subject to tax on dividends from the Company so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid on non-redeemable shares that do not carry any present or future preferential rights to dividends or to the company's assets on its winding up, and dividends paid to a person holding less than 10% of the issued share capital of the payer (or any class of that share capital), are examples of dividends that fall within an exempt class.

Taxation of disposals

A disposal of ADSs by a U.K. Holder may give rise to a chargeable gain or an allowable loss for the purposes of U.K. taxation of chargeable gains depending upon the U.K. Holder's circumstances and subject to any available exemption or relief. For the purpose of U.K. tax on chargeable gains, the amounts paid by the U.K. Holder for ADSs will generally constitute the base cost in his holdings in those ADSs.

Any gains or losses in respect of currency fluctuations relating to the ADSs would be brought into account on the disposal.

Individual U.K. Holders

For an individual U.K. Holder, a disposal or deemed disposal of ADSs may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. The rate of capital gains tax on disposal of ADSs is 10% (2017/2018) for individuals who are subject to income tax at the basic rates and 20% (2017/2018) for individuals who are subject to income tax at the higher or the dividend upper rate. An individual shareholder is entitled to realise an annual exempt amount of gains (£11,300 for the tax year 2017/2018) without being liable to U.K. capital gains tax.

Corporate U.K. Holders

For a corporate U.K. Holder, a disposal of ADSs may give rise to a chargeable gain at the rate of corporation tax applicable to that U.K. Holder (19% for the tax year 2017/2018) or an allowable loss for the purposes of U.K. corporation tax. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax by increasing the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index but indexation allowance cannot create or increase any allowable loss.

Non-U.K. resident holders of ADSs

A holder of ADSs who is not resident in the U.K. for tax purposes is generally not subject to U.K. capital gains tax in respect of ADSs, unless such a shareholder carries on a trade, profession or vocation in the U.K. through a branch or agency or, in the case of a non-U.K. resident corporate holder of ADSs, a permanent establishment to which the ADSs are attributable. Subject to the exceptions set out in the paragraph above, individual holders of ADSs who are not resident in the U.K. will not be subject to U.K. capital gains tax in respect of gains arising on disposals of ADSs. However, a holder of ADSs who has previously been resident in the U.K. may in some cases be subject to U.K. tax on capital gains in respect of a disposal of ADSs in the event that they re-establish residence in the U.K.

Stamp duty and stamp duty reserve tax

No U.K. stamp duty or stamp duty reserve tax will be payable on (i) the issue or transfer of the Shares to the Depositary, or (ii) the issue of the ADSs or their delivery into Euroclear, DTC and Clearstream.

No U.K. stamp duty or stamp duty reserve tax will be payable on any transfer of the ADSs once they are issued into Euroclear, DTC and Clearstream, where such transfer is effected in electronic book entry form in accordance with the procedures of Euroclear, DTC or Clearstream (as applicable).

Inheritance tax

U.K. inheritance tax may be chargeable on the death of, or in certain circumstances on a gift by, the owner of ADSs where the owner is an individual who is domiciled or deemed to be domiciled in the U.K. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor receives or retains some benefit.

Individual U.K. Holders should consult an appropriate professional adviser if they make a gift or transfer of value of any kind in relation to ADSs, or intend to hold ADSs through trust arrangements.

PART XI
DESCRIPTION OF ARRANGEMENTS TO SAFEGUARD THE RIGHTS OF ADS HOLDERS

Depositary

Relationship of ADS holders with the Depositary

The rights of ADS holders against the Depositary are governed by the Deposit Agreement, the terms of which are summarised in "*Terms of the Deposit Agreement*" in Part X (*Information relating to the ADSs*) of this Prospectus and which is governed by New York law. The Company, the Depositary and the owners and beneficial owners of the ADRs are parties to the Deposit Agreement. Holders of ADSs have contractual rights against the Depositary under the Deposit Agreement in relation to cash held by the Depositary, and in respect of Shares represented by ADSs deposited with the Depositary under the Deposit Agreement

Voting

With respect to voting of Shares and other Deposited Securities represented by ADSs, the Deposit Agreement provides that, if requested in writing by the Company, the Depositary shall send to ADS holders voting materials and instructions for voting by persons who are ADS holders on the record date established by the Depositary for that purpose. The Deposit Agreement provides that the Depositary will endeavour, in so far as practicable, to vote or cause to be voted the amount of Shares or other Deposited Securities represented by ADSs in accordance with voting instructions it has received from ADS holders. If no voting instructions are received by the Depositary from a holder of ADS with respect to any of the Deposited Securities represented by such holder's ADSs on or before the date specified by the Depositary, such holder shall be deemed to have instructed the Depositary to give a discretionary proxy to a person designated by the Company to vote such Deposited Securities, provided that no such discretionary proxy shall be given, with respect to any matter as to which the Company informs the Depositary that (i) the Company does not wish such proxy to be given, (ii) substantial opposition exists, or (iii) such matter materially and adversely affects the rights of holders of Shares.

Default of the Depositary

If the Depositary fails to pay cash or deliver non-cash assets to Holders of ADSs in the circumstances required by the Deposit Agreement or otherwise is in default in a manner for which it would be liable under the terms of the Deposit Agreement, the Depositary will be in breach of its contractual obligations under the Deposit Agreement and the holders of the ADSs will have a contractual claim against the Depositary under New York law to the extent the Depositary is in breach of such obligations.

Insolvency of the Depositary

If the Depositary becomes insolvent, the insolvency proceedings will be governed by U.S. law applicable to the insolvency of banks.

Effect of applicable insolvency law in relation to cash

Under current U.S. law, it is expected that any cash held for ADS holders by the Depositary under the Deposit Agreement would constitute an unsecured obligation of the Depositary. ADS holders would therefore only have an unsecured claim in the event of the Depositary's insolvency for such cash and such cash would be also be available to general creditors of the Depositary or the U.S. Federal Deposit Insurance Corporations (the "**FDIC**").

Effect of applicable insolvency law in relation to non-cash assets

Under current U.S. law, it is expected that any Shares and other non-cash assets held for ADS holders by the Depositary under the Deposit Agreement would not constitute assets of the Depositary and that ADS holders would have ownership rights relating to such Shares and other non-cash assets and be able to request the Depositary's liquidator to deliver to them such Shares and other non-cash assets, and such Shares and other non-cash assets would be unavailable to general creditors of the Depositary or the FDIC.

Removal of the Depositary

The Deposit Agreement provides that the Company may remove the Depositary on written notice.

Custodian

Each of Société Générale South Africa Limited, FirstRand Bank Limited and Standard Bank of South Africa act as custodian for the Depositary in South Africa.

Relationship of ADS holders with a custodian

Each custodian holds securities for the Depositary subject to a custody agreement between the custodian and the Depositary. The custody agreement in place with Société Générale South Africa Limited is governed by South African law; the agreement in place with Standard Bank of South Africa is governed by English law; and the agreement in place with FirstRand Bank Limited specifies no governing law but it is expected that the governing law would be regarded as South African law in the event of a dispute, since the agreement relates to services provided in South Africa. The ADS holders do not have any contractual relationship with, or rights enforceable against, a custodian.

Default of a custodian

If a custodian is in breach of its contractual obligations under the custody agreement, the Depositary will have a contractual claim against the custodian under the relevant governing law to the extent the custodian is in breach of such obligations.

Insolvency of a custodian

If a custodian becomes insolvent, the insolvency proceedings will be governed by applicable South African law. In this regard the provisions of the Financial Institutions Protection of Funds Act 28 of 2001 (the "**Protection of Funds Act**") are relevant. The Protection of Funds Act provides that despite anything to the contrary in any law or the common law (this provision cannot be altered or varied pursuant to a contract), trust property invested, held, kept in safe custody, controlled or administered by a financial institution (or its nominee company) under no circumstances forms part of the assets or funds of the financial institution or such nominee company. A custodian will qualify as a financial institution for the purposes of the Protection of Funds Act.

Effect of applicable insolvency law in relation to non-cash assets

Non-cash assets that are kept in safe custody by a custodian will, in principle, qualify as trust property and will therefore, under the Protection of Funds Act, not form part of the assets / estate of the custodian upon its insolvency. The Depositary, as client of the custodian and owner of such non-cash assets will accordingly be able to claim the return of such assets in the event that a custodian becomes subject to an insolvency proceeding. In addition, neither the custodian nor its creditors will have any rights, charge, security interest, lien or claim of a similar kind against non-cash assets in circumstances where a custodian becomes subject to an insolvency proceeding, except in respect of claims for non-payment of custody fees.

Effect of applicable insolvency law in relation to cash

The recovery of cash held by a custodian in the event that the custodian becomes subject to insolvency proceedings will be subject to the cash being identifiable as belonging to the owner thereof. Under South African law, ownership in money passes on commingling (*commixtio*). Accordingly, if cash received by the custodian for the account of the owner (such as, for example, dividends or the proceeds arising from a sale of securities) is commingled with the custodian's own money, ownership will automatically pass to the custodian. Commingling will be (and, as a matter of practice, usually is) avoided by ensuring that cash belonging to customers is held separate from the custodian's own cash in, for example, a segregated cash account in the name of the relevant customer.

Such an arrangement will, however, obviously only be possible where the custodian and the bank where the relevant account is kept are separate and independent legal entities. In such a scenario, the funds maintained by the custodian in a bank account held with an independent bank will not form part of the insolvent estate of the custodian in the event of its (i.e. the custodian's) insolvency.

Based on policy considerations, the South African courts have consistently held that ownership of money deposited with a bank passes to the bank, while the depositor becomes a creditor of the bank. If a custodian that is a bank or a branch of a foreign bank (all of the custodians would be either banks or branches of foreign banks) were therefore to become insolvent, all money held on deposit will therefore fall within its insolvent estate and depositors will become unsecured concurrent creditors of the custodian. As a result, to the extent that a custodian holds cash on deposit for the Depositary at the time of the insolvency of the custodian, such money will fall within the insolvent estate of the custodian and the Depositary will be an unsecured creditor of the custodian in respect of such cash.

Removal of a custodian

The Depositary has the right under the Deposit Agreement to discharge a custodian or appoint a substitute or additional custodian if, in its discretion, it determines that it is in the best interest of the ADS holders.

The Depositary’s obligations respecting the custodian

The Depositary has no obligation to pursue a claim for breach of obligations against a custodian, or a claim in the insolvency of a custodian, on behalf of ADS holders.

The Depositary is not responsible for and shall incur no liability in connection with or arising from default by, or insolvency of, a custodian. ADS holders will have a claim against the Depositary under the Deposit Agreement to the extent that any act or omission to act on the part of a custodian constitutes negligence, wilful misconduct or bad faith of the Depositary.

PART XII
ADDITIONAL INFORMATION

No Significant Change

There has been no material adverse change in the prospects of the Company since 31 March 2017, being the end of the last financial period for which historical financial information has been published. There has been no significant change in the financial or trading position of the Group taken as a whole since 31 March 2017.

Documents on Display

Copies of the following documents will be available for inspection on request free of charge, during normal business hours on any weekday, at Naspers's registered address, 40 Heerengracht, Cape Town 8001 (contact person Ms Yasmin Abrahams) or in Johannesburg at MultiChoice City, 144 Bram Fischer Drive, Randburg 2194 (contact person Mrs Toni Lutz) from the date of publication of this Prospectus to Admission:

- this Prospectus;
- the Memorandum of Incorporation of the Company;
- the Deposit Agreement; and
- the Audited Consolidated Financial Statements.

The telephone number at the registered office is +27 (0) 21 406 2121.

Material Contracts

No material contract (other than contracts entered into in the ordinary course of business) has been entered into by any member of the Group within the two years immediately preceding the date of this Prospectus and no other contract (other than contracts entered into in the ordinary course of business) has been entered into by any member of the Group which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Prospectus.

Statutory Auditors

The Audited Consolidated Financial Statements of Naspers as at and for the years ended 31 March 2017, 2016 and 2015, incorporated by reference in this Prospectus, have been audited by PricewaterhouseCoopers Inc., independent auditors, as stated in their reports appearing in the Audited Consolidated Financial Statements. PricewaterhouseCoopers Inc. is a Registered Auditor with the Independent Regulatory Board for Auditors of South Africa and its registered address is located at Silo 5, South Arm Road, V&A Waterfront, Cape Town, 8001, South Africa.

Expenses

The total expenses in relation to the Application are approximately $300,000.

Miscellaneous

It is expected that the Additional ADSs will be admitted to the Official List on or about 22 November 2017. The London Stock Exchange trading symbol is “NSPN”. The ISIN for the ADSs is US6315122092. The ADSs are and will be denominated in U.S. Dollars.