NASPERS

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2019

Statement of responsibility by the board of directors

for the year ended 31 March 2019

The annual financial statements of the group and the company are the responsibility of the directors of Naspers Limited. In discharging this responsibility, they rely on the management of the group to prepare the consolidated and separate annual financial statements presented on pages 26 to 179 in accordance with, and in compliance, in all material respects, with International Financial Reporting Standards (IFRS) and the Companies Act No 71 of 2008. As such, the consolidated and separate annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the consolidated and separate annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective.

The directors believe that the group and company have adequate resources to continue operations as a going concern in the foreseeable future, based on forecasts and available cash resources. The financial statements support the viability of the group and the company. The preparation of the consolidated and separate annual financial statements was supervised by the group's financial director, Basil Sgourdos CA(SA). These results were made public on 21 June 2019.

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the consolidated and separate annual financial statements. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 19.

The consolidated and separate annual financial statements were approved by the board of directors on 21 June 2019 and are signed on its behalf by:

Koos Bekker

Chair

Bob van Dijk

Chief executive

Certificate by the company secretary

for the year ended 31 March 2019

In terms of section 88(2)(e) of the Companies Act No 71 of 2008 I, Gillian Kisbey-Green, in my capacity as company secretary of Naspers Limited, confirm that for the year ended 31 March 2019, the company has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a public company in terms of the Companies Act and that all such returns and notices are, to the best of my knowledge, true, correct and up to date.

Gillian Kisbey-Green
Company secretary
21 June 2019

Directors' report to shareholders

for the year ended 31 March 2019

NATURE OF BUSINESS

Naspers Limited (Naspers or the group) is a global consumer internet group and one of the largest technology investors in the world. Operating and investing in countries and markets across the world with long-term growth potential, Naspers builds leading companies that empower people and enrich communities. The group operates and partners a number of leading internet businesses across the Americas, Africa, Central and Eastern Europe, and Asia in sectors including online classifieds, food delivery, payments and fintech, travel, education, health, and social and internet platforms.

OPERATING REVIEW

The past year was transformational for the Naspers group as we initiated and executed a number of significant strategic initiatives. We invested to strengthen our ecommerce segments and broadened our ambitions in food delivery. All key segments made good progress against financial and strategic objectives.

We successfully listed our Video Entertainment business (MultiChoice Group) on the JSE Limited (JSE) and distributed our shares in this business to our shareholders in February 2019. MultiChoice Group has been presented as a discontinued operation in these consolidated annual financial statements and, accordingly, all income statement information from continuing operations excludes the contribution from MultiChoice Group. Profit from discontinued operations in the income statement includes results of MultiChoice Group for 11 months in the current year, as a single line. More information on MultiChoice Group's results is available at https://www.multichoice.com/ investors/.

As a result of these strategic initiatives, Naspers enters the 2020 financial year as a fundamentally different group, with virtually all revenues now generated from online activities, and is well positioned as a global consumer internet group.

Naspers delivered solid results for the year ended 31 March 2019. Group revenue, measured on an economic-interest basis and excluding our Video Entertainment business, was US$19.0bn, reflecting growth of 16% (or 29% in local currency and adjusted for acquisitions and disposals). Measured similarly, group trading profit increased 10% (or 22% in local currency and adjusted for acquisitions and disposals) to US$3.3bn. Driven by Classifieds, Etail (online retail), and Payments and Fintech, the ecommerce business posted a strong performance and reduced trading losses by a meaningful 14% (15%). Core headline earnings from continuing operations was US$3.0bn – up 26% (26%).

As noted, trading losses in ecommerce reduced significantly with the Classifieds business continuing its margin improvement to become profitable in the aggregate for the year ended 31 March 2019. The other ecommerce assets also continued to scale, with Etail trading losses almost halving and the Payments and Fintech business narrowing its trading loss margin from 22% last year to 12%.

In March 2019, we announced our intention to list our international internet assets on Euronext Amsterdam. The listing will create a new global consumer internet group Prosus N.V. (formerly referred to as NewCo), comprising our internet interests outside of South Africa and including investments in online classifieds, food delivery, payments and fintech, etail, travel, education and social and internet platforms, among others. Prosus N.V. will have a secondary, inward listing on the JSE in South Africa and is expected to be around 75% owned by Naspers with a free float of some 25%. As Europe's largest listed consumer internet company by asset value, Prosus N.V. will give global internet investors direct access to our unique and attractive portfolio of international internet assets. A circular to approve the transaction has been sent to shareholders ahead of the Naspers extraordinary general meeting to be held on 28 June 2019. If approved at this meeting, the intention is for Prosus N.V. to be listed on Euronext Amsterdam on 17 July 2019.

We invested US$3.1bn to accelerate growth and provide further scale to several existing and new businesses. Notably this includes: in Classifieds, acquiring minority interests in Avito, Dubizzle and letgo totalling US$1.5bn to increase our stakes in these businesses as well as a US$89m investment in Frontier Car Group to further pursue the convenient-transaction model; in Food Delivery, an additional investment in Swiggy of US$716m to expand its position in India; a US$383m investment in BYJU'S to drive innovation and set new benchmarks for tech-enabled learning products; and through PayU, a US$60m investment in Zooz to boost our global merchant capabilities.

Given the wide geographical span of our operations and significant investments to scale the ecommerce business in particular, reported earnings are materially impacted by foreign exchange volatility and the effects of acquisitions and disposals. Where relevant in this directors' report, adjustments have been made for the effects of foreign currencies and acquisitions and disposals to reflect underlying trends. These adjustments (pro forma financial information) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS).

FINANCIAL REVIEW

The contribution to group earnings by equity-accounted investments was up 4%.This includes investment disposal gains of US$126m, impairment losses of US$799m and fair-value adjustments on financial instruments of US$1.5bn primarily recognised by Tencent.

A gain of US$1.6bn was recorded after disposing of our 12% interest in Flipkart in August 2018 for US$2.2bn, yielding an internal annual rate of return of around 29%.

Following distribution of MultiChoice Group to shareholders, a gain on distribution of US$2.5bn was recorded. This has been presented as part of the profit from discontinued operations in the income statement.

Impairment losses of US$123m related primarily to an equity-accounted investment focused on providing consumer lending and financial services in the Payments business. We impaired this investment (including convertible debt funding provided) as performance and the opportunity to leverage the investment in some of our core markets fell below our expectations.

Put option liabilities totalled US$827m at 31 March 2019, compared to US$2.4bn a year ago, with an aggregate remeasurement income of US$53m recorded in the income statement on these liabilities over the period. The significant decrease year on year relates primarily to the settlement of put option liabilities related to the Avito and Dubizzle businesses, as well as a portion of the put option liability in the Classifieds business, letgo.

We report a healthy net cash position (including short-term cash investments) of US$6.3bn at year-end, primarily as a result of proceeds retained from the Flipkart disposal in August 2018 and the trim of our holding in Tencent last year. The higher net cash position resulted in net interest income of US$82m.The progress made by our core segments, which are growing fast and scaling well, gives us confidence in our ability to continue identifying opportunities that can unlock significant value. The aggregate of free cash inflows generated by ecommerce and internet units that are free cash flow positive, increased from US$217m in 2016 to US$673m this year. This includes dividends received from Tencent and represents a compounded annual growth rate of 46% on the back of strong profitability gains in these businesses.

To offset the dilutionary impact of share options and restricted stock units granted to our employees, we invested US$78m to acquire Naspers N ordinary shares on market and will continue to do so in future.

Consolidated free cash flow was US$184m, a substantial improvement on the prior year. This was driven by the increased profitability of the ecommerce businesses, dividends received from Tencent of US$342m and positive working capital effects in Video Entertainment. Consolidated free cash outflow from continuing operations (thus excluding Video Entertainment) was US$120m – a 60% improvement on the prior year when measured on the same basis.

The company's external auditor has not reviewed or reported on forecasts included in this directors' report.

The following segmental reviews are prepared on an economic-interest basis (which includes consolidated subsidiaries and a proportionate consolidation of associates and joint ventures), unless otherwise stated.

SEGMENTAL REVIEW

Internet

Internet revenues were US$18.7bn, up 18% (30%). Internet trading profits rose 11% (22%) as many ecommerce units accelerated their profitability and Tencent delivered a stable performance.

Ecommerce

Overall ecommerce revenue was up 10% (26%) to US$3.9bn, with significant contributions from Classifieds, Food Delivery, Payments and Fintech, and Etail.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

Ecommerce trading losses declined by 14% (15%), driven by a US$116m profitability improvement in Classifieds and narrowing trading losses in the Etail, and Payments and Fintech businesses. This was partially offset as we invested more to capture the significant online food-delivery opportunity.

Our profitable ecommerce businesses generated revenues and trading profits of US$2.0bn and US$414m respectively. Like for like, this reflects growth of 15% (26%) and 29% (42%) respectively.

Classifieds

Classifieds delivered an exceptional performance, with revenue up 39% (37%) to US$875m.There was good growth across the portfolio, including Avito, OLX Brazil, OLX Poland and the cars verticals (including Frontier Car Group) acquired in the current year. The segment was profitable overall (including letgo) with trading profit of US$2m, which was a significant improvement from the US$114m trading loss in the previous year.

Avito increased revenue by 28% in local currency and adjusted for acquisitions and disposals to US$322m as investment in enhanced product features and an improved customer experience yielded stronger user engagement. OLX Brazil grew revenue 22% (44%) on the back of expanded monetisation in its cars verticals. The business reported a profit – a marked improvement on last year – as it started to scale. letgo's focus on product and customer satisfaction yielded record levels of users and an improved competitive position while starting its monetisation journey.

Given the solid results and traction shown by these businesses, we invested an additional US$1.5bn during the year to buy out minority investors in Avito, letgo in the United States, and Dubizzle.

Classifieds made several acquisitions during the year in its convenient-transaction models to deepen market presence and enhance the consumer experience. This segment acquired a minority stake in Frontier Car Group and a controlling stake in Aasaanjobs (online recruitment marketplace) in India. Classifieds also acquired the shares held by certain minority shareholders in the Indonesian OLX business, thereby increasing Naspers's stake.

Payments and Fintech

PayU recorded another year of strong growth, driven by its Payments business. Payments and Fintech revenues were up 22% (28%) and trading losses narrowed by a meaningful 33% (67%).

The payments service provider business achieved a significant milestone by becoming profitable in aggregate and achieving profitability in each of its core markets, including India.

Volumes processed in the Payments business reached US$30bn, representing growth of 29% in local currency on the back of over 920 million transactions. Among PayU's major markets, India was the fastest growing and accounted for almost half of volumes processed. The Payments businesses across EMEA (Europe, Middle East and Africa) and Latin America were merged during the year, realising significant cost savings. Revenue scaling and cost compression as a result of these steps drove the payment service provider business to profitability in the aggregate and in India.

PayU continued to invest in building a credit platform in India. Its LazyPay product reached nearly 700 000 consumers in the current year. Leveraging the data and credit profiles built on LazyPay, the business began trialling instalment loans with selected consumers. The Indian credit portfolio minority investments, ZestMoney and PaySense, continued to scale, reaching combined monthly loan issuances of US$15m at 31 March 2019.

Remitly, the minority investment capturing growth in the digital cross-border remittances market, expanded into Europe after achieving success in the United States.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

Food delivery

Online food delivery is a high-potential sector, comprising a large area of consumer spend. The food market is significant and transforming rapidly. People are spending on food differently, reallocating their budgets to food delivery, especially online, and away from in-home preparation and in-restaurant consumption. At a macro level, global online delivered food is expected to grow at four times the overall food market. Our investments in this segment include iFood, a leading online food-delivery business in Latin America via our majority investment in Movile; Delivery Hero, a leading global online food-ordering and delivery marketplace operating in over 40 countries globally; and Swiggy, a leading player in India. In the review period, our online food-delivery services assets continued their strong growth trajectories, resulting in cumulative annualised gross merchandise value (GMV) growth of 57%. Combined contributions from the portfolio businesses saw segment revenues more than doubling (increasing 57% in local currency and excluding acquisitions and disposals) to US$377m. However, as we invested further to provide these businesses with additional scale, trading losses expanded to US$171m.

iFood remains the clear leader in Brazil and holds competitive positions in Mexico and Colombia. iFood processed more than 17.4 million orders in March 2019 in Brazil, compared to 7.6 million orders in the same month last year, with a network of over 66 000 active restaurants and 120 000 couriers.

Swiggy, India's leading online food-ordering and delivery company, posted significant growth with annualised GMV growth of 265% on the back of a 320% increase in annualised order volumes. Swiggy now operates in over 130 cities with its more than 85 000 restaurant partners. In January 2019, we invested an additional US$637m in Swiggy, bringing our effective interest to 39% (35% fully diluted).

For its year ended 31 December 2018, Delivery Hero reported revenue growth from continuing operations of 47% to €665m, with order volumes climbing 49% to 369 million. More information on Delivery Hero's results is available at https://ir.deliveryhero.com.

Given the significant potential of this segment, its nascency and good portfolio of Naspers assets, in November 2018, Naspers, Innova and Just Eat committed to invest US$500m in iFood to enable iFood to accelerate growth by expanding coverage and investment in first-party delivery capabilities, speed up product development and innovation and deliver personalised experiences to its customers. This commitment will result in increased investment in the year ahead. Swiggy will also continue to increase investment and Delivery Hero has recently, as part of its results announcements, outlined plans to invest further. These investment plans could create significant value for Naspers.

Etail

Etail recorded good growth, with revenues rising 20% to US$1.8bn, measured in local currency and adjusted for the disposals of Flipkart in August 2018 as well as Souq and Konga last year. On a similar basis, trading losses reduced 14% to US$150m as the business continued to scale.

As outlined above, we disposed of our interest in equity-accounted online retailer Flipkart during the year and accordingly include only seven months of its results for segmental reporting purposes, reflecting our share of Flipkart's earnings to the date of disposal.

Central and Eastern Europe's leading business-to- consumer (B2C) platform, eMAG, continued to outpace the market across its footprint with GMV growing 25% in Romania, its home market. Both the retail and marketplace businesses continued to contribute strongly to eMAG's overall results, reflected in year-on-year profitability rising 46% on the back of higher gross profit margins.

In South Africa, Takealot further solidified its market presence as the country's leading B2C platform, growing GMV by 42% and revenue by 69%.Takealot also posted market share gains in its online food-delivery business, Mr D Food, which recorded GMV growth of over 170%.The results of Mr D Food are reported as part of the Etail segment as its logistics are closely integrated with Takealot. In October 2018,Takealot merged its online fashion brand, Superbalist, with Spree, the online fashion brand owned by Media24. The combined business operates under the Superbalist brand and its results are reported as part of Etail for segmental reporting purposes.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

<u>Travel</u>

Our equity-accounted online travel investment in India, MakeMyTrip, reported increased revenues across its verticals. Gross hotel bookings rose 17% in local currency terms and standalone room nights rose 23%. Air-travel transactions were up 29%. MakeMyTrip continued to improve the unit economics of its hotels business, resulting in our share of its trading losses declining by a meaningful 39%. Our share of MakeMyTrip's revenue increased 30% year on year. In April 2019, we announced the exchange of our 43% interest in MakeMyTrip for a 5.6% interest in Ctrip.com International Limited. This transaction is expected to be finalised in the second half of the 2019 calendar year and is subject to regulatory approval.

More information on MakeMyTrip's results is available at http://investors.makemytrip.com.

Tencent

For the year ended 31 December 2018,Tencent's revenues of RMB313bn were up 32%. Non-GAAP profit attributable to shareholders (Tencent's measure of normalised performance) grew 19% to RMB77bn.

Revenues from value-added services increased 15% to RMB177bn, with online games revenues growing 6% to RMB104bn and social networks revenues rising 30% to RMB73bn. Online advertising revenues rose 44% to RMB58bn. Other revenues (mainly payment and cloud-services revenues) rose 80% to RMB78bn.

Tencent continues to lead in China with 10 of the top 20 mobile apps. Weixin and WeChat's combined monthly active users reached 1.1 billion and its super-app status was strengthened by the expansion of Weixin Mini Programs.Tencent strengthened engagement with young users as QQ introduced innovative and artificial intelligence- empowered features that make the chat experience more fun and interactive. Leveraging its rich intellectual property portfolio,Tencent provides digital content to its users across online media platforms, with total subscriptions now exceeding 100 million.The Tencent group achieved healthy advertising revenue growth by connecting more advertisers across more platforms with more accurate user-targeting capabilities.

Despite a new regulatory dispensation that affected the rollout of online games generally and weighed on Tencent's online games revenue growth, it maintained its leading position in the Chinese online games market and continued to grow its global presence.Tencent extended its leadership in mobile payments in terms of active user accounts and number of transactions with over 1 billion payment transactions per day in 2018, driven by rapid growth in commercial payments – where revenue and transaction volumes more than doubled in 2018.

Tencent is increasing investment in its core infrastructure and emerging technologies to embrace the trend of smart retail, enabling its enterprise partners to better connect with its users via an expanding, open and connected ecosystem, making the customer experience more satisfying and more personalised.

More information on Tencent's results is available at www.tencent.com/en-us/ir.

Mail.ru

Mail.ru's revenue for the year to December 2018 grew 33% to RUB75bn. Advertising revenue continued to grow strongly, with mobile advertising on social networks still the fastest-growing area. Hustle Castle, a mobile game developed by Mail.ru, became its largest game. War Robots and Warface continued to record solid growth and perform well.

International revenue now accounts for over 63% of Mail.ru's online games revenues.

Delivery Club remains the largest online food- delivery platform in Russia, with monthly active users growing 67% year on year. Mail.ru acquired the remaining 80% of United Media Agency, an aggregator and distributor of digital content in Russia. It now has the largest content subscription user base in Russia with 2.1 million paid and trial subscriptions.

More information on Mail.ru's results is available at https://corp.mail.ru/en/investors/.

SEGMENTAL REVIEW (continued)

PROSPECTS

Our focus in the year ahead will remain on driving profitability in our established ecommerce segments, accelerating investment to scale food delivery, extending products and services in our core segments, and using our strong balance sheet to selectively invest in new opportunities. We will also improve the competitiveness of our platforms by continuing to invest in tech and product and reinforce our artificial intelligence (AI) capabilities.

We intend to complete the listing of our international ecommerce assets on Euronext Amsterdam in July 2019, creating a new opportunity for international technology investors to access our unique portfolio and reducing our weighting on the JSE – a step we believe will help us maximise shareholder value over time.

SHARE CAPITAL

The authorised share capital at 31 March 2019 was:

- 1 250 000 A ordinary shares of R20 each
- 500 000 000 N ordinary shares of 2 SA cents each

The issued share capital at 31 March 2019 was:

- 907 128 A ordinary shares of R20 each
- 438 656 059 N ordinary shares of 2 SA cents each

Refer to note 19 to the consolidated annual financial statements for information regarding changes in the group’s share capital during the year.

PROPERTY, PLANT AND EQUIPMENT

At 31 March 2019, the group’s investment in property, plant and equipment amounted to US$190.8m (2018: US$1.64bn). Details are reflected in note 5 of the consolidated annual financial statements.

Capital commitments at 31 March 2019 amounted to US$18.8m (2018: US$16.5m).

DIVIDENDS

The board recommends that a dividend of 715 SA cents (2018: 650 SA cents) per listed N ordinary share be declared and 143 SA cents (2018: 130 SA cents) per unlisted A ordinary share. Dividends are declared and paid in SA rand, with the relevant exchange rate announced at the time of the dividend payment.

GROUP

Naspers is not a subsidiary of any other company. The name, country of incorporation and effective financial percentage interest of the holding company in each of the Naspers group’s principal subsidiaries are disclosed in note 8 to the consolidated annual financial statements.

Details relating to significant acquisitions and divestitures during the year are highlighted in note 3 to the consolidated annual financial statements.

DIRECTORS

The directors’ names and details are presented on the next page and the company secretary’s name and business and postal addresses are presented on page 180. Directors’ shareholdings in the issued share capital of the company are disclosed in note 18 to the consolidated annual financial statements.

DIRECTORS (continued)

Directors and attendance at meetings:

	Date first appointed in current position	Date last appointed	Seven board meetings were held during the year. Attendance:	Category
J P Bekker[(1)]	17 April 2015	25 August 2017	7	Non-executive
E Choi	21 April 2017	28 August 2017	7	Independent non-executive
H J du Toit	1 April 2016	24 August 2018	5	Independent non-executive
C L Enenstein	16 October 2013	24 August 2018	7	Independent non-executive
D G Eriksson	16 October 2013	24 August 2018	7	Independent non-executive
G Liu[(2)]	1 April 2016	24 August 2018	7	Independent non-executive
R C C Jafta	23 October 2003	25 August 2017	7	Independent non-executive
F L N Letele[(3)]	22 November 2013	26 August 2016	7	Non-executive
D Meyer	25 November 2009	26 August 2016	7	Independent non-executive
R Oliveira de Lima	16 October 2013	24 August 2018	6	Independent non-executive
S J Z Pacak[(1)]	15 January 2015	25 August 2017	7	Non-executive
T M F Phaswana[(1)]	23 October 2003	25 August 2017	7	Independent non-executive
M R Sorour[(1)]	15 January 2015	24 August 2018	7	Non-executive
V Sgourdos[(1)]	1 July 2014	29 August 2014	7	Executive
J D T Stofberg	16 October 2013	26 August 2016	6	Non-executive
B van Dijk[(1)]	1 April 2014	29 August 2014	7	Executive
B J van der Ross	12 February 1999	25 August 2017	7	Independent non-executive

Notes

(1) Members of the executive committee.

(2) Resigned as Director on 25 February 2019.

(3) As a consequence of its listing on the JSE Limited and the subsequent distribution of the MultiChoice Group to shareholders, Nolo Letele became a non-executive director of the group.

Furthermore, we announced on 6 May 2019 that Ms Manisha Girotra will be appointed as an independent non-executive director of Naspers after the listing of Naspers's subsidiary, Prosus N.V. on the Euronext Amsterdam, which is expected to be implemented in July 2019. Ms Girotra will also serve on the board of Prosus N.V. and as a member of the Naspers and Prosus N.V. audit committees.

DIRECTORS (continued)

Committees and attendance at meetings:

	Executive committee		Audit committee[1]		Risk committee		Human resources and remuneration committee[1]		Nomination committee[1]		Social and ethics committee		
	One meeting held during the year.		**Five meetings held during the year. Attendance:**		**Five meetings held during the year. Attendance:**		**Five meetings held during the year. Attendance:**		**Four meetings held during the year. Attendance:**		**Four meetings held during the year. Attendance:**		**Category**
J P Bekker	√	1					√	5	√	4			Non-executive
E M Choi					√	5	√	5					Independent non-executive
H J du Toit									√	3			Independent non-executive
C L Enenstein							√	5	√	4			Independent non-executive
D G Eriksson			√	5	√	5					√	4	Independent non-executive
R C C Jafta			√	5	√	5			√	4	√	4	Independent non-executive
F L N Letele											√	3	Non-executive
D Meyer											√	3	Independent non-executive
R Oliveira de Lima							√	5	√	4			Independent non-executive
S J Z Pacak	√	1			√	5							Non-executive
T M F Phaswana	√	1					√	5	√	3			Independent non-executive
V Sgourdos	√	1			√	5							Executive
J D T Stofberg											√	3	Non-executive
B J van der Ross			√	5	√	5							Independent non-executive
B van Dijk	√	1			√	5					√	4	Executive
E Weideman[2]											√	2	Executive
M Davidson[3]											√	2	Executive

Notes

[1] *Executive directors attend meetings by invitation.*

[2] *Resigned as a member of the social and ethics committee on 30 September 2018.*

[3] *Appointed as a member of the social and ethics committee on 19 November 2018.*

√ *Member of committee.*

Report of the audit committee

for the year ended 31 March 2019

I am pleased to present the report of the audit committee for the year ended 31 March 2019. The audit committee submits this report, as required by section 94 of the South African Companies Act No 71 of 2008 (the Act).

MEMBERS OF THE AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS

This committee, chaired by Don Eriksson, comprises only independent non-executive directors. All members are financially literate and have business and financial acumen. The committee held five meetings during the past financial year. The chief executive and financial director attend committee meetings by invitation.

The names of the members who were in office during the financial year and the details of the audit committee meetings attended by each of the members are shown on page 11.

The committee has unrestricted access to company information falling within the committee's mandate and will liaise with management on the information it requires to carry out its responsibilities. Both internal and external auditors have unrestricted access to the committee through the chair. The internal and external auditors also have the opportunity at two meetings per year to report to the committee in the absence of management, or when appropriate to do so.

The chair of the board is not a member of the audit committee, but may attend meetings by invitation. Board members are entitled to attend committee meetings as observers. However, non-committee members are not entitled to participate without the consent of the chair; do not have a vote; and are not entitled to fees for attendance.

RESPONSIBILITIES

This committee's main responsibilities, in addition to its responsibilities in terms of the Companies Act, are as follows:

- Review and approve for presentation to and approval by the board, the company's integrated annual report, annual financial statements, interim and provisional reports, and any other company press releases with material financial or internal control impacts.
- Disclose in the integrated report significant matters that the audit committee has considered in relation to the annual financial statements, and how these were addressed by the committee.
- Review the viability of the company and the group on a going-concern basis, making relevant recommendations.
- Receive all audit reports directly from the external auditor.
- Annually review the external auditor and disclose the audit committee's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.
- Evaluate the lead partner of the external auditor, who will be subject to rotation as required by regulations.
- Present the committee's conclusions on the external auditor to the board, preceding the annual request to shareholders to approve the appointment of the external auditor.
- Approve the external auditor's terms of engagement and remuneration. Evaluate and provide commentary on the external auditor's audit plans, scope of findings, identified issues and reports.
- Pre-approve all audit and audit-related services provided by the external auditors.
- Develop a policy for the board to approve non-audit services performed by the external auditor. Approve non-audit services provided by the external auditor in accordance with this policy.
- Receive notice of reportable irregularities (as defined in the Auditing Profession Act) that have been reported by the external auditor to the Independent Regulatory Board for Auditors.
- Oversee the management of financial and other risks that affect the integrity of external reports issued by the company.

RESPONSIBILITIES (continued)

This committee's main responsibilities, in addition to its responsibilities in terms of the Companies Act, are as follows (continued):

- Evaluate the effectiveness of internal financial controls and disclose the audit committee's views on the effectiveness of the design and implementation of internal financial controls and on the nature and extent of any significant weaknesses in the design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption or error. Such views to be reported to the board and in the integrated annual report.
- Approve and recommend to the board for approval, the internal audit charter, which must be reviewed annually.
- Oversee the internal audit function and assisting the board in fulfilling the following responsibilities:
    - Set the direction for internal audit arrangements needed to provide objective and relevant assurance contributing to the effectiveness of governance, risk management and control processes.
    - Ensure that arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the company, and that internal audit is supplemented as required by specialists.
    - Confirm the appointment or dismissal of the head of the group's internal audit function and periodically review his/her performance.
    - Monitor that internal audit follows an approved risk-based internal audit plan, review the organisational risk profile regularly, and propose adaptations to the internal audit plan accordingly.
    - Ensure internal audit provides a statement annually as to the effectiveness of the company's governance, risk management and control process.
    - Ensure the internal audit function is subject to an external, independent quality review every five years.
    - Obtain confirmation annually from the head of the group's internal audit function that internal audit conforms to a recognised industry code of ethics.
- Review internal audit and the risk committee's reports to the audit committee.
- Review procedures to ensure that the requirements of the relevant stock exchanges are complied with.
- Review practices in light of the King IVTM Code on Corporate Governance and make specific disclosures recommended by the King IVTM Code.
- Monitor compliance with board-approved group levels of authority.
- Evaluate:
    - legal matters that may affect the financial statements
    - matters of significance reported by the internal and external auditors, and any other parties, including implied potential risks to the group and recommendations on appropriate improvements
    - major unresolved accounting or auditing issues, and
    - progress on completion of matters reported by the internal and external auditors.

RESPONSIBILITIES (continued)

This committee's main responsibilities, in addition to its responsibilities in terms of the Companies Act, are as follows (continued):

- Establish procedures for the receipt, retention and treatment of complaints received on accounting, internal control, auditing matters, risk management and management of other fraudulent activities, including procedures for confidential, anonymous reporting by employees.
- Annually evaluate the performance and appropriateness of the expertise and experience of the financial director and the finance function, and disclose the results in the integrated annual report.
- Compile a report to be inserted in the financial statements, describing how the audit committee carried out its functions and stating whether the committee is satisfied that the external auditors were independent of the company. Include in that report a statement regarding the effectiveness of the internal controls and, specifically, of the internal financial controls.
- Combined assurance:
  - Ensure that the arrangements for assurance services are effective in achieving the following objectives:
    - enabling an effective internal control environment
    - supporting the integrity of information used for internal decision-making by management, the board and its committees, and
    - supporting the integrity of external reports.
  - Ensure a combined assurance model is applied which incorporates and optimises the various assurance services and functions so that, taken as a whole, they support the objectives for assurance.
  - Ensure that the combined assurance model is designed and implemented to cover effectively the company's significant risks and material matters through a combination of assurance service providers and functions as is appropriate for the company.
  - Disclose in the integrated report the arrangements in place for combined assurance and the committee's views on its effectiveness. Report to shareholders at the annual general meeting on fulfilling its duties in terms of the Companies Act during the financial year.
- Execute assignments commissioned by the board.
- Annually assess its charter and recommend any required amendments for approval by the board.
- Annually review the charters of significant subsidiaries' audit committees, and review their annual assessment of compliance with these charters to establish if the Naspers committee can rely on the work of the subsidiary companies' committees.
- Perform a formal annual evaluation of whether the committee has fulfilled its responsibilities in terms of its charter and report these findings to the board.
- Review the JSE Limited's report on the proactive monitoring of financial statements.

Report of the audit committee

for the year ended 31 March 2019

KEY FOCUS AREAS DURING THE YEAR

The committee's key focus areas during the year included:

- discharging its functions in terms of its charter;
- reviewing the financial impact of the MultiChoice Group unbundling;
- assessing and reviewing the preparation of the Prosus N.V. prospectus and the combined financial information;
- assessing the impact of changes to accounting standards;
- ensuring group reporting meets JSE Listings Requirements; and
- implementing King IV™ recommendations.

FINANCIAL STATEMENT REPORTING ISSUES

The audit committee's main responsibility in relation to the group's financial reporting is to review, with both management and the external auditor, the appropriateness of the group's consolidated annual financial statements with its primary focus being on:

- the quality and acceptability of accounting policies and practices;
- material areas where significant judgements have been made, along with any significant assumptions or estimates, or where significant issues have been discussed with or challenged by the external auditor; and
- an assessment of whether the consolidated annual financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

The significant judgements and issues and conclusions reached/actions taken by the audit committee in relation to the 2019 annual financial statements are outlined in the adjacent table. The significant judgements and issues are broadly comparable in nature to prior years. Each of these matters was discussed with the external auditor and, where appropriate, has been addressed as a key audit matter in the report on the audit of the consolidated and separate financial statements on pages 19 to 25.

Significant reporting matter	**Conclusions reached/actions taken**
Accounting for the gain on distribution of the MultiChoice Group Limited (the MultiChoice Group) and the presentation of the video-entertainment segment as a discontinued operation *The group distributed its shares in its subsidiary, the MultiChoice Group, to shareholders during the current year (refer to note 3) as a distribution in specie. As a consequence of the distribution, the group's video-entertainment segments has been presented as a discontinued operation in the consolidated annual financial statements (refer to note 4).* *The transaction resulted in the recognition of a significant gain on distribution.*	*The audit committee reviewed the reporting of (i) the gain recognised on distribution of the MultiChoice Group to shareholders and (ii) the results of the video-entertainment segment as a discontinued operation.* *In addition, the audit committee received reporting from management on the calculation of the gain on distribution, including the reclassification of related foreign currency translation and other reserves to the income statement as part of the calculation of the total net gain on distribution.* *The audit committee was satisfied with the judgements applied by management and the presentation of the distribution transaction and results from discontinued operations in the consolidated annual financial statements.*
Impairment testing of goodwill and intangible assets The group's net asset value includes significant amounts of goodwill and intangible assets (refer to notes 6 and 7).	The audit committee received impairment reporting from management including the results of the group's annual impairment testing of goodwill and those assets where

Significant reporting matter	Conclusions reached/actions taken
These balances are tested at least annually for impairment and this process involves complex calculations and the exercise of critical management judgement regarding assumptions and estimates.	indicators of impairment existed. The audit committee reviewed this reporting in terms of the consistent application of management's testing methodology, the achievability of business plans and forecasts based on the Naspers board approval thereof and the critical assumptions applied. In addition, as impairment testing remains a key area of focus for the group's external auditor, the audit committee reviewed the external auditor's reporting on impairment testing. Consequently, the audit committee was satisfied with the appropriateness of the analysis performed by management and the impairment-related disclosures in the consolidated annual financial statements.
Share-based payments The group has a number of share-based compensation schemes (refer to note 45). The share-based payments arising therefrom involve complex valuations and the use of critical management judgement regarding assumptions and estimates.	The audit committee acknowledged that the human resources and remuneration committee reviews the valuations, including assumptions and allocations, of the share-based compensation schemes as well as the various scheme rules. The audit committee noted the report of the human resources and remuneration committee, as tabled at the Naspers board meeting, details the results of these reviews. The audit committee noted that these valuations and the underlying assumptions are used for the accounting of share-based payments. The audit committee also reviewed the accounting and disclosure of share-based payments in the annual financial statements. As a result, the audit committee concluded that that accounting and disclosure of share-based payments in the consolidated annual financial statements is appropriate.
Equity-accounted investments – Tencent Holdings Limited (Tencent) Equity-accounted investments (refer to notes 9 and 10) are significant to the consolidated annual financial statements and the group is required to make certain adjustments to the underlying results of investees in respect of any significant transactions that occur between the investees' year-ends and 31 March. These adjustments require the exercise of critical management judgement and are significant in terms of magnitude. Accounting for the group's investment in Tencent was a significant matter due to the significant contribution of the entity to the consolidated results of the group and the fact that Tencent has a year-end that is not coterminous with that of the group. For further information refer to note 2 and note 9.	The audit committee received feedback from the group's representatives on the audit committees of Tencent and other significant equity-accounted investments. The audit committee reviewed the reporting of the contribution of equity-accounted investments to the group's results and financial position as part of their review of the consolidated annual financial statements. In addition, the audit committee received reporting from management on significant lag-period adjustments and/or adjustments made to the underlying results of investees to align the investees' accounting policies to those of the group. The audit committee was satisfied with the adjustments made and the critical judgements applied by management.

INTERNAL AUDIT

The audit committee has oversight of the group's consolidated annual financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties.

The committee oversees cooperation between internal and external auditors, and serves as a link between the board of directors and these functions. The head of internal audit reports functionally to the chair of the committee and administratively to the financial director. An assessment of the effectiveness of the internal audit function, as well as the head of internal audit, is performed annually by the committee. Based on the assessment, the committee is of the opinion that the internal audit function, as well as the head of internal audit, is effective.

EFFECTIVENESS OF THE COMPANY'S INTERNAL FINANCIAL CONTROLS

The committee reports to the board that it is of the opinion that, based on enquiries made and the reports from the internal and external auditors, the risk management processes and systems of internal control of the company and its investments were effective for the year under review. No material weaknesses in financial control of the company and its subsidiaries were reported for the year under review.

INDEPENDENCE AND EFFECTIVENESS OF THE EXTERNAL AUDITOR

PricewaterhouseCoopers Inc. (PwC) was reappointed as auditor of the company until the next annual general meeting. PwC has been the auditor of Naspers for 104 years. The committee believes that the auditor has observed the highest level of business and professional ethics. The committee is satisfied that the auditor has at all times acted with unimpaired independence.

Details of fees paid to the external auditor are disclosed in note 29 to the consolidated annual financial statements on page 114. All non-audit services were approved by the committee during the current financial year in accordance with the board-approved policy on non-audit services performed by the external auditor. The partner responsible for the audit is required to rotate every five years. The committee meets with the auditor independently of senior management.

During the year, the audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the independence of the auditor. The quality of the external audit was reviewed, focusing on a range of factors considered relevant to audit quality and feedback from PwC on their performance against their own objectives, the committee concluded the external audit to be satisfactory.

It was confirmed that no unresolved issues of concern exist between the group and the external auditors.

CONFIDENTIAL MEETINGS

Audit committee agendas provide for confidential meetings between committee members and the internal and external auditors.

EXPERTISE AND EXPERIENCE OF FINANCIAL DIRECTOR AND THE FINANCE FUNCTION

As required by JSE Listings Requirement 3.84(h), the audit committee has satisfied itself that the financial director has appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skillset of the finance function met the group's requirements.

Based on an assessment performed annually, the committee is of the opinion that the finance function, as well as the financial director, is effective.

INTEGRATED COMBINED ASSURANCE

The board does not only rely on the adequacy of the internal control embedment process, but considers reports on the effectiveness of risk management activities from the risk committee. The committee ensures that the assurance functions of management as well as internal and external audit are sufficiently integrated and is satisfied with the effectiveness of the arrangements for combined assurance. The various assurance providers to the board comprise the following:

- senior management and the risk committee considers the company's risk strategy and policy, along with the effectiveness and efficiency thereof. The risk committee also considers the adequacy of risk management strategies, systems of internal control, risk profiles and legal compliance. The audit committee receives assurance from the risk committee that risk management activities are sufficiently addressed and effective; and
- the committee considers the systems of internal control, internal and external audit reports and also reviews the independence of the auditor, the extent and nature of audit engagements, scope of work and findings. This committee also reviews the level of disclosure in the consolidated annual financial statements and the appropriateness of accounting policies adopted by management, and jointly with the risk committee considers material issues of fraud and reporting on fraud. The board reviews the performance of the committee against its charter.

The chair of the committee reports to the board at the board meeting following each committee meeting on matters addressed by the committee at its last meeting.

DISCHARGE OF RESPONSIBILITIES

The committee determined that, during the financial year under review, it had discharged its legal and other responsibilities as outlined in terms of its remit, details of which are included in the full corporate governance report on www.naspers.com. The board concurred with this assessment.

KEY FOCUS AREAS GOING FORWARD

The committee's key focus for the 2020 financial year include:

- discharging its functions in terms of its charter;
- assessing the impact of changes to accounting standards;
- ensuring group reporting meets JSE Listings Requirements;
- implementing King IV™ recommendations;
- overseeing the implementation of the listing of Prosus N.V., if approved;
- focussing regularly on the group's working capital requirements and ensuring that the group and its subsidiaries continue to operate as going concerns; and
- reviewing and monitoring the accounting for potential mergers, acquisitions and disposal and the conduct of impairment tests.

Don Eriksson
Chair: Audit committee
21 June 2019

Report on the audit of the consolidated and separate financial statements

TO THE SHAREHOLDERS OF NASPERS LIMITED

OUR OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Naspers Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Naspers Limited's consolidated and separate financial statements set out on pages 26 to 179 comprise:

- the consolidated and company statements of financial position as at 31 March 2019;
- the consolidated income statement for the year then ended;
- the consolidated and company statements of comprehensive income for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended;
- the consolidated and company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in *the Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

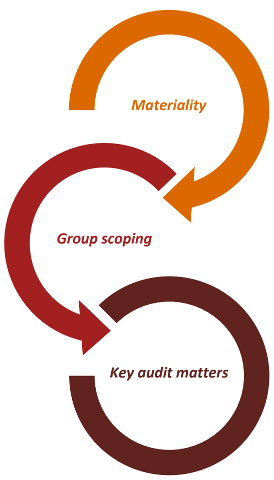
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018),* parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

OUR AUDIT APPROACH

Overview



Overall group materiality

US$219 500 000, which represents 5% of consolidated profit before tax from continuing operations.

Group audit scope

The components that are in scope include the significant components of the Group.

The main indicators used to identify significant components are revenue, profit before tax, total assets and total liabilities.

Key audit matters

1. Accounting for the gain on the distribution of the Video Entertainment segment and its presentation as a discontinued operation
2. Impairment assessment of goodwill and intangible assets arising from business combinations.
3. Valuation of share-based compensation schemes and share-based payments.
4. Accounting for equity accounted investments – Tencent Limited.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	US$ 219 500 000
How we determined it	5% of consolidated profit before taxation from continuing operations.
Rationale for the materiality benchmark applied	We chose profit before taxation from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our scoping assessment included consideration of significant components as well as taking into consideration the sufficiency of work performed over material line items in the financial statements.

The audits undertaken for group reporting purposes include the significant components of the group based on indicators such as the contribution to consolidated revenue, consolidated profit before tax, consolidated assets and consolidated liabilities. Significant components have been subjected to full scope audit procedures, whilst non-significant components have been subjected to either full scope audit procedures, review procedures or specified audit procedures based on the associated risk of the component. The group engagement team performed further audit and review procedures over the remaining balances and the consolidation process. In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, or by component auditors from other PwC network firms, or non-PwC firms operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the group. Where the work was performed by component auditors, we determined the level of involvement necessary in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the group financial statements as a whole. Detailed group audit instructions were communicated to all components in scope and a comprehensive audit approach and strategy session was held for significant component teams before commencing their respective audits. Throughout the audit, various planning, execution and completion meetings and discussions were held with the teams of the significant components. We visited the component audit team responsible for the audit of Tencent Limited in China.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the audit of the consolidated and separate financial statements

Key audit matter	How our audit addressed the key audit matter
1. Accounting for the gain on the distribution of the Video Entertainment segment and its presentation as a discontinued operation. On 17 September 2018 Naspers Limited ("Naspers") announced its intention to separately list its Video Entertainment business (the "Video Entertainment segment"/"disposal group") on the Johannesburg Stock Exchange (the "JSE") as Multichoice Group Limited and distribute its shares in this business to the Naspers shareholders. The assets and liabilities of the Video Entertainment segment were accordingly classified as held for distribution at that date and the Video Entertainment segment is presented as a discontinued operation in the current and comparative income statement. The areas considered to be of most significance to the audit related to (i) the unbundling (disposal) of the Video Entertainment segment; (ii) calculation of the gain/loss on unbundling; and (iii) the presentation of the Video Entertainment segment as a discontinued operation. The distribution, which was effected through a declaration of a dividend in specie, was finalised on 4 March 2019. However, as trading in the shares of the MultiChoice Group by shareholders commenced on the JSE on 27 February 2019, Naspers Limited accounted for the distribution as at that date, being the date the transaction became unconditional and Naspers relinquished control of the related shares. The accounting for the gain on the distribution and the disclosure of the Video Entertainment segment as a discontinued operation was a matter of most significance to our audit due to the complexity of the calculation, specifically the accuracy and completeness of the entities included in the disposal group and the accuracy and completeness of the consolidation journal entries pertaining to the distribution, the magnitude of the gain recognised and the pervasive disclosures required. *For further information refer to note 2 (accounting policies) and notes 3 and 4 (financial disclosures).*	We issued audit instructions to the component auditors of the significant entities forming part of the Video Entertainment segment, being MultiChoice South Africa Holdings Proprietary Limited, MultiChoice Africa Holdings BV and Irdeto Holdings BV to perform an audit of the financial information for the 11 month results ended 28 February 2019. The instructions covered the significant audit areas that the component auditors should focus on, as well as the information required to be reported back to the Group audit team. We did this to gain comfort on the amount that should be included within the profit from discontinued operations as well as the carrying value of the Video Entertainment segment prior to the distribution. We inspected the signed board resolution evidencing the in specie dividend declaration to ensure the Group complied with the requirements of Section 46 of the Companies Act of South Africa, 2008, and noted that trading of the MultiChoice Group Limited shares began on the 27th February 2019, and noted that trading of the MultiChoice Group Limited shares began on the 27th February 2019. We tested the gain on distribution of the Video Entertainment segment by recalculating the fair value of the distribution of the disposal group with reference to the listed share price and deducting the net assets distributed which have been agreed to the underlying audited accounting records. Particular attention was paid to the accuracy and completeness of the entities that were included in the disposal group, by agreeing the entities that were included in the disposal group to management's distribution step-plan. We also agreed that all significant consolidation journal entries that pertain to the disposal group were accurately accounted for in the calculation of the gain on distribution by assessing the full journal listing of the Group and independently identifying those journals pertaining to the disposal group. We have tested the mathematical accuracy of the cumulative Foreign Currency Translation Reserve ("FCTR") that was recycled in the gain on the distribution through performing an independent recalculation. Owing to the various complexities noted above and the pervasiveness of the disclosure pertaining to the discontinued operations, we made use of our technical accounting specialists as part of our audit to review and comment on areas including the classification as held for distribution and the presentation as a discontinued operation in the financial statements.

Key audit matter	How our audit addressed the key audit matter
	We evaluated the presentation of the results of the Video Entertainment segment as a discontinued operations by comparing it to the requirements of IFRS 5, 'Non-current Asset Held for Sale and Discontinued Operations' and found that the disclosures included were in line with the requirements of the standard.
<u>2. Impairment assessment of goodwill and intangible assets arising from business combinations.</u> Due to the number of business combinations the Group enters into, the Group's net assets include a significant amount of goodwill and intangible assets. Some of the businesses that these balances relate to are still at an early stage in their lifecycle and as such, there is a risk that they may not trade in line with initial expectations and forecasts, resulting in the carrying amount of goodwill and intangible assets being impaired. Goodwill is tested annually for impairment or whenever there is an impairment indicator identified by management. Intangible assets are tested when an impairment indicator is identified. Management calculated the 'recoverable amount' relating to each individual cash generating unit based on 'value-in-use' by using discounted cash flow models as this is deemed to be the best valuation method for management's intended realisation of the business value. The impairment assessment of goodwill and intangible assets was a matter of most significance to our audit due to the complexity and judgement involved regarding the future results of the relevant businesses, the discount rates applied to future cash flow forecasts and the terminal growth rates utilised by management. *For further information refer to note 2 (accounting policy) and note 6 and 7 (financial disclosures).*	We have tested the mathematical accuracy of the valuation models through performing a recalculation of each valuation, and evaluated the appropriateness of the approach adopted by management in the valuation models by comparing the approach with market practice and the applicable requirements of IAS 36, 'Impairment of Assets' which was also agreed with our internal valuation experts. We assessed the Group's budgeting procedures (upon which forecasts are based) and agreed management's forecasts to the Board approved budgets of the relevant businesses. We compared and analysed the performance of the various businesses against the prior years, and discussions were held with management on the reasonability of the forecasts utilised in the valuations. With the assistance of our internal valuation experts we considered the appropriateness of the discount rates and the terminal growth rates for reasonability by performing the following procedures: 1. Comparing the terminal growth rates to long-term growth rates most reflective of the underlying Cash Generating Units operations, obtained from independent external sources; and 2. Comparing the inputs to the weighted average cost of capital discount rate to independently obtained data such as the cost of debt, risk free rates in the market, market risk premiums, debt/equity ratios as well as the beta of comparable companies. The terminal growth rates and discount rates used by management were considered to be within an acceptable range of our independent calculations. To ascertain the maximum decline that would result in limited or no headroom between the value-in-use and the carrying value of the net assets of the business, we also performed independent sensitivity analyses around the key inputs such as the terminal growth rate, the discount rate and the significant assumptions included in the forecast cash flows for each business as discussed above. We compared our results with that of management in terms of identifying those businesses that are considered sensitive or for which the recording of an impairment charge was required, noting that management's calculations were in line with our independent assessment.
<u>3. Valuation of share-based compensation schemes and share-based payments</u>	We assessed the terms of all new share-based compensation schemes and share-based payment plans implemented in the current year as well as any changes to

Report on the audit of the consolidated and separate financial statements

Key audit matter	How our audit addressed the key audit matter
A number of equity compensation plans are used where share options / share appreciation rights (SARs) are granted to employees in the Group. Due to the size of the Group, the volume of share based transactions and the complexity surrounding the valuations, specifically the assumptions, judgements and estimates of the underlying businesses relating to each scheme, the valuation of share based compensation schemes and share based payments was a matter of most significance to the audit. The following share schemes were considered to be most significant in terms of their contribution to the total employee benefit expense recognised in the income statement: ● MIH Services FZ LLC ● Naspers Global Ecommerce ● Naspers Restricted Stock Plan (RSU) ● Naspers Global Classifieds ● MIH Holdings Share Trust *For further information refer to note 2 (accounting policy) and note 45 (financial disclosures).*	existing plans in terms of the guidance set forth in IFRS 2, "Share-based Payment".We traced the share movements to relevant supporting documentation by: 1. Agreeing the share option/right offers per the calculation to trustee resolutions; 2. Agreeing the share option/right sales per the calculation to sales requisitions; 3. Agreeing share option/right forfeitures within the calculation to supporting documentation such as resignation or dismissal letters. We have tested the mathematical accuracy of the option valuation models through performing a recalculation of each valuation, and we evaluated whether the approach adopted by management in the option valuation models is in line with market practice. This was also agreed with our internal valuation experts. With the assistance of our internal valuation experts we assessed the key inputs in the option valuation calculation by performing the following procedures: 1. Risk free rates were agreed to independently obtained data; 2. Expected volatility rates for listed companies were agreed to independently obtained external data, and for unlisted companies it was agreed to volatility rates of comparable companies in the market; 3. Dividend yields were assessed by agreeing the share price information to independently obtained data and recalculating the average historical dividend yield; 4. Forfeitures rates were assessed for reasonability in terms of the three year history of forfeitures for each grant of the relevant share option/share appreciation right scheme. The key inputs listed above as obtained from management were considered to be within an acceptable range of our independent calculations.
<u>4. Accounting for equity accounted investments – Tencent Limited</u> The Group holds significant equity accounted investments accounted for in terms of IAS 28, 'Investments in Associates and Joint Ventures'. The Tencent investment has a year-end (31 December) that is not coterminous with that of the Group. The Group's accounting policy is to account for an appropriate lag period in reporting on their results. Any significant transactions that occur between Tencent's year-end and 31 March (the Group's year-end) are taken into account in the equity-accounted results of the investment. Accounting for the equity accounted investment in Tencent was a matter of most significance due to the significant contribution of the associate investment to the consolidated	We issued audit instructions to the component auditors of Tencent Limited. The instructions covered the significant audit areas that the Tencent auditors should focus on, as well as the information required to be reported back to the Group audit team. Throughout the audit, various planning, execution and completion meetings and discussions were held with the component auditors of Tencent Limited. We assessed the competence, knowledge and experience of our component audit team, and evaluated significant audit areas to assess the adequacy of the procedures performed. We visited the component audit team responsible for the audit of Tencent Limited in China. We obtained the equity accounted results recorded by the Group and agreed them to the audited financial results of

Key audit matter	How our audit addressed the key audit matter
results of the Group, and the fact that the investment has a year-end that is not coterminous with that of the Group. *For further information refer to note 2 (accounting policy) and note 9 (financial disclosures).*	Tencent Limited. As Tencent Limited's year end is not coterminous with Naspers Limited, lag period adjustments and top level adjustments prepared by management were recalculated to gain comfort that all material lag period adjustments were appropriately accounted for. We independently assessed the accounting policies of the associate to that of the Group to ensure consistency with the Group accounting policies and compliance with IFRS. Where differences were identified, these were adjusted to be in line with Naspers accounting policies.

Separate financial statements:

We have determined that there are no key audit matters in respect of the separate financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Naspers Limited Annual financial statements for the year ended 31 March 2019" and in the document titled "Naspers Limited Integrated Annual Report 2019", which includes the Certificate by the company secretary, the report of the Audit Committee, and the Directors' Report to shareholders as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc, and a number of its predecessor firms have been the auditors of Naspers Limited since the company's formation in 1915 (104 years).

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: Brendan Deegan
Registered Auditor
Cape Town, South Africa
21 June 2019

Consolidated statement of financial position

as at 31 March 2019

	Notes	31 March 2019 US$'m	31 March 2018 Restated* US$'m
ASSETS			
Non-current assets		**23 133**	22 386
Property, plant and equipment	5	**191**	1 638
Goodwill	6	**2 120**	2 607
Other intangible assets	7	**877**	1 143
Investments in associates	9	**19 746**	16 666
Investments in joint ventures	10	**96**	78
Investments and loans	11	**74**	115
Other receivables	16	**7**	21
Derivative financial instruments	42	**1**	1
Deferred taxation	12	**21**	117
Current assets		**10 552**	13 065
Inventory	14	**209**	231
Programme and film rights	13	**-**	240
Trade receivables	15	**172**	452
Other receivables	16	**515**	758
Related party receivables		**3**	4
Derivative financial instruments	42	**4**	11
Short-term investments	39	**7 298**	-
Cash and cash equivalents	40	**2 284**	11 369
		10 485	13 065
Assets classified as held for sale	17	**67**	-
TOTAL ASSETS		**33 685**	35 451
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders		**27 999**	25 523
Share capital and premium	19	**4 945**	4 965
Other reserves	20	**(739)**	425
Retained earnings	21	**23 793**	20 133
Non-controlling interests		**132**	169
TOTAL EQUITY		**28 131**	25 692
Non-current liabilities		**3 973**	5 623
Post-employment medical liability	22	**21**	30
Long-term liabilities	23	**3 245**	4 301
Other non-current liabilities	24	**538**	867
Provisions	25	**6**	9
Derivative financial instruments	42	**33**	157
Deferred taxation	12	**130**	259
Current liabilities		**1 581**	4 136
Current portion of long-term debt	23	**23**	280
Provisions	25	**19**	51
Trade payables		**287**	564
Accrued expenses and other current liabilities	26	**1 219**	3 061
Related party payables		**6**	17
Taxation payable		**13**	31
Dividends payable		**1**	2
Derivative financial instruments	42	**3**	129
Bank overdrafts	40	**8**	1
		1 579	4 136
Liabilities classified as held for sale	17	**2**	-
TOTAL EQUITY AND LIABILITIES		**33 685**	35 451

The accompanying notes are an integral part of these consolidated annual financial statements.

** Refer to note 2 for details of restatement.*

Consolidated income statement

for the year ended 31 March 2019

	Notes	31 March 2019 US$'m	2018 Restated* US$'m
Continuing operations			
Revenue from contracts with customers	28	**3 291**	2 985
Cost of providing services and sale of goods	29	**(2 104)**	(1 884)
Selling, general and administration expenses	29	**(1 716)**	(1 728)
Other (losses)/gains - net	30	**(38)**	(32)
Operating loss		**(567)**	(659)
Interest income	31	**284**	52
Interest expense	31	**(205)**	(197)
Other finance income/(costs) - net	31	**130**	(379)
Share of equity-accounted results	9, 10	**3 410**	3 285
Impairment of equity-accounted investments	9, 10	**(88)**	(46)
Dilution (losses)/gains on equity-accounted investments	9, 10	**(182)**	9 216
Gains/(losses) on acquisitions and disposals	32	**1 609**	(93)
Profit before taxation		**4 391**	11 179
Taxation	33	**(229)**	(70)
Profit from continuing operations		**4 162**	11 109
Profit from discontinued operations	4	**2 759**	190
Profit for the year		**6 921**	11 299
Attributable to:			
Equity holders of the group		**6 901**	11 358
Non-controlling interests		**20**	(59)
		6 921	11 299
Earnings per N ordinary share (US cents) from continuing operations			
Basic	34	**976**	2 604
Diluted	34	**961**	2 585
Earnings per N ordinary share (US cents) from discontinued operations			
Basic	34	**621**	27
Diluted	34	**618**	27

The accompanying notes are an integral part of these consolidated annual financial statements.

** Refer to note 2 for details of restatement.*

Consolidated statement of comprehensive income

for the year ended 31 March 2019

	Notes	31 March 2019 US$'m	31 March 2018 Restated* US$'m
Profit for the year		**6 921**	11 299
Other comprehensive income[1]			
Foreign currency translation reserve		**(1 529)**	996
Exchange (loss)/gain arising on translating the net assets of foreign operations		**(1 529)**	1 033
Foreign currency translation reserve reclassified to the income statement		**-**	(37)
Fair-value gains/(losses)	20	**11**	(4)
Fair-value gains/(losses) on financial assets at fair value through other comprehensive income[2]		**11**	(4)
Hedging reserve	42	**145**	(85)
Net movement in hedging reserve		**115**	(98)
Hedging reserve reclassified to the income statement		**54**	-
Net tax effect of movements in hedging reserve		**(24)**	13
Share of equity-accounted investments' direct reserve movements		**918**	835
Share-based compensation reserve		**395**	361
Valuation reserve[3]	20	**344**	400
Valuation reserve reclassified to the income statement [3]	20	**-**	(106)
Foreign currency translation reserve		**179**	180
Total other comprehensive income, net of tax, for the year		**(455)**	1 742
Total comprehensive income for the year		**6 466**	13 041
Attributable to:			
Equity holders of the group		**6 452**	13 026
Non-controlling interests		**14**	15
		6 466	13 041

[1] All components of other comprehensive income may subsequently be reclassified to profit or loss except for fair value gains of US$10.8m and gains of US$752.4m(2018: US$361m) included in the share of equity accounted investments' direct reserve movements.

[2]Previously referred to as available-for-sale investments in terms of IAS 39 Financial Instruments: Recognition and Measurements. Following the application of IFRS 9 Financial Instruments in 2019, fair value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods.

[3] Relates to fair-value changes on financial assets at fair value through other comprehensive income (previously referred to as available-for-sale investments) of equity-accounted investments. Following the application of IFRS 9 Financial Instruments in 2019, fair value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods.

The accompanying notes are an integral part of these consolidated annual financial statements.

** Refer to note 2 for details of restatement.*

Consolidated statement of changes in equity

for the year ended 31 March 2019

	Share capital and premium										
	A shares US$'m	N shares US$'m	Foreign currency trans-lation reserve US$'m	Hedging reserve US$'m	Valuation reserve US$'m	Existing control business combi-nation reserve US$'m	Share-based compen-sation reserve US$'m	Retained earnings US$'m	Share-holders' funds US$'m	Non-control-ling interest US$'m	Total US$'m
Balance at 1 April 2017	2	4 942	(1 852)	(30)	1 387	(1 652)	1 147	8 912	12 856	286	13 142
Total comprehensive income for the year	-	-	1 093	(76)	290	-	361	11 358	13 026	15	13 041
Profit for the year (restated)	-	-	-	-	-	-	-	11 358	11 358	(59)	11 299
Total other comprehensive income for the year	-	-	1 093	(76)	290	-	361	-	1 668	74	1 742
Share capital movements	-	85	-	-	-	-	-	-	85	-	85
Treasury share movements	-	(64)	-	-	-	-	-	-	(64)	-	(64)
Share-based compensation movement	-	-	-	-	-	-	75	-	75	-	75
Transactions with non-controlling shareholders	-	-	-	-	-	(195)	-	-	(195)	21	(174)
Foreign exchange movements on equity reserves	-	-	(2)	-	2	-	-	-	-	-	-
Direct retained earnings and other movements	-	-	-	-	-	-	(123)	125	2	-	2
Dividends	-	-	-	-	-	-	-	(262)	(262)	(153)	(415)
Balance at 31 March 2018 (restated)	2	4 963	(761)	(106)	1 679	(1 847)	1 460	20 133	25 523	169	25 692
Balance at 1 April 2018 (restated)	**2**	**4 963**	**(761)**	**(106)**	**1 679**	**(1 847)**	**1 460**	**20 133**	**25 523**	**169**	**25 692**
Change in accounting policy (refer to note 2)	-	-	-	-	(838)	-	-	838	-	-	-
Restated balance at 1 April 2018	2	4 963	(761)	(106)	841	(1 847)	1 460	20 971	25 523	169	25 692
Total comprehensive income for the year	**-**	**-**	**(1 329)**	**130**	**355**	**-**	**395**	**6 901**	**6 452**	**14**	**6 466**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6 901**	**6 901**	**20**	**6 921**
Total other comprehensive income for the year	**-**	**-**	**(1 329)**	**130**	**355**	**-**	**395**	**-**	**(449)**	**(6)**	**(455)**
Share capital movements	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Treasury share movements	**-**	**(20)**	**-**	**-**	**-**	**-**	**-**	**-**	**(20)**	**-**	**(20)**
Share-based compensation movement	**-**	**-**	**-**	**-**	**-**	**-**	**30**	**-**	**30**	**3**	**33**
Transactions with non-controlling shareholders[(1)]	**-**	**-**	**-**	**-**	**-**	**930**	**-**	**(890)**	**40**	**64**	**104**
Foreign exchange movements on equity reserves	**-**	**-**	**(4)**	**-**	**3**	**-**	**-**	**(1)**	**(2)**	**(2)**	**(4)**
Direct retained earnings and other movements			**24**	**(24)**	**(439)**	**(210)**	**(187)**	**836**	**-**	**-**	**-**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(196)**	**(196)**	**(116)**	**(312)**
Distribution in specie[(2)]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3 828)**	**(3 828)**	**-**	**(3 828)**
Balance at 31 March 2019	**2**	**4 943**	**(2 070)**	**-**	**760**	**(1 127)**	**1 698**	**23 793**	**27 999**	**132**	**28 131**

The accompanying notes are an integral part of these consolidated annual financial statements.

Refer to note 2(u) for details of the restatements.

[(1)]Current year change includes the derecognition of non-controlling interest of US$79.8m related to the MultiChoice Group which was distributed to shareholders (refer note 3).

[(2)]Relates to the MultiChoice Group which was distributed to shareholders during the current year (refer to note 3).

Consolidated statement of cash flows

for the year ended 31 March 2019

	Notes	31 March 2019 US$'m	31 March 2018 US$'m
Cash flows from operating activities			
Cash from operations	35	**322**	141
Dividends received from investments and equity-accounted companies		**344**	251
Cash generated from operating activities		**666**	392
Interest income received		**244**	81
Interest costs paid		**(252)**	(240)
Taxation paid		**(248)**	(391)
Net cash generated from/(utilised in) operating activities		**410**	(158)
Cash flows from investing activities			
Property, plant and equipment acquired		**(136)**	(133)
Proceeds from sale of property, plant and equipment		**3**	20
Intangible assets acquired		**(19)**	(26)
Proceeds from sale of intangible assets		**-**	1
Acquisitions of subsidiaries and businesses, net of cash acquired	36	**(104)**	(16)
Disposals of subsidiaries and businesses	37	**(508)**	40
Acquisition of associates	38	**(547)**	(707)
Disposal of associates	3	**1 930**	-
Partial disposals of associates		**4**	9 763
Additional investment in existing associates	38	**(733)**	(1 217)
Acquisition of joint ventures	38	**-**	-
Additional investments in existing joint ventures	38	**(18)**	(17)
Disposal of joint ventures		**34**	138
Acquisition of short-term investments[1]		**(7 230)**	-
Cash movement in other investments and loans		**(2)**	7
Net cash (utilised in)/generated from investing activities		**(7 326)**	7 853
Cash flows from financing activities			
Proceeds from long- and short-term loans raised		**62**	1 124
Repayments of long- and short-term loans		**(51)**	(827)
Additional investments in existing subsidiaries	3	**(1 610)**	(219)
Repayments of capitalised finance lease liabilities		**(59)**	(52)
Outflow from equity-settled share-based compensation transactions		**(119)**	(22)
Transactions with non-controlling shareholders		**51**	(48)
Dividends paid by subsidiaries to non-controlling shareholders		**(118)**	(159)
Dividend paid by holding company		**(199)**	(185)
Net cash utilised in financing activities		**(2 043)**	(388)
Net movement in cash and cash equivalents		**(8 959)**	7 307
Foreign exchange translation adjustments on cash and cash equivalents		**(133)**	58
Cash and cash equivalents at the beginning of the year		**11 368**	4 003
Cash and cash equivalents at the end of the year	40	**2 276**	11 368

[1] Relates to short-term cash investments with maturities of more than three months from the date of acquisition. Refer to note 39 for further information.

The accompanying notes are an integral part of these consolidated annual financial statements.

Cash flow information includes cash flows associated with discontinued operations (refer to note 4 for further information).

1. NATURE OF OPERATIONS

Naspers Limited (Naspers or the group) is a global consumer internet group and one of the largest technology investors in the world. Operating and investing in countries and markets across the world with long-term growth potential, Naspers builds leading companies that empower people and enrich communities. The group operates and partners a number of leading internet businesses across the Americas, Africa, Central and Eastern Europe, and Asia in sectors including online classifieds, food delivery, payment and fintech, travel, education, health, and social and internet platforms.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These accounting policies have been consistently applied to all years presented, except as outlined below.

The consolidated and separate annual financial statements of the group are presented in accordance with, and comply with International Financial Reporting Standards (IFRS) and interpretations of those standards as issued by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act No 71 of 2008. The consolidated and separate annual financial statements are prepared using the historic cost convention apart from certain financial instruments (including derivative instruments) and cash-settled share-based payment schemes stated at fair value.

Discontinued operations presentation

Prior-period financial information as contained in the income statement has been restated to reflect the results of the group’s video-entertainment segment as a discontinued operation (refer to note 3 for further details regarding the distribution of the MultiChoice Group to shareholders during the current period). Amounts reported in the statement of comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity however reflect items from both continuing and discontinued operations.

From the date on which disposal groups are classified as held for sale/distribution, the group applies the measurement provisions of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* which includes, amongst other requirements, the cessation of the recognition of depreciation and amortisation. Where disposal groups are classified as held for distribution and qualify for presentation as discontinued operations, the group presents those disposal groups as discontinued operations only after the distribution has been carried out.

Accounting judgements and sources of estimation uncertainty

The preparation of the consolidated and separate annual financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates and assumptions affect the reported amounts of assets, liabilities and contingent assets and liabilities at the statement of financial position date as well as the reported income and expenses for the year. Although estimates are based on management’s best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ from these estimates.

Estimates are made regarding the fair value of intangible assets recognised in business combinations; impairment of goodwill (refer to note 6); other intangible assets (refer to note 7); financial assets carried at amortised cost and other assets (refer to note 15); the remeasurements required in business combinations and disposals of associates, joint ventures and subsidiaries (refer to note 32); the valuation and remeasurement of written put option liabilities (refer to note 24) ; taxation (refer to note 33) and equity compensation benefits (refer to note 45). Where relevant, the group has provided sensitivity analyses demonstrating the impact of changes in key estimates and assumptions on reported results.

2. PRINCIPAL ACCOUNTING POLICIES

Accounting judgements and sources of estimation uncertainty *(continued)*

The following accounting judgements had the most significant impact on the consolidated annual financial statements:

Lag periods applied when reporting results of equity-accounted investments

Where the reporting periods of associates and joint ventures (equity-accounted investments) are not coterminous with that of the group and/or it is impracticable for the relevant equity-accounted investee to prepare financial statements as of 31 March (for instance due to the availability of the results of the equity-accounted investee relative to the group's reporting period), the group applies an appropriate lag period of not more than three months in reporting the results of the equity-accounted investees. Any significant transactions and events that occur between the non-coterminous reporting periods are adjusted for. The group exercises significant judgement when determining the transactions and events for which adjustments are made.

Accounting for written put option liabilities

The group accounts for all written put options as liabilities equal to the present value of the expected redemption amount payable in the statement of financial position. This applies regardless of whether the group has the discretion to settle in its own equity instruments.

Accounting for equity compensation benefits

The group recognises equity- and cash-settled share-based payment expenses arising from its various share incentive schemes and exercises significant judgement when calculating these expenses. Expenses are generally based on the fair values of awards granted to employees. Fair value is measured using appropriate valuation and option pricing models, where applicable. The values assigned to the key assumptions used in the valuation models for the group's most significant share incentive schemes are disclosed in note 45.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation

The consolidated annual financial statements include the results of Naspers Limited and its subsidiaries, associated companies and joint ventures.

Subsidiaries

Subsidiaries are entities over which the group has control. The existence and effect of potential voting rights are considered when assessing whether the group controls another entity to the extent that those rights are substantive. Subsidiaries are consolidated from the date on which control is obtained (acquisition date) up to the date control ceases. For certain entities, the group has entered into contractual arrangements which allow the group to control such entities. Because the group controls such entities, they are consolidated in the consolidated annual financial statements.

Intergroup transactions, balances and unrealised gains and losses are eliminated on consolidation.

Business combinations

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 remeasured 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 remeasured 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 agreements are recognised as employee benefit arrangements and dealt with in terms of the accounting policy for employee or equity compensation benefits.

Goodwill

Goodwill in a business combination is recognised at the acquisition date when the consideration transferred and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. If the consideration transferred is lower than the fair value of the identifiable net assets of the acquiree (a bargain purchase), the difference is recognised in the income statement. The gain or loss arising on the disposal of an entity is calculated after consideration of attributable goodwill.

Transactions with non-controlling shareholders

Non-controlling shareholders are equity participants of the group and all transactions with non-controlling shareholders are therefore accounted for as equity transactions and included in the statement of changes in equity. In transactions with non-controlling shareholders, any excess of the cost/proceeds of the transaction over the group's proportionate share of the net asset value acquired/disposed is allocated to the "Existing control business combination reserve" in equity.

Associates and joint ventures

Investments in associated companies (associates) and joint ventures are accounted for in terms of the equity method.

Associates are entities over which the group exercises significant influence, but which it does 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.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

***Associates and joint ventures** (continued)*

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. Any significant transactions and events occurring between the investees' and the group's March year-end are taken into account.

Unrealised gains or losses on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in the relevant associate or joint venture, except where the loss is indicative of impairment of assets transferred.

Where an associate or joint venture holds equity in the group, the carrying amount of the investment in the associate or joint venture is adjusted by an amount representing the group's indirect holding in its own equity because of the cross-holding. An equivalent adjustment is made to the equity of the group as treasury shares. The amount of the group's share of the associate's or joint venture's results is determined after eliminating, from the associate's or joint venture's results, any income or dividends received by the associate or joint venture from the group.

The group's share of other comprehensive income and other changes in net assets of associates and joint ventures is recognised in the statement of comprehensive income.

Business combinations

For acquisitions of associates and joint ventures achieved in stages, the group measures the cost of its investment as the sum of the consideration paid for each purchase plus a share of the investee's profits and other equity movements. Any other comprehensive income recognised in prior periods in relation to the previously held stake in investee is reversed through equity and a share of profits and other equity movements is also recorded in equity. Acquisition-related costs form part of the investment in the associate or joint venture.

When the group increases its shareholding in an associate or joint venture and continues to exercise significant influence or to exert joint control over the investee, the cost of the additional investment is added to the carrying value of the investee. The acquired share in the investee's identifiable net assets, as well as any goodwill arising, is calculated using fair-value information at the date of acquiring the additional interest. Goodwill is included in the carrying value of the investment in the associate or joint venture.

Partial disposals of associates and joint ventures that do not result in a loss of significant influence or joint control are accounted for as dilutions. Dilution gains and losses are recognised in the income statement. The group's proportionate share of gains or losses previously recognised in other comprehensive income by associates and joint ventures are reclassified to the income statement when a dilution occurs.

Each associate and joint venture is assessed for impairment on an annual basis as a single asset. If impaired, the carrying value of the group's investment in the associate or joint venture is adjusted to its recoverable amount and the resulting impairment loss is included in "Impairment of equity-accounted investments" in the income statement.

Disposals

When the group ceases to have control (subsidiaries), exercise significant influence (associates) or exert joint control (joint ventures), any retained interest is remeasured to its fair value, with the change in the carrying value recognised in the income statement. This fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest. In addition, any amounts previously recognised in other comprehensive income in respect of the entity disposed 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 the income statement.

Where the group contributes a non-monetary asset (including a business) to an investee in exchange for an interest in that investee that is equity-accounted, the gain or loss arising on the remeasurement of the contributed non-monetary asset to fair value is recognised in the income statement only to the extent of other parties' interests in the investee. The gain or loss is eliminated against the carrying value of the investment in the associate or joint venture to the extent of the group's interest.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Financial assets

Classification, initial recognition and measurement

Financial assets are initially recognised when the group becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are classified as financial assets measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on the objectives of the business model within which the financial asset is held and the characteristics of its contractual cash flows.

The group assesses the objective of the business model in which a financial asset is held based on all relevant evidence that is available at the date of assessment including how the performance of the financial asset is evaluated and reported to management and the risks affecting the performance of the financial asset as well as how those risks are managed.

In evaluating the contractual cash flows of a financial asset, the group considers its contractual terms, including assessing whether the financial asset is subject to contractual terms that change (or could potentially change) the timing or amount of associated future cash flows.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual cash flows represent solely payments of principal and interest on the amount outstanding. In making this assessment, the group considers the effect of terms (including conversion, prepayment and extension features) that may affect the timing and/or amounts of cash flows.

Financial assets classified as at amortised cost include trade and other receivables, related party receivables and cash and cash equivalents.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the fair value of such investments in other comprehensive income. This election is made on an investment-by-investment basis. These investments are classified as financial assets at fair value through other comprehensive income. The group has classified all equity investments that do not represent investments in subsidiaries, associates or joint ventures in this category.

All financial assets not classified as at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets other than those forming part of effective hedging relationships to which hedge accounting is applied. A financial asset is classified in this category at initial recognition if it is acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit making, or, if it is designated in this category to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

Purchases and sales of financial assets are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Financial assets (excluding trade receivables that are not subject to a significant financing component) are initially measured at fair value plus, for an instrument not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue. Trade receivables that are not subject to significant financing components are initially measured at the relevant transaction prices.

Financial assets are presented as non-current assets, except for those with maturities within 12 months from the statement of financial position date, which are classified as current assets.

Subsequent measurement

Amortised cost financial assets are subsequently measured using the effective interest method, reduced by relevant impairment allowances. Interest income, foreign exchange gains and losses and impairment losses on amortised cost financial assets are recognised in the income statement.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Financial assets (continued)

***Subsequent measurement** (continued)*

Changes in the fair value of equity investments classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income and are accumulated in the valuation reserve in the statement of changes in equity. Dividends received on equity investments at fair value through other comprehensive income are recognised in the income statement. On derecognition of financial assets at fair value through other comprehensive income, fair value changes accumulated in the valuation reserve are transferred to retained earnings.

Financial assets at fair value through profit or loss are subsequently carried at fair value with changes in fair value recognised in the income statement.

Refer to note 43 for the group's fair-value measurement methodology regarding financial assets.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where they have been transferred and the group has also transferred substantially all risks and rewards of ownership.

Financial assets are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to realise the asset and settle a related financial liability simultaneously.

Impairment

The group recognises expected credit losses (impairment allowances) on financial assets measured at amortised cost and accrued income balances. The group assesses, on a forward-looking basis, the impairment allowances associated with these financial assets and makes use of provision matrices relevant to its various operations in establishing impairment allowances.

For financial assets at amortised cost (including primarily trade receivables) and accrued income balances, the group measures impairment allowances at an amount equal to the lifetime expected credit losses on these financial assets. Lifetime expected credit losses are those losses that result from all possible default events over the expected life of the financial instrument.

The group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full or the outstanding amount exceeds its contractual payment terms.

At each reporting date the group assesses whether financial assets at amortised cost and/or accrued income balances are credit-impaired. Financial assets are considered credit-impaired when one or more events that have a detrimental impact on expected future cash flows have occurred. Evidence that a financial asset is credit-impaired includes significant financial difficulty experienced by the borrower, a breach of contract such as defaulting on contractually due repayments and the probability of the borrower entering bankruptcy.

Impairment allowances for financial assets measured at amortised cost and accrued income balances are recognised in the income statement and accumulated in an allowance account. The gross carrying amount of the financial assets is reduced by the loss allowance via the allowance account and is written off when the group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof.

Refer to note 42 for further details relating to the group's impairment methodology for financial assets at amortised cost.

(c) Financial liabilities

Financial liabilities are recognised when the group becomes party to the contractual provisions of the relevant instrument. The group classifies financial liabilities at amortised cost or at fair value through profit or loss.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Financial liabilities (continued)

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses on these financial liabilities are recognised in the income statement. Other financial liabilities comprise primarily trade and other payables, borrowings and written put option liabilities. These financial liabilities are initially recognised at fair value, net of transaction costs.

Written put option liabilities represent contracts that impose (or may potentially impose) an obligation on the group to purchase its own equity instruments (including the shares of a subsidiary) for cash or another financial asset. Written put option liabilities are initially raised from the "Existing control business combination reserve" in equity at the present value of the expected redemption amount payable. Subsequent revisions to the expected redemption amount payable as well as the unwinding of the discount related to the measurement of the present value of the written put option liability, are recognised in "Other finance (costs)/income – net" in the income statement. Where a written put option liability expires unexercised or is cancelled, the carrying value of the financial liability is reclassified to the "Existing control business combination reserve" in equity.

Written put options that provide the group with the discretion to settle its obligations in the group's own equity instruments (including the shares of a subsidiary) are also accounted for as outlined above. Written put option liabilities are presented within "Other liabilities" in the statement of financial position.

Financial liabilities are presented as current liabilities if payment is due or could be demanded within 12 months (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis. Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or when it expires.

(d) Financial instruments used for hedge accounting

The group uses derivative financial instruments (derivatives) to reduce exposure to fluctuations in foreign currency exchange rates and interest rates. These instruments mainly comprise forward exchange contracts and interest rate (including cross currency) swap agreements. Forward exchange contracts protect the group from movements in exchange rates by fixing the rate at which a foreign currency asset or liability will be settled. Cross-currency interest rate swap agreements protect the group from movements in foreign exchange risk on a net investment in a foreign operation.

The group documents, at inception of hedging transactions, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives used in hedging transactions are expected to be and have been highly effective in offsetting changes in fair values or cash flows of hedged items. Hedging instruments are included in 'derivative financial instruments' in the statement of financial position. The group designates derivatives as hedging instruments either in their entirety or elements thereof, as appropriate. The fair values of derivatives used for hedging purposes are disclosed in note 42.

The method of recognising the resulting gain or loss arising from the remeasurement of derivatives used for hedging is dependent on the nature of the item being hedged. The group designates a derivative as either a hedge of the fair value of a recognised asset, liability or firm commitment (fair value hedge), or a hedge of a forecast transaction or of the foreign currency risk of a firm commitment (cash flow hedge). The group also designates certain derivatives as hedges of the group's net investments in its foreign operations (cash flow hedges).

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments used for hedge accounting (continued)

Fair value hedges

When a derivative is designated as a fair value hedge, changes in the fair value of the derivative are recorded in the income statement, along with changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The ineffective portion of the change in the fair value of the derivative is recognised in profit or loss.

When the hedged forecast transaction or firm commitment subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to the income statement in the same period during which the hedged expected future cash flow affects in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. The amount accumulated in the hedging reserve at that time remains in equity until, for a hedge resulting in the recognition of a non-financial item, it is included in the initial cost on initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period as the expected cash flows affect the income statement. When a committed or forecast transaction is no longer expected to occur, the amounts accumulated in the hedging reserve are reclassified to the income statement.

Net investment hedges

When a derivative is designated as a hedging instrument in a hedge of the group's net investment in a foreign operation, the effective portion of the change in fair value of the hedging instrument is recognised in other comprehensive income and presented in the foreign currency translation reserve within equity. Any ineffective portion of the change in fair value of the derivative is recognised in the income statement. The amount accumulated in the foreign currency translation reserve is reclassified to the income statement on disposal of the relevant foreign operation.

Certain derivative transactions, while providing effective economic hedges under the group's risk management policies, do not qualify for hedge accounting. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, being the purchase cost plus any cost to prepare the assets for their intended use, less accumulated depreciation and any accumulated impairment losses. Cost includes transfers from equity of any gains/losses on qualifying cash flow hedges relating to foreign currency property, plant and equipment acquisitions. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful life to their residual values. Land is not depreciated as it is deemed to have an indefinite life.

Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following range of useful lives:

Buildings	1 to 50 years
Manufacturing equipment	2 to 25 years
Office equipment	2 to 25 years
Improvements to buildings	5 to 50 years
Vehicles, computers and office	1 to 10 years
Transmission equipment	5 to 20 years

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment (continued)

Where parts of property, plant and equipment require replacement at regular intervals, the carrying value of an item of property, plant and equipment includes the cost of replacing the part when that cost is incurred, if it is probable that future economic benefits will flow to the group and the cost can be reliably measured.

The carrying values of the parts replaced are derecognised on capitalisation of the cost of the replacement part. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately where it has an estimated useful life that differs from that of the item as a whole.

Major leasehold improvements are amortised over the shorter of the respective lease terms and estimated useful lives.

Subsequent costs, including major renovations, are included in an asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains and losses on disposals are determined by comparing the proceeds to the asset's carrying value and are recognised in "Other (losses)/gains – net" in the income statement.

Work in progress are assets still in the construction phase and not yet available for use. These assets are carried at cost and are not depreciated. Depreciation commences once the assets are available for use as intended by management.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of those assets. All other borrowing costs are expensed as incurred. A qualifying asset is an asset that takes more than a year to get ready for its intended use.

(f) Leased assets

Finance leases

Leases of property, plant and equipment are classified as finance leases where substantially all risks and rewards associated with ownership are transferred to the group as lessee. Assets under finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments, with the related lease obligation recognised at an equivalent amount. The interest rate implicit in the lease or, where this cannot be reliably determined, the group's incremental borrowing rate is used to calculate the present values of minimum lease payments. Capitalised leased assets are depreciated over their estimated useful lives, limited to the duration of the lease agreement. Each lease payment is allocated between the lease obligation and finance charges. The corresponding lease obligations, net of finance charges, are included in long-term liabilities or current portion of long-term debt. The interest element of the minimum lease payments is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Leases of assets under which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(g) Intangible assets

Intangible assets acquired are capitalised at cost. Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives. The useful lives and residual values of intangible assets are reassessed on an annual basis.

Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Patents	5 years
Title rights	10 years
Brand names and trademarks	30 years
Software	10 years
Intellectual property rights	30 years
Customer-related assets	11 years

No value is attributed to internally developed trademarks or similar rights and assets. The costs incurred to develop these items are charged to the income statement as incurred

Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and which will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining software programmes are expensed as incurred.

Web and application (app) development costs are capitalised as intangible assets if it is probable that the expected future economic benefits attributable to the asset will flow to the group and its cost can be measured reliably, otherwise these costs are expensed as incurred.

Research expenditure is expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets if the costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. Development costs that do not meet these criteria are expensed as incurred.

Work in progress are assets still in the development phase and not yet available for use. These assets are carried at cost and are not amortised but are tested for impairment at each reporting date. Amortisation commences once the assets are available for use as intended by management.

(h) Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill and intangible assets with indefinite useful lives are allocated to cash-generating units for purposes of impairment testing. An impairment test is performed by determining the recoverable amount of the cash-generating unit to which the goodwill or intangible assets with indefinite useful lives relates. The recoverable amount of a cash-generating unit or individual asset is the higher of its value in use and its fair value less costs of disposal.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in "Other gains/(losses) – net" in the income statement. Impairment losses recognised on goodwill are not reversed in subsequent periods.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Impairment of non-financial assets (continued)

Other intangible assets and property, plant and equipment

Other intangible assets (with finite useful lives) and items of property, plant and equipment are reviewed for indicators of impairment at least annually. Indicators of impairment include, but are not limited to: significant underperformance relative to expectations based on historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the group's overall business and significant negative industry or economic trends.

Intangible assets still in the development phase, and not yet available for use (work in progress), are tested for impairment on an annual basis.

An impairment loss is recognised in "Other (losses)/gains – net" in the income statement when the carrying amount of an asset exceeds its recoverable amount.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date less the incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding finance costs and income tax expense.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash inflows of other assets or groups of assets (a cash generating unit level).

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in "Other (losses)/gains – net" in the income statement.

(i) Inventory

Inventory is stated at the lower of cost and net realisable value. The cost of inventory is determined by means of the weighted average method.

The cost of finished products and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes finance costs. Costs of inventories include the transfer from other comprehensive income of any gains/losses on qualifying cash flow hedges relating to foreign currency denominated inventory purchases. Net realisable value is the estimate of the selling price, less the costs of completion and selling expenses. Allowances are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

(j) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost which equals the cost or face value of the asset. Cash and cash equivalents comprise cash on hand and deposits held at call with banks. Certain cash balances are restricted from immediate use according to terms with banks or other financial institutions. For purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(k) Short-term investments

Short-term investments are cash investments with maturities of more than three months from the date of acquisition. On initial recognition, short-term investments are recognised at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(l) Provisions

Provisions are obligations of the group where the timing or amount (or both) of the obligation is uncertain.

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The group recognises a provision relating to its estimated exposure on all products still under warranty at the statement of financial position date. A provision for onerous contracts is established when the expected benefits to be derived under a contract are less than the unavoidable costs of fulfilling the contract. Restructuring provisions are recognised in the period in which the group becomes legally or constructively committed to a formal restructuring plan.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is determined by discounting the anticipated future cash flows expected to be required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in the income statement.

(m) Taxation

Tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the related tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

The normal South African company tax rate applied for the year ending 31 March 2019 is 28% (2018: 28%). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. International tax rates vary from jurisdiction to jurisdiction.

Deferred taxation

Deferred tax assets and liabilities have been calculated using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date, being the rates the group expects to apply to the periods in which the assets are realised or the liabilities are settled. Deferred taxation is provided on the taxable or deductible temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction, other than a business combination, that, at the time of the transaction, affects neither the accounting nor the taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences and unused tax losses can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Withholding tax on dividends

Dividends paid by Naspers Limited to shareholders that are not exempted from dividends withholding tax under South African tax law are subject to dividend withholding tax at a rate of 20%.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Foreign currencies

The consolidated annual financial statements are presented in US dollar (US$) which is the group's presentation currency. The company's functional currency is the South African rand (R). However, the group measures the transactions of its operations using the functional currency determined for that specific operating entity which is the currency of the primary economic environment in which the operation conducts its business.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of the valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as part of qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair-value gain or loss recognised in the income statement. Translation differences on non-monetary equity investments classified as available for sale are included in the valuation reserve in other comprehensive income as part of the fair-value remeasurement of such items.

Foreign operations

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency that is different from the group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date.
- Income and expenses are translated at average exchange rates (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 spot rate on the dates of the transactions).
- Components of equity are translated at the historic rate.
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the "Foreign currency translation reserve" in the statement of changes in equity.

The group recognises foreign exchange differences relating to monetary items that form part of its net investment in its foreign operations in other comprehensive income where settlement of the item is neither planned nor likely to take place in the foreseeable future.

When a foreign operation is disposed of, the accumulated foreign exchange differences are reclassified to the income statement, as part of the gain or loss on sale.

(o) Revenue from contracts with customers

Refer to (t) below for revenue recognition accounting policies relevant to discontinued operations.

Revenue from contracts with customers is derived from the sale of goods and rendering of services. Revenue is measured based on the transaction price specified in the contract with the customer. The group recognises revenue when (or as) it transfers control of goods and/or services to its customers, which is when specific criteria have been met for each of the group's activities as described below. Revenue is recognised at the amount the group expects to be entitled to in exchange for the goods and/or services transferred to customers.

Revenue is shown net of value-added tax (VAT), returns, rebates and discounts. For contracts that permit returns, rebates or discounts, revenue is recognised only to the extent that it is highly probable that a significant reversal of revenue will not occur as a result of such items. The amount of revenue recognised is adjusted for expected returns, rebates or discounts which are estimated based on the group's historical experience and taking into consideration the type of customer, the type of transaction and the specific terms of each arrangement. The right to return goods is measured at the former carrying amount of the inventory less any expected costs to recover goods.

Where contracts include multiple goods and/or services, the transaction price is allocated to each distinct good or service (or performance obligation) based on respective stand-alone selling prices. Where stand-alone selling prices are not directly observable, they are estimated.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(o) Revenue from contracts with customers (continued)

The group considers, for each contract with a customer, whether it is a principal or an agent. The group regards itself as the principal in a transaction where it controls a promised good or service before the good or service is transferred to a customer. Where the group is the principal in a transaction, it recognises revenue in the gross amount of consideration to which it expects to be entitled. The group is the principal in the majority of transactions that it enters into.

Revenue earned but not yet invoiced or for which the group's right to payment is conditional on future performance is presented as accrued income as part of other receivables in the statement of financial position. Payments received in advance from contracts with customers represent an obligation to transfer future goods and/or services and are presented as part of accrued expenses and other liabilities in the statement of financial position.

The group is not party to contracts where the period between the transfer of goods and/or services and payment exceeds one year. Consequently, the group does not adjust its transaction prices for financing components.

Revenue recognition for the group's major revenue streams is outlined below in the following paragraphs.

Ecommerce revenue

Ecommerce revenue represents amounts received or receivable from customers relating to online goods sold on the group's etail and other internet platforms and from services rendered. Services rendered include advertising, travel package revenue and commissions, classifieds listings revenue, payment transaction commissions and fees, food delivery revenue, mobile and other content revenue and comparison shopping commissions and fees.

Revenue from goods sold is recognised when the goods are delivered and accepted by customer. The group recognises classifieds listings and related fees on listing of an item for sale and success fees and any other relevant commissions when a transaction is completed on the group's websites. Payments and fintech, food delivery, mobile content and comparison shopping revenues are recognised once a transaction is completed and is based on the applicable fee for each transaction performed.

Advertising revenues

The group mainly derives advertising revenues from advertisements published in its newspapers and magazines and shown online on its websites and instant-messaging windows. Advertising revenues from print media products are recognised upon publication over the period of the advertising contract. Publication is regarded to be when the print media product has been delivered to the retailer and is available to be purchased by the general public. Online advertising revenues are recognised over the period in which the advertisements are displayed.

Printing, distribution, circulation and publishing revenue

Revenues from print and distribution services are recognised upon completion of the services and delivery of the related product and customer acceptance. The recognition of print services revenue is based upon delivery of the product to the distribution depot and acceptance by the distributor of the customer, or, where the customer is responsible for the transport of the customers' products, acceptance by the customer or its nominated transport company. Revenues from distribution services are recognised upon delivery of the product to the retailer and acceptance thereof.

Print and distribution services are separately provided by different entities within the group and separately contracted for by customers. Where these services are provided to the same client, the terms of each separate contract are consistent with contracts where an unrelated party provides one of the services. Revenue is recognised separately for print and distribution services as the contracts are separately negotiated based on fair value for each service.

Circulation revenue is recognised in the month in which the magazine or newspaper is sold.

Book sales are recognised upon delivery of products and customer acceptance. Revenue relating to any particular publication is brought into account in the month that it is published.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(p) Employee benefits

Retirement benefits

The group provides retirement benefits to its full-time employees, primarily by means of monthly contributions to a number of defined contribution pension and provident funds. The assets of these funds are generally held in separate trustee administered funds. The group's contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

Medical aid benefits

The group's contributions to medical aid benefit funds for employees are recognised as an expense in the period in which the employees render services to the group.

Post-employment medical aid benefits

Some group companies provide post-employment healthcare benefits to their retirees. The entitlement to post-employment healthcare benefits is subject to the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the minimum service period.

Independent actuaries carry out annual valuations of these obligations. All remeasurements resulting from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income. These obligations are unfunded.

Termination benefits

The group recognises termination benefits when it is demonstrably committed to either terminate the employment of employees before the normal retirement date, or provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Where termination benefits fall due more than 12 months after the reporting period, they are discounted. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Termination benefits are immediately recognised as an expense in the income statement.

(q) Equity compensation benefits

The group grants share options, share appreciation rights (SARs) and restricted stock units (RSUs) to its employees under a number of equity compensation plans. The group recognises an employee benefit expense in the income statement, representing the fair value of share options, SARs and RSUs granted. A corresponding credit to equity is raised for equity-settled plans, whereas a corresponding credit to liabilities is raised for cash-settled plans. The fair value of the options, SARs and RSUs at the date of grant under equity-settled plans is charged to the income statement over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the group remeasures 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 the income statement.

A share option, SAR or RSU scheme is considered equity-settled when the transaction is settled through the issue of equity instruments of Naspers Limited or its subsidiaries. They are considered cash-settled when they are settled in cash or any other asset.

On the final vesting date of equity-settled plans, the group transfers the accumulated balance relating to vested share options, SARs and RSUs from the share-based compensation reserve to retained earnings.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(r) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction against share premium.

Where subsidiaries hold Naspers N ordinary shares, the consideration paid to acquire those shares, including any attributable incremental costs, is deducted from shareholders' equity as treasury shares. Such shares are predominantly held for equity compensation plans. Where such shares are subsequently sold or reissued, the cost of those shares is released, and any realised gains or losses are recorded as treasury shares in equity. Shares issued to or held by share incentive plans within the group are treated as treasury shares until such time when participants pay for and take delivery of such shares.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decisionmaker. The chief operating decisionmaker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions. The group proportionately consolidates its share of the results of its associates and joint ventures in the various reportable segments. This is considered more reflective of the economic value of these investments.

(t) Disposal groups held for sale and discontinued operations

Non-current assets and liabilities (disposal groups) are classified as held for sale and presented as current assets and liabilities in the statement of financial position, when their carrying values will be recovered principally through a sale transaction and when such sale is considered highly probable. The assets and liabilities of disposal groups held for sale are stated at the lower of carrying value and fair value less costs of disposal.

Discontinued operations comprise those activities of the group that were disposed of during a reporting period or which were classified as held for sale at the end of the period, and represent a separate major line of business or geographical area that can be clearly distinguished for operational and financial reporting purposes. Accounting policies exclusively associated with discontinued operations are outlined below:

Revenue recognition

Subscription revenue

Video-entertainment and internet subscription fees are earned over the period during which the services are provided. Subscription revenue arises from the monthly billing of subscribers for video-entertainment and internet services provided by the group. Revenue is recognised in the month during which the service is rendered. Any subscription revenue received in advance is recorded as deferred income and recognised in the month the service is provided.

Hardware sales

Hardware sales relate mainly to the sale of set-top boxes in the video-entertainment segment. Revenue is recognised upon delivery and customer acceptance.

Technology contracts and licensing

For contracts with multiple obligations (eg maintenance and other services), revenue from product licences is recognised when delivery has occurred, collection of the receivable is probable, and the revenue associated with delivered and undelivered elements can be reliably measured.

Advertising revenues

Advertising revenues are derived from advertisement broadcast on its video-entertainment platforms. Advertising revenues from video-entertainment are recognised upon showing over the period of the advertising contract.

The group recognises revenue allocated to maintenance and support fees, for ongoing customer support and product updates, rateably over the period of the relevant contracts. Payments for maintenance and support fees are generally made in advance and are non-refundable. For revenue allocated to consulting services and for consulting services sold separately, the group recognises revenue as the related services are performed.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(t) Disposal groups held for sale and discontinued operations (continued)

The group enters into arrangements with network operators whereby application software is licensed to network operators in exchange for a percentage of the subscription revenue they earn from their customers. Where all of the software under the arrangement has been delivered, the revenue is recognised as the network operator reports to the group its revenue share, which is generally done on a quarterly basis. Under arrangements where the group has committed to deliver unspecified future applications, the revenue earned on the delivered applications is recognised on a subscription basis over the term of the arrangement.

Decoder maintenance

Decoder maintenance revenue is recognised over the period the service is provided.

Programme and film rights

Programme material rights

Purchased programme and film rights are stated at cost less accumulated amortisation. Programme material rights, which consist of the rights to broadcast programmes, series and films, are recorded at the date the rights come into license at the spot exchange rates on the purchase date. The rights are amortised to the income statement based on contracted screenings or expensed where management has confirmed that no further screenings will occur.

Programme material rights contracted by the reporting date but not yet in license are disclosed as commitments.

Programme production costs

Programme production costs, which consist of all costs necessary to produce and complete a programme to be broadcast, are recorded at the lower of cost and net realisable value. Net realisable value is set at the average cost of programme material rights.

Programme production costs are amortised to the income statement based on contracted screenings or expensed where management has confirmed that no further screenings will occur.

All programme production costs in excess of the expected net realisable value of the production on completion, are expensed when contracted.

Sports events rights

Sports events rights are recorded at the event commencement date at the rate of exchange ruling at that date. These rights are amortised to the income statement over the period to which the events relate or expensed where management has confirmed that the event will not be screened.

Rights to future sports events contracted by the reporting date, but which have not yet commenced, are disclosed as commitments, except where payments have already been made, which are shown as prepaid expenses.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(u) Recently issued accounting standards

The IASB issued a number of standards, amendments to standards and interpretations during the year ended 31 March 2019.

(i) The following new standards, interpretations and amendments have been adopted by the group and are applicable for the first time during the year ended 31 March 2019. The impact of adoption is outlined below for the most significant accounting standards adopted during the current period.

Standard/Interpretation	Title
IFRS 15[1]	*Revenue from Contracts with Customers*
IFRS 9[2]	*Financial Instruments*
IFRIC 22[3]	*Foreign Currency Transactions and Advance Consideration*
IFRS 2	*Classification and Measurement of Share-based Payment Transactions*

[1] IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 *Revenue from Contracts with Customers* (IFRS 15) replaced IAS 18 *Revenue*. The group has applied IFRS 15 on a retrospective basis and has restated the comparative information contained in the consolidated annual financial statements. Apart from providing additional and more detailed disclosure around revenue recognition, IFRS 15 did not have a significant impact on the group's existing revenue recognition practices and consolidated annual financial statements.

The cumulative net impact of adopting IFRS 15 for the year ended 31 March 2018 was a reduction in consolidated revenue of US$3m and an increase of US$1m in profit for the year. The impact of adoption related primarily to the group's video-entertainment business, which has been presented as a discontinued operation (refer to note 4), as the application of IFRS 15 did not have a significant impact on the group's other operations.

[2] IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* (IFRS 9) replaced IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39). The group has applied IFRS 9 from 1 April 2018 and elected not to restate comparative information on transition, with the impact of adoption recognised as an adjustment to the opening balance of retained earnings as at 1 April 2018. The initial application of IFRS 9 did not have a significant impact on the group. The specific impacts on classification and measurement, impairment allowances and hedge accounting are outlined below.

Classification and measurement

The group recognised an increase in retained earnings of US$838m, as a transfer from other reserves, relating to the impact of IFRS 9 on its associate, Tencent Holdings Limited. The impact relates to cumulative net gains on investments classified as available-for-sale financial assets in terms of IAS 39 that are now accounted for as financial assets at fair value through profit or loss in terms of IFRS 9. Refer to the statement of changes in equity for the adjustment recorded on transition to IFRS 9.

In terms of IAS 39, the group previously classified equity investments as available-for-sale investments (refer to note 11) with changes in fair value recognised in other comprehensive income. On disposal or impairment, cumulative fair value changes recognised in other comprehensive income were reclassified to the income statement. Furthermore, certain available-for-sale investments were measured at cost as their fair value could not be measured with sufficient reliability.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(u) Recently issued accounting standards (continued)

[(2)] IFRS 9 *Financial Instruments* *(continued)*

The group has classified these investments as financial assets at fair value through other comprehensive income in terms of IFRS 9. IFRS 9 does not permit the reclassification of cumulative fair value changes to the income statement on disposal or impairment. Further, IFRS 9 no longer permits cost measurement where fair value cannot be measured with sufficient reliability. These investments are, however, not significant to the consolidated annual financial statements and their remeasurement to fair value on transition to IFRS 9 was insignificant. The group, following the adoption of IFRS 9, accordingly no longer reclassifies cumulative fair value changes on these investments to the income statement on disposal or impairment but transfers such cumulative changes to retained earnings on disposal of an investment.

The following table bridges the original measurement categories of financial instruments in terms of IAS 39 to the new measurement categories in terms of IFRS 9 as at 1 April 2018:

Financial instrument	New IFRS 9 classification[(1)]	Previous IAS 39 classification
Investments at fair value through other comprehensive income[(2)(3)]	Financial assets at fair value through other comprehensive income	Available-for-sale investments
Investments in convertible notes of associates[(3)]	Financial assets at fair value through profit or loss	Financial assets at amortised cost
Loans and receivables (including related party and other receivables)	Financial assets at amortised cost	Financial assets at amortised cost
Derivative financial assets and liabilities	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities held for trading
Trade receivables	Financial assets at amortised cost	Financial assets at amortised cost
Cash and cash equivalents	Financial assets at amortised cost	Financial assets at amortised cost
Other financial liabilities	Financial liabilities at amortised cost	Financial liabilities at amortised cost

[(1)] The initial application of IFRS 9 did not have an impact on the measurement of the group's financial instruments.
[(2)] The group has irrevocably designated these investments as measured at fair value through other comprehensive income.
[(3)] These financial instruments are included as part of "Investments and loans" in the statement of financial position.

Impairment

The adoption of IFRS 9's impairment model resulted in an increase in impairment allowances on trade receivables due to the requirement to consider forward-looking information when determining impairment allowances. The cumulative net impact on the group was an increase of US$14m in impairment allowances on trade receivables and a corresponding decrease of US$14m in retained earnings. The impact of adoption related primarily to the group's video-entertainment business, which has been presented as a discontinued operation (refer to note 4), as the application of IFRS 9 did not have a significant impact on the group's other operations.

Hedge accounting

IFRS 9 did not have a significant impact on the group's hedge accounting practices and accordingly previously applied hedging practices continued unaffected. Refer to note 42.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(u) Recently issued accounting standards (continued)

(3) IFRIC 22 *Foreign Currency Transactions and Advance Consideration*

IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (IFRIC 22) clarifies that non-monetary assets and liabilities arising from the payment/receipt of advance consideration (e.g. prepaid expenses and deferred revenue) are not retranslated to the entity's functional currency after initial recognition. The group applied IFRIC 22 on a prospective basis, with the impact of adoption recognised as an adjustment to the opening balance of retained earnings as at 1 April 2018.

The impact of adoption was an increase in prepaid expenses of US$10m, a decrease in deferred revenue of US$4m and a corresponding increase of US$14m in retained earnings. The adoption impact related primarily to the group's video-entertainment business, which has been presented as a discontinued operation (refer to note 4), as the application of IFRIC 22 did not have a significant impact on the group's other operations.

The impact of the adoption of the above accounting standards during the current period is shown in the following tables.

INCOME STATEMENT (extract)	31 March				
	2018	2018	**2018**	**Represented by:**	
	Previously reported	Change in accounting policy[1]	**Restated**	**Continuing operations**	**Discon-tinued operations**
Line items affected:	US$'m	US$'m	**US$'m**	US$'m	US$'m
Revenue from contracts with customers	6 660	(3)	**6 657**	2 985	3 672
Selling, general and administration expenses	(2 786)	4	**(2 782)**	(1 728)	(1 054)
Operating loss	(198)	1	**(197)**	(659)	462
Profit before taxation	11 658	1	**11 659**	11 179	480
Profit for the year	11 298	1	**11 299**	11 109	190
Profit attributable to:					
Equity holders of the group	11 357	1	**11 358**	11 245	113
Non-controlling interests	(59)	-	**(59)**	(136)	77
	11 298	1	**11 299**	11 109	190
Earnings for the period	11 357	1	**11 358**	11 245	113
Earnings per N ordinary share (US cents)					
Basic	2 631	-	**2 631**	2 604	27
Diluted	2 612	-	**2 612**	2 585	27
Headline earnings for the period	1 794	1	**1 795**	1 670	125
Headline earnings per N ordinary share (US cents)					
Basic	416	-	**416**	387	29
Diluted	403	-	**403**	374	28

[1] Represents the impact of adopting IFRS 15.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(t) Recently issued accounting standards (continued)

STATEMENT OF COMPREHENSIVE INCOME (extract)

	31 March		
	2018	2018	**2018**
	Previously reported	Change in accounting policy[1]	**Restated**
Line items affected:	US$'m	US$'m	**US$'m**
Profit for the year	11 298	1	**11 299**
Other comprehensive income for the year	1 742	-	**1 742**
Total comprehensive income for the year	13 040	1	**13 041**
Attributable to:			
Equity holders of the group	13 025	1	**13 026**
Non-controlling interests	15	-	**15**
	13 040	1	**13 041**

[1] *Represents the impact of adopting IFRS 15.*

STATEMENT OF FINANCIAL POSITION (extract)

	As at 31 March		
	2018	2018	**2018**
	Previously reported	Change in accounting policy[1]	**Restated**
	US$'m	US$'m	**US$'m**
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders	25 522	1	**25 523**
Share capital and premium	4 965	-	**4 965**
Other reserves	425	-	**425**
Retained earnings	20 132	1	**20 133**
Non-controlling interests	169	-	**169**
TOTAL EQUITY	25 691	1	**25 692**
Non-current liabilities	5 623	-	**5 623**
Current liabilities	4 137	(1)	**4 136**
Accrued expenses and other current liabilities	3 163	(1)	**3 162**
TOTAL EQUITY AND LIABILITIES	35 451	-	**35 451**

[1] *Represents the impact of adopting IFRS 15.*

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(t) Recently issued accounting standards (continued)

ADJUSTMENTS TO THE OPENING BALANCES OF THE STATEMENT OF FINANCIAL POSITION (extract)

	As at 1 April		
	2018 Restated[1] US$'m	2018 Change in accounting policy[2] US$'m	**2018 Restated US$'m**
ASSETS			
Non-current assets	22 386	-	**22 386**
Current assets	13 065	(4)	**13 061**
Trade receivables	452	(14)	**438**
Other receivables and loans	762	10	**772**
TOTAL ASSETS	35 451	(4)	**35 447**
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders	25 523	-	**25 523**
Share capital and premium	4 965	-	**4 965**
Other reserves	425	(838)	**(413)**
Retained earnings	20 133	838	**20 971**
Non-controlling interests	169	-	**169**
TOTAL EQUITY	25 692	-	**25 692**
Non-current liabilities	5 623	-	**5 623**
Current liabilities	4 136	(4)	**4 132**
Accrued expenses and other current liabilities	3 162	(4)	**3 158**
TOTAL EQUITY AND LIABILITIES	35 451	(4)	**35 447**

[1] IFRS 15 has been adopted on a retrospective basis and accordingly the 31 March 2018 statement of financial position has already been restated for its impact.
[2] Represents the impacts of adopting IFRS 9 and IFRIC 22 as of 1 April 2018.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(u) Recently issued accounting standards (continued)

(ii) The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2019. The group is currently evaluating the effects of these standards and interpretations, which have not been early adopted:

Standard/Interpretation	Title	Effective for year ending
IFRS 3	*Business combinations*	March 2021
IFRS 10/IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined by the IASB
IFRS 16[1]	*Leases*	March 2020

[1] IFRS 16 *Leases*

IFRS 16 *Leases* (IFRS 16) replaces IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a Lease*. IFRS 16 contains principles for the recognition, measurement, presentation and disclosure of leases. In terms of IFRS 16, the group will recognise all leases (with limited exceptions) as right-of-use assets and obligations to make lease payments in the statement of financial position.

The group will apply IFRS 16 for the first time during the year ending 31 March 2020 and is currently finalising its transition. The impact of IFRS 16 largely relates to the recognition of existing operating lease commitments (refer to note 27 for these commitments as at 31 March 2019) as right-of-use assets and obligations to make lease payments in the statement of financial position. At 31 March 2019 these operating lease commitments amounted to US$282.3m on an undiscounted basis. In accordance with IFRS 16, the group will, however, not recognise operating lease commitments as right-of-use assets and obligations to make lease payments in the statement of financial position to the extent that they relate to short-term leases, leases of low-value assets or leases committed to for which the lease terms has not yet commenced.

On 1 April 2019, the date of transition to IFRS 16, the group expects to recognise right-of-use assets and obligations to make lease payments of between US$230m and US$260m, respectively. The majority of the impact of IFRS 16 relates to leases within the group's classifieds and etail segments and relate to the group's right to use various underlying assets including, significantly, office and warehouse space.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(u) Recently issued accounting standards (continued)

[(1)] **IFRS 16 *Leases*** *(continued)*

The group will apply IFRS 16 on a prospective basis with effect from 1 April 2019 and intends on applying the following practical expedients as permitted by the transitional provisions of IFRS 16:

- the group will not reassess whether a contract contains a lease and accordingly the previous classification in terms of IAS 17 and IFRIC 4 will be retained (therefore the accounting for contracts not previously identified as leases will be sustained);
- operating leases of which the underlying assets are of low value will not be recognised as right-of-use assets and obligations to make lease payments in the statement of financial position – the existing accounting for these leases will be sustained (i.e. lease payments expensed on a straight-line basis);
- where appropriate, the group will apply a single incremental borrowing rate to a portfolio of leases with reasonably similar characteristics;
- the group will rely on its existing onerous lease contract assessments as an alternative to performing impairment reviews on right-of-use assets as at 1 April with any existing provisions for onerous leases recognised as an adjustment to the relevant right-of-use assets on 1 April 2019;
- the lease terms of contracts ending within 12 months of 1 April 2019 will continue to be accounted for in terms of IAS 17 (i.e. lease payments expensed on a straight-line basis);
- the group will exclude any initial direct costs from the measurement of right-of-use assets as at 1 April 2019; and
- the group will apply hindsight when determining the lease term for contracts containing extension and termination options.

Other new standards, interpretations and amendments to existing standards not yet effective

None of the other new standards, interpretations and amendments to existing standards that are not yet effective as at 31 March 2019 are expected to have a significant impact on the group.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES

Financial year ended 31 March 2019

In August 2018 the group invested US$60m for a 100% effective and fully diluted interest in the issued share capital of Zooz Mobile Limited (Zooz), a management and optimisation payment provider based in Israel. The transaction was accounted for as a business combination with an effective date of August 2018. The purchase price allocation: cash and deposits US$2m; trade and other receivables US$1m; intangible assets US$22m; trade and other payables US$1m; loan liabilities US$1m; deferred tax liability US$5m and the balance of US$42m to goodwill. The main intangible assets recognised in the business combination were technology and customer relationships.

In December 2018 the group invested US$36m for a 69% effective interest (65% fully diluted) in the issued share capital of Aasaanjobs Private Limited (Aasaanjobs), an online recruitment marketplace based in India. The transaction was accounted for as a business combination with an effective date of December 2018. The purchase price allocation: cash and deposits US$23m; trade and other receivables US$1m; intangible assets US$5m; trade and other payables US$3m; deferred tax liability US$2m and the balance of US$13m to goodwill. The main intangible assets recognised in the business combination were customer relationships and tradenames.

Since the acquisition dates of the above business combinations, revenue of US$1m and net losses of US$9m have been included in the income statement. Had the revenue and net losses of the above business combinations been included from 1 April 2018 group revenue from continuing operations and group net profit from continuing operations would have amounted to US$3.29bn and US$4.15bn respectively.

The main factor contributing to the goodwill recognised in these acquisitions was the acquirees' market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$2m were recorded in "(Losses)/gains on acquisitions and disposals" in the income statement regarding the above-mentioned acquisitions.

In April 2018 the group acquired the share capital held by non-controlling shareholders of its subsidiary Dubizzle Limited (Dubizzle) for US$190m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Dubizzle and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective and fully diluted interest in Dubizzle.

In August 2018 the group's subsidiary Letgo Global B.V. (previously named Ambatana Holdings B.V.) acquired the share capital held by non-controlling shareholders of Letgo USA B.V. for US$189m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in the business and the derecognition of the related non-controlling interest. Following a US$150m funding round in June 2018, the group's shareholding in Letgo Global B.V. increased from an effective 73.4% at 31 March 2018 to 80% (77% fully diluted) at 31 March 2019.

In January 2019, the group acquired the share capital held by non-controlling shareholders of its subsidiary Avito AB (Avito) for US$1.16bn. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Avito and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective interest (99.5% fully diluted) in Avito.

In March 2019, the group acquired an additional interest in its subsidiary Silver Indonesia JVCo B.V. (Silver Indonesia) from non-controlling shareholders for US$46m. Following the acquisition, the group holds a 66% effective interest in Silver Indonesia.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2019 (continued)

The following relates to the group's investments in its equity-accounted investees:

In May 2018 the group invested US$35m for a 16% effective interest (15% fully diluted) in Honor Technology, Inc. (Honor) a comprehensive home-care company for older adults in the US. The group accounts for its interest as an investment in an associate.

In May 2018 the group invested US$89m in Frontier Car Group, Inc. (Frontier Car Group), an online car marketplace headquartered in Berlin and currently operating in eight countries, for a 36% effective (35% fully diluted) shareholding. The group accounts for its interest as an investment in an associate. The group also entered into a collaboration with FCG in India during February 2019 through an investment of US$25m in the group's subsidiary India Used Car Group B.V.

In July 2018 the group invested an additional US$12m in PaySense Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Following this investment, the group holds a 19% effective interest (17% fully diluted) in PaySense. The group now accounts for its interest in PaySense as an investment in an associate.

The group invested an additional US$79m in Bundl Technologies Private Limited (Swiggy), a leading online food-ordering and delivery platform in India, during July 2018, followed by a further investment of US$637m in January 2019. Following these investments, the group holds a 39% effective interest (35% fully diluted) in Swiggy. The group continues to account for its interest as an investment in an associate.

In December 2018 the group invested US$383m in Think & Learn Private Limited (BYJU's) for a 12% effective (12% fully diluted) shareholding in India's largest education company and the creator of India's largest personalised learning app. The group accounts for its interest as an investment in an associate.

The following relates to significant disposals by the group during the reporting period:

During May 2018 the group announced the disposal of its 12% effective interest (11% fully diluted) in Flipkart Limited – its equity-accounted etail investment in India – to US-based retailer Wal-Mart International Holdings, Inc. for US$2.2bn (inclusive of applicable withholding taxes and amounts held in escrow). Amounts held in escrow following the disposal have been included as part of "Other receivables" in the statement of financial position. The transaction was concluded in August 2018 following regulatory approval. A gain on disposal of US$1.6bn has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement. This gain includes the reclassification of a foreign currency translation reserve of US$97m to the income statement. Related income tax expenses of US$177m have been included as part of "Taxation" in the income statement.

In September 2018 the group concluded the sale of its 52% interest in Tek Travels Private Limited, its online B2B travel distribution business, for US$37m. A gain on disposal of US$6m has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2019 (continued)

Following its listing on the JSE in February 2019, the group distributed its shares in its video-entertainment business, MultiChoice Group Limited (the MultiChoice Group), to shareholders as a pro rata distribution in specie (the distribution). The MultiChoice Group and, accordingly, the group's video-entertainment segment, have been presented as a discontinued operation in these consolidated annual financial statements (refer to note 4). The group recorded a gain of US$2.49bn as part of "Profit from discontinued operations" in the income statement following the distribution, being the difference between the fair value of the MultiChoice Group shares distributed, measured using its listed share price, and the book value of the net assets derecognised. The gain recognised is presented net of the reclassification of reserves (primarily foreign currency translation and hedging reserves) of US$546m (losses) to the income statement following the distribution. The distribution reduced retained earnings by US$3.83bn being the fair value of the distributed MultiChoice Group shares. The group calculated the gain on distribution based on the fair value of the MultiChoice Group as at the date of distribution. In calculating the fair value, the group determined that the share price of the MultiChoice Group for the first 15 days of trading did not represent an orderly transaction on account of the trading volumes during this period and the fact that there was no exposure to the market before the measurement date. Consequently, the group used the 15-day volume-weighted average share price of the MultiChoice Group and excluded the first 15 days of trading as this was considered more representative of the fair value of the Multichoice Group in an orderly transaction. This is consequently a level-2 fair value measurement.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2018

In August 2017 the group invested US$74m to acquire a controlling interest in its associate Takealot Online (RF) Proprietary Limited (Takealot), the leading etailer in South Africa. Following the investment, the group held a 58% effective interest in Takealot. The transaction was accounted for as a business combination with an effective date of August 2017. The total purchase consideration amounted to US$123m representing the fair value of the group's previously held equity interest in Takealot. A gain of US$20m has been recognised in "Gains/(losses) on acquisitions and disposals" in the income statement on the remeasurement of the group's previously held equity interest in Takealot to its fair value. The US$74m cash invested remains within the group following the transaction and is accordingly not disclosed as part of the consideration transferred by the group or assets of Takealot acquired, although it did affect the amount of goodwill recognised in the business combination. The purchase price allocation: property, plant and equipment US$13m; cash and deposits US$105m; inventories US$28m; trade and other receivables US$4m; intangible assets US$107m; trade and other payables US$27m; deferred tax liabilities US$30m and the balance of US$81m to goodwill. The main classes of intangible assets recognised in the business combination were trade names and brands, customer relationships and technology. The transaction gave rise to the recognition of non-controlling interest of US$83m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of Takealot as at the acquisition date.

In December 2017 the group acquired an additional 38% interest in Takealot from non-controlling shareholders. The transaction was settled in Naspers N ordinary shares, acquired in an open market cash purchase, with a fair value of US$128m on settlement date. The excess of the consideration transferred over the net asset value acquired was recognised in the "Existing control business combination reserve" in equity and totalled US$65m. An amount of US$4m was recognised in the valuation reserve being the difference between the fair value and acquisition cost of the shares transferred. Following the transaction, the group holds a 96% effective interest (91% fully diluted) in Takealot.

In November 2017 the group invested US$41m to acquire a 100% effective interest in The Car Trader Proprietary Limited (AutoTrader), an online automobile classifieds vertical in South Africa. The transaction was accounted for as a business combination with an effective date of November 2017. The total purchase consideration amounted to US$41m. The purchase price allocation: property, plant and equipment US$1m; cash and deposits US$3m; trade and other receivables US$1m; intangible assets US$27m; trade and other payables US$4m; loan liabilities US$14m; deferred tax liabilities US$8m and the balance of US$35m to goodwill. The main classes of intangible assets recognised in the business combination were brands, customer relationships and technology.

Since the acquisition dates of the above business combinations, revenue of US$195m and net results (losses) of US$41m have been included in the income statement relating to Takealot and AutoTrader. Had the revenue and net results of Takealot and AutoTrader been included from 1 April 2017, group revenue and net profit would have amounted to US$6.75bn and US$11.26bn, respectively.

The main factor contributing to the goodwill recognised in the acquisitions is the acquirees' market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$3m were recorded in "Gains on acquisitions and disposals" in the income statement regarding the above-mentioned acquisitions.

The following relates to the group's investments in its equity-accounted investees:

The group made various investments in Delivery Hero AG (Delivery Hero), a global online food-ordering and delivery marketplace, during the year. In May 2017 the group acquired its initial interest in Delivery Hero through an investment of US$426m. On 30 June 2017, Delivery Hero successfully completed an initial public offering of its shares, a process during which the group invested a further US$47m. Following these investments, the group held an 11% effective interest (10% fully diluted) in Delivery Hero. In December 2017 the group invested an additional US$47m as part of a private placement in order to maintain its relative shareholding. During March 2018, following the receipt of regulatory approval, the group acquired Rocket Internet SE's interest in Delivery Hero for US$778m. The group's aggregate investment in Delivery Hero therefore amounts to US$1.30bn over the reporting period. Following the acquisition from Rocket Internet SE, the group holds a 23% effective interest (22% fully diluted) in Delivery Hero. The group accounts for its interest in Delivery Hero as an investment in an associate.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2018 (continued)

The group made two investments during June 2017 and February 2018 amounting to US$121m in total, in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food-delivery marketplace in India. Following these investments, the group holds a 22% effective interest (21% fully diluted) in Swiggy. The group accounts for its interest in Swiggy as an investment in an associate.

In May 2017 the group invested US$99m in Kreditech Holding SSL GmbH (Kreditech), a provider of consumer lending and financial services. The group has also provided convertible loan funding of €20m to Kreditech. Following the investment, the group holds a 38% effective interest (31% fully diluted) in Kreditech. The group accounts for its interest in Kreditech as an investment in an associate.

During May 2017 the group invested US$132m in its associate MakeMyTrip Limited (MakeMyTrip) as part of a funding round. In August and September 2017, following MakeMyTrip's issue of share options to its employees, the group invested US$23m to maintain its relative shareholding. Following these transactions, the group holds a 43% effective interest (40% fully diluted) in MakeMyTrip.

The group invested US$71m for an additional interest in its associate Flipkart Limited (Flipkart) in April 2017. The additional interest was acquired from existing shareholders of Flipkart. Flipkart undertook various funding rounds during the year in which the group did not participate. These funding rounds resulted in a dilution of the group's interest in Flipkart and in the recognition of an aggregate net dilution gain of US$252m in "Dilution gains/(losses) on equity-accounted investments" in the income statement. Following the dilutions, the group holds a 12% effective interest (11% fully diluted) in Flipkart.

In November 2017 the group invested US$100m in Remitly, Inc. (Remitly), a global digital money-transfer service. The investment resulted in the group acquiring a 23% effective interest (20% fully diluted) in Remitly. The group accounts for its interest in Remitly as an investment in an associate.

The following relates to significant disposals by the group during the reporting period:

During May 2017 the group disposed of its investment in its joint venture Souq Group Limited for a consideration of US$173m. A gain on disposal of US$89m has been recognised in "(Losses)/gains on acquisitions and disposals" in the income statement following the transaction.

In September 2017 following the receipt of regulatory approval, the group distributed the majority of its shareholding in Novus Holdings Limited (Novus) to its shareholders. The group recognised the distribution as an in specie dividend, reducing retained earnings by US$69m, being the fair value of the distributed Novus shares. A loss on disposal of US$145m has been recognised in "(Losses)/gains on acquisitions and disposals" in the income statement following the distribution, being the difference between the fair value of the distributed Novus shares and the book value of the assets distributed as well as the reclassification of reserves of US$112m. After the distribution, the group holds a 19% interest in Novus and accounts for this interest as an available-for-sale investment.

During February 2018 the group disposed of its investment in its joint venture Konga Online Shopping Limited. A loss on disposal of US$38m, representing the reclassification of the group's foreign currency translation reserve from other comprehensive income to the income statement, has been recognised in "(Losses)/gains on acquisitions and disposals".

In March 2018 the group disposed of approximately 6% of its interest in its associate, Tencent Holdings Limited (Tencent). The disposal was executed by way of an accelerated offering by private placement on the Hong Kong Stock Exchange for a cash consideration of US$9.76bn. The disposal reduced the group's shareholding from 33.17% to 31.17%. A dilution gain of US$9.10bn has been recognised in "Dilution gains/(losses) on equity-accounted investments" following the transaction, resulting in a cumulative net dilution gain of US$8.98bn for the year on the group's investment in Tencent.

4. PROFIT FROM DISCONTINUED OPERATIONS

The group concluded the disposal of its subsidiary MultiChoice Group Limited (MultiChoice Group) in February 2019 (refer to note 3). The assets and liabilities of MultiChoice Group were classified as held for sale in September 2018. The results and cash flows of the group's video-entertainment segment have been presented as discontinued operations in these consolidated annual financial statements. Discontinued operations also include the group's subscription video-on-demand service in Poland which was closed at the end of January 2019.

Income statement information of discontinued operations

	31 March	
	2019	2018
		Restated[1]
	US$'m	US$'m
Revenue from contracts with customers	**3 321**	3 672
Expenses	**(2 851)**	(3 192)
Profit before tax	**470**	480
Taxation	**(200)**	(290)
Profit for the period	**270**	190
Gain on disposal of discontinued operation	**2 489**	-
Profit from discontinued operations	**2 759**	190

[1] *Represents the impact of adopting IFRS 15.*

Profit from discontinued operations attributable to:		
Equity holders of the group	**2 683**	113
Non-controlling interest	**76**	77
	2 759	190

Revenue from contracts with customers

Revenue from discontinued operations comprised the following:

	31 March	
	2019	2018
		Restated[1]
	US$'m	US$'m
Subscription revenue	**2 750**	2 982
Advertising revenue	**211**	239
Hardware sales and maintenance revenue	**171**	192
Technology revenue	**98**	128
Sublicense and reconnection fee revenue	**63**	71
Other revenue	**28**	60
Revenue from contracts with customers	**3 321**	3 672

[1] *Represents the impact of adopting IFRS 15.*

Cash flow statement information of discontinued operations

	31 March	
	2019	2018
	US$'m	US$'m
Net cash generated from operating activities	**344**	245
Net cash utilised in investing activities	**(63)**	(60)
Net cash generated from financing activities	**20**	102
Cash generated by discontinued operations	**301**	287

5. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US$'m	Manu-facturing equip-ment US$'m	Trans-mission equip-ment US$'m	Vehicles, computers and office equip-ment US$'m	Total US$'m
1 April 2018					
Cost	315	3	2 059	360	2 737
Accumulated depreciation and impairment	(84)	(1)	(822)	(225)	(1 132)
Carrying value at 1 April 2018	231	2	1 237	135	1 605
Foreign currency translation effects	(34)	(1)	(125)	(14)	(174)
Transferred to assets classified as held for sale[1]	(144)	-	(1 051)	(64)	(1 259)
Acquisitions of subsidiaries and businesses	1	-	-	2	3
Acquisitions	69	-	13	57	139
Disposals/scrappings	-	-	(1)	(4)	(5)
Impairment	-	-	-	(1)	(1)
Depreciation[2]	(15)	-	(73)	(37)	(125)
31 March 2019					
Cost	141	3	-	145	289
Accumulated depreciation and impairment	(33)	(2)	-	(71)	(106)
Carrying value at 31 March 2019	108	1	-	74	183
Work in progress at 31 March 2019					8
Total carrying value at 31 March 2019					191

[1] Assets classified as held for sale include those assets of the MultiChoice Group that were classified as held for sale in September 2018 and were subsequently distributed to shareholders (refer to note 3).

[2] Includes depreciation of US$89.7m associated with discontinued operations (refer to note 4).

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings US$'m	Manu-facturing equip-ment US$'m	Trans-mission equip-ment US$'m	Vehicles, computers and office equip-ment US$'m	Total US$'m
1 April 2017					
Cost	258	3	1 910	274	2 445
Accumulated depreciation and impairment	(62)	(1)	(620)	(162)	(845)
Carrying value at 1 April 2017	196	2	1 290	112	1 600
Foreign currency translation effects	16	-	81	9	106
Acquisitions of subsidiaries and businesses	-	-	-	13	13
Acquisitions	36	-	28	55	119
Disposals/scrappings	(1)	-	-	(4)	(5)
Impairment(1)	-	-	(9)	-	(9)
Depreciation(2)	(16)	-	(153)	(50)	(219)
31 March 2018					
Cost	315	3	2 059	360	2 737
Accumulated depreciation and impairment	(84)	(1)	(822)	(225)	(1 132)
Carrying value at 31 March 2018	231	2	1 237	135	1 605
Work in progress at 31 March 2018					33
Total carrying value at 31 March 2018					1 638

(1) Includes impairment of US$9.4m associated with discontinued operations (refer to note 4).

(2) Includes depreciation of US$187.5m associated with discontinued operations (refer to note 4).

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying value of work in progress mainly comprises buildings and equipment.

The group recognised impairment losses of US$1m (2018: US$17.2m) on property, plant and equipment related to the media segment. US$nil (2018:US$7.8m) of this impairment loss is presented within work in progress. US$1m (2018:US$nil) of the impairment losses have been included in "Other (losses)/gains – net" in the income statement. The prior year impairment loss of US$17.2m related mainly to DTT broadcasting equipment as well as a building in the video-entertainment business which has been presented as part of discontinued operations. The recoverable amounts of the assets impaired amounted to US$nil (2018: US$nil).

The carrying values of assets capitalised under finance leases are as follows:

	31 March	
	2019	2018
	US$'m	US$'m
Land and buildings	**2**	5
Transmission equipment	**-**	1 051
Vehicles, computers and office equipment	**10**	6
	12	1 062

Included in the acquisition of property, plant and equipment is an amount of US$1.8m (2018: US$8.5m) relating to leased assets, which are non-cash in nature. Refer to note 27 for details of the group's assets pledged as collateral.

6. GOODWILL

	31 March 2019 US$'m	31 March 2018 US$'m
Cost		
Opening balance	**2 961**	2 790
Foreign currency translation effects	**(338)**	47
Acquisitions of subsidiaries and businesses	**105**	124
Disposals of subsidiaries and businesses	**(8)**	-
Transferred to assets classified as held for sale[1]	**(360)**	-
Closing balance	**2 360**	2 961
Accumulated impairment		
Opening balance	**354**	348
Foreign currency translation effects	**(46)**	6
Impairment	**6**	-
Disposals of subsidiaries and businesses	**(1)**	-
Transferred to assets classified as held for sale[1]	**(73)**	-
Closing balance	**240**	354
Carrying value	**2 120**	2 607

[1] *Assets classified as held for sale include those assets of the MultiChoice Group that were classified as held for sale in September 2018 and were subsequently distributed to shareholders (refer to note 3).*

The group recognised impairment losses on goodwill of US$6.2m (2018: US$nil) related to various smaller ecommerce investments.

Management used 10-year projected cash flow models, terminal growth rates ranging between 1.5% and 5% and discount rates ranging between 12% and 23.5% in performing the impairment tests. The group uses 10-year projected cash flow models as many businesses, particularly those engaged in ecommerce, have monetisation timelines longer than five years as further explained below.

Impairment testing of goodwill

The group has allocated goodwill to various cash-generating units. The recoverable amounts of these cash-generating units have been determined based on value in use calculations. Value in use is based on discounted cash flow calculations. The group based its cash flow calculations on three-to-ten year budgeted and forecast information approved by senior management and/or 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, were 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.

The group's impairment testing of goodwill takes into account that, in most instances, longer forecast periods are required for many ecommerce businesses. These longer forecast periods are required as the group's ecommerce businesses generally only reach maturity once sufficient market share has been gained, the businesses have reached the appropriate scale and have become revenue generative/profitable. Key assumptions in estimating these future cash flows over the forecast period include the cash generating unit's ability to capture the required market share and the additional investment required in order for it to reach the appropriate scale.

As a result of the group using longer-term cash flow forecasts, appropriate risk adjustments are made to the discount rates used (generally being the weighted average cost of capital) when calculating the value in use of cash generating units.

Where the group has committed to the sale of a cash generating unit or has determined that an impairment loss should be recognised on a cash generating unit based on its value in use, the group also calculates that cash generating unit's fair value less costs of disposal to ensure that the recognition of an impairment loss is appropriate.

6. GOODWILL (continued)

Impairment testing of goodwill (continued)

The group allocated goodwill to the following groups of cash-generating units:

	Carrying value of goodwill US$'m	Basis of determi-nation of recoverable amount	Pre-tax discount rates at 31 March 2019 %	2018 %	Post-tax discount rate applied to cash flows at 31 March 2019 %	2018	Growth rate used to extrapolate cash at 31 March 2019 %	2018
Groups of cash-generating units								
Avito AB	1 262	Value in use	17.3	17.1	15.0	15.0	5.0	5.0
Letgo Global B.V. (previously Ambatana Holdings B.V.)	200	Value in use	20.0	16.3	17.5	14.0	5.0	3.0
PayU Payments Private Limited (Previously Citrus Payment Solutions Private Limited)[1]	98	Value in use	16.6	13.0	14.0	11.0	4.0	4.0
OLX B.V.	77	Value in use	15.4	11.5	13.5	12.0	5.0	3.0
Dubizzle Limited (BVI)	75	Value in use	15.9	13.0	15.5	13.0	4.0	4.0
Takealot Online (RF) Proprietary Limited[1]	72	Value in use	21.2	19.9	18.0		5.0	
Movile Internet Movel S.A.	69	Value in use	23.5	17.3	18.0	14.0	5.0	5.0
Silver Indonesia JVCo B.V. (OLX Indonesia)	59	Value in use	19.3	13.8	17.0	12.0	4.0	4.0
Dante International S.A. (eMAG)	48	Value in use	17.3	14.0	16.0	13.0	3.0	4.0
Zooz Mobile Limited[1]	40	Value in use	13.1		12.0		4.0	
The Car Trader Proprietary Limited (AutoTrader)[1]	29	Value in use	26.5		21.0		4.0	
OLX Portugal S.A.	22	Value in use	17.5	14.2	16.0	12.0	1.5	1.5
Aasaanjobs Private Limited[1]	14							
Various other units	55	Value in use	Various	Various	Various	Various	Various	Various
	2 120							

[1] This cash-generating unit includes goodwill from acquisitions that were made during the current year or the prior year. Based on the value of the recent transaction and the associated cash flows, no impairment was noted.

Post-tax discount rates have been applied as value in use was determined using post-tax cash flows. Impairment testing is performed using the appropriate local currency cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate.

The calculation of value in use is most sensitive to the following assumptions:

- revenue growth rates;
- growth rates used to extrapolate cash flows beyond the budget period, including the terminal growth rate applied in the final projection year; and
- discount rates.

When determining cash flows over the forecast periods, EBITDA margin assumptions vary between the group's diverse range of businesses.

The group's classifieds segment accounts for over 80% of the overall balance of goodwill and, accordingly, assumptions made in determining the cash flows of the classifieds cash generating units have a significant impact on the annual impairment assessment. Key assumptions underlying revenue forecasts for cash generating units in the classifieds segment include the cash generating unit's anticipated market share, the number of listings expected over the forecast period and the revenue and EBITDA contribution of each such listing. EBITDA margins assumed range between 30% and 60%, depending on the stage of maturity of the relevant business. Terminal growth rates and discount rates used in performing impairment tests are detailed in the table below.

If either the pre- or post-tax discount rate applied to cash flows were to increase by 5% or the growth rate used to extrapolate cash flows were to decrease by 5%, or if both the discount rate and the growth rate were to increase and decrease by 5% respectively, there would be no further significant impairments that would have to be recognised.

7. OTHER INTANGIBLE ASSETS

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2018					
Cost	99	715	955	251	2 020
Accumulated amortisation and impairment	(84)	(328)	(315)	(155)	(882)
Carrying value at 1 April 2018	15	387	640	96	1 138
Foreign currency translation effects	(1)	(53)	(94)	(12)	(160)
Acquisitions of subsidiaries and businesses	1	24	9	24	58
Disposals of subsidiaries and businesses	(3)	-	(1)	-	(4)
Acquisitions	-	5	-	15	20
Transferred to assets classified as held for sale[(1)]	(5)	(6)	-	(36)	(47)
Impairment[(2)]	(1)	-	-	(4)	(5)
Amortisation[(3)]	(2)	(39)	(48)	(35)	(124)
Carrying value at 31 March 2019					
Cost	6	494	809	122	1 431
Accumulated amortisation and impairment	(2)	(176)	(303)	(74)	(555)
Carrying value at 31 March 2019	4	318	506	48	876
Work in progress at 31 March 2019					1
Total carrying value at 31 March 2019					877

[(1)] Assets classified as held for sale include those assets of the MultiChoice Group that were classified as held for sale in September 2018 and were subsequently distributed to shareholders (refer to note 3).

[(2)] Includes impairment of US$3.6m associated with discontinued operations (refer to note 4).

[(3)] Includes amortisation of US$13.2m associated with discontinued operations (refer to note 4).

7. OTHER INTANGIBLE ASSETS (continued)

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2017					
Cost	86	711	820	204	1 821
Accumulated amortisation and impairment	(76)	(294)	(240)	(109)	(719)
Carrying value at 1 April 2017	10	417	580	95	1 102
Foreign currency translation effects	5	(12)	10	8	11
Acquisitions of subsidiaries and businesses	6	20	104	12	142
Acquisitions	1	4	1	14	20
Transfer between asset classes	-	-	-	3	3
Disposals	-	(1)	(2)	-	(3)
Impairment	(4)	-	-	-	(4)
Amortisation[1]	(3)	(41)	(53)	(36)	(133)
31 March 2018					
Cost	99	715	955	251	2 020
Accumulated amortisation and impairment	(84)	(328)	(315)	(155)	(882)
Carrying value at 31 March 2018	15	387	640	96	1 138
Work in progress at 31 March 2018					5
Total carrying value at 31 March 2018					1 143

[1] *Includes amortisation of US$22.2m associated with discontinued operations (refer to note 4).*

The group recognised impairment losses on other intangible assets of US$4.9m (2018: US$4.2m). The recoverable amounts of the intangible assets impaired amounted to US$nil (2018: US$nil). The intangible assets impaired were written off in full as no future cash inflows are associated with them.

The impairment losses have been included in "Other (losses)/gains – net" in the income statement, of which US$0.6m (2018: US$4.2m) has been included in the ecommerce segment; and US$0.6m (2018: US$nil) has been included in the media segment.

8. INVESTMENTS IN SUBSIDIARIES

The following information relates to the group's interest in its significant subsidiaries:

Name of subsidiary	Effective percentage interest[1] 2019 %	2018 %	Nature of business	Country of incorporation	Functional currency
Unlisted companies					
Corporate companies					
MIH Holdings Proprietary Limited	**100.0**	100.0	Investment holding	South Africa	ZAR
MIH Ming He Holdings Limited	**100.0**	100.0	Investment holding	Hong Kong	US$
MIH B2C Holdings B.V.	**100.0**	100.0	Investment holding	The Netherlands	US$
Prosus N.V. (formerly Myriad International Holdings N.V.)	**100.0**	100.0	Investment holding	The Netherlands	US$
Video entertainment[2]					
MultiChoice South Africa Holdings Proprietary Limited	**-**	80.0	Subscription television	South Africa	ZAR
Electronic Media Network Proprietary Limited (M-Net)	**-**	80.0	Video-entertain-ment content provider	South Africa	ZAR
SuperSport International Holdings Proprietary Limited	**-**	80.0	Video-entertain-ment content provider	South Africa	ZAR
MultiChoice Africa Holdings B.V.	**-**	100.0	Investment holding	The Netherlands	US$
Irdeto B.V.	**-**	100.0	Technology development	The Netherlands	US$
Classifieds					
Avito AB[3]	**100.0**	71.2	Classifieds	Sweden	SEK
Letgo Global B.V.(previously Ambatana Holdings B.V.)[3]	**79.9**	73.4	Classifieds	The Netherlands	US$
Letgo USA B.V.	**79.9**	47.2	Classifieds	The Netherlands	US$
OLX B.V.	**100.0**	100.0	Classifieds	The Netherlands	US$
OLX Portugal S.A.	**100.0**	100.0	Classifieds	Portugal	EUR
Silver Indonesia JVCo B.V. (OLX Indonesia)[4]	**65.8**	40.5	Classifieds	The Netherlands	EUR

[1] The percentage interest shown is the financial effective interest, after disregarding 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 distributed the MultiChoice Group to its shareholders during February 2019. Refer to note 3 for further information.

[3] The group acquired the shares held by non-controlling shareholders of its subsidiaries Avito AB and Letgo USA B.V. during the current year. Refer to note 3 for further information.

[4] Refer to note 3 for the acquisition of the group's interest during the current period.

8. INVESTMENTS IN SUBSIDIARIES (continued)

Name of subsidiary	Effective percentage interest[1] 2019 %	2018 %	Nature of business	Country of incorporation	Functional currency
Classifieds (continued)					
Netrepreneur Connections Enterprises Inc. (Sulit)[2]	**100.0**	100.0	Classifieds	Phillippines	PHP
Dubizzle Limited (BVI)[3]	**100.0**	51.8	Classifieds	UAE	AED
The Car Trader Proprietary Limited (AutoTrader)	**100.0**	100.0	Classifieds	South Africa	ZAR
Aasaanjobs Private Limited[3]	**68.6**	-	Classifieds	India	INR
Etail and travel					
Dante International S.A. (eMAG)	**80.1**	79.3	Retail and ecommerce	Romania	RON
Tek Travel Private Limited (Travel Boutiques Online)[4]	**-**	47.3	Online travel portal	India	INR
Takealot Online (RF) Proprietary Limited	**96.1**	96.1	Retail and ecommerce	South Africa	ZAR
Payments and fintech					
PayU Global B.V.	**98.8**	97.6	Payments platform	The Netherlands	US$
PayU Payments Private Limited[5]	**98.8**	97.6	Payments platform	India	INR
Zooz Mobile Limited[3]	**98.8**	-	Payments platform	Israel	US$
Food delivery					
iFood.com Agência de Restaurantes Online S.A.(iFood)	**53.8**	51.6	Food delivery	Brazil	BRL
Other ecommerce					
Movile Internet Movel S.A.	**80.7**	77.4	Mobile value added services	Brazil	BRL
Media					
Media24 Holdings Proprietary Limited	**85.0**	85.0	Investment holding	South Africa	ZAR
Media24 Proprietary Limited	**85.0**	85.0	Publishing	South Africa	ZAR

[1] The percentage interest shown is the financial effective interest, after disregarding 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 classified Sulit as held for sale during the current reporting period. Refer to note 17 for further information. This business was contributed in exchange for an interest in Carousell Private Limited after the end of the reporting period (refer to note 44).

[3] Refer to note 3 for the acquisition of the group's interest during the current period.

[4] The group disposed of Tek Travel Private Limited during the current period. Refer to note 3 for further information.

[5] Citrus Payment Solutions Private Limited was merged with PayU Payments Private Limited during the current year.

8. INVESTMENTS IN SUBSIDIARIES (continued)

The summarised financial information contained below relates to subsidiaries of the group that are considered to have significant non-controlling interests:

	Media24 Holdings Proprietary Limited	
	31 March 2019 US$'m	31 March 2018 US$'m
Summarised statement of financial position		
Non-current assets	**75**	81
Current assets	**154**	206
Total assets	**229**	287
Non-current liabilities	**27**	34
Current liabilities	**126**	155
Total liabilities	**153**	189
Accumulated non-controlling interests	**(14)**	(7)
Summarised income statement		
Revenue	**341**	496
Net loss for the year	**(22)**	(29)
Other comprehensive loss	**-**	(19)
Total comprehensive loss	**(22)**	(48)
Losses attributable to non-controlling interests	**(2)**	(1)
Dividends paid to non-controlling interests	**1**	8
Summarised statement of cash flows		
Cash flows utilised in operating activities	**(20)**	(11)
Cash flows utilised in investing activities	**(2)**	(4)
Cash flows generated from/(utilised in) financing activities	**15**	(9)

8. INVESTMENTS IN SUBSIDIARIES (continued)

The summarised financial information contained below relates to subsidiaries of the group that are considered to have significant non-controlling interests (continued):

	Avito AB[1]	MultiChoice South Africa Holdings Proprietary Limited[2]	
	31 March 2018 US$'m	**31 March 2019 US$'m**	31 March 2018 US$'m
Summarised statement of financial position			
Non-current assets	2 319	-	1 440
Current assets	133	-	849
Total assets	2 452	-	2 289
Non-current liabilities	168	-	750
Current liabilities	45	-	790
Total liabilities	213	-	1 540
Accumulated non-controlling interests	227	-	150
Summarised income statement			
Revenue	284	-	3 124
Net profit for the year	62	-	608
Other comprehensive loss	(3)	-	(43)
Total comprehensive income	59	-	565
Profit attributable to non-controlling interests	17	-	113
Dividends paid to non-controlling interests	25	-	100
Summarised statement of cash flows			
Cash flows generated from operating activities	83	-	574
Cash flows utilised in investing activities	(5)	-	(32)
Cash flows utilised in financing activities	(25)	-	(564)

[1] The group acquired the shares held by non-controlling shareholders in its subsidiary Avito AB during the current period (refer to note 3). Accordingly, Avito AB no longer has significant non-controlling interests.

[2] Refer to note 3 for details of the distribution of the MultiChoice Group to shareholders during the current year.

9. INVESTMENTS IN ASSOCIATES

The following information relates to the group's financial interest in its significant associates:

Name of associated company	Effective percentage interest[1] 2019 %	2018 %	Nature of business	Country of incorporation	Functional currency	Year-end
Listed companies						
Tencent Holdings Limited	**31.1**	31.2	Internet-related services	Cayman Islands	RMB	December
Mail.ru Group Limited	**28.0**	28.4	Internet-related services	British Virgin Islands	RUB	December
MakeMyTrip Limited	**42.6**	43.1	Online travel	Mauritius	INR	March
Delivery Hero SE	**22.3**	22.8	Food delivery	Germany	EUR	December
Unlisted companies						
Classifieds						
Frontier Car Group, Inc. (FCG)[2]	**35.7**	-	Classifieds	Germany	EUR	December
Etail						
Flipkart Limited[3][4]	**-**	12.4	Ecommerce	India	US$	March
Payments and fintech						
Kreditech Holding SSL GmbH	**34.9**	37.6	Consumer lending	Germany	EUR	December
Remitly, Inc.	**22.6**	22.6	Digital money transfer	United States of America	US$	December
Primrose Hill Ventures Private Limited (ZestMoney)	**21.4**	**21.4**	Consumer lending	India	INR	December
Paysense Private Limited [4]	**18.8**	**5.3**	Consumer lending	India	INR	March
Food delivery						
Bundl Technologies Private Limited (Swiggy)	**38.8**	21.9	Food delivery	India	INR	March

[1] *The percentage interest shown is the financial effective interest, after disregarding 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 acquired its interest in these entities during the current period. Refer to note 3 for further information.*
[3] *The group disposed of its interest in Flipkart Limited during the current period. Refer to note 3 for further information.*
[4] *The group accounts for its interest as an investment in an associate on account of its board representation.*

9. INVESTMENTS IN ASSOCIATES

The following information relates to the group's financial interest in its significant associates:

Name of associated company	Effective percentage interest[1] 2019 %	2018 %	Nature of business	Country of incorporation	Functional currency	Year-end
Unlisted companies (continued)						
Other ecommerce						
SimilarWeb Limited	**24.5**	24.5	Internet metrics	Israel	NIS	December
Udemy, Inc.[2]	**11.8**	12.1	Educational technology	United States of America	US$	March
Sololearn, Inc.[2][3]	**15.3**	-	Educational technology	United States of America	US$	March
Human Dx	**22.6**	22.6	Health technology	United States of America	US$	December
Ryzac, Inc. (Codecademy)	**21.1**	21.1	Educational technology	United States of America	US$	December
Brainly, Inc.	**34.0**	34.1	Educational technology	United States of America	US$	December
Honor Technology Inc. (Honor)[2][3]	**16.4**	-	Home care	United States of America	US$	December
Think & Learn Private Limited (BYJU's)[2][3]	**12.2**	-	Educational technology	India	INR	March
Corporate						
Naspers Beleggings (RF) Limited[4]	**49.0**	49.0	Investment holding	South Africa	ZAR	March

[1] *The percentage interest shown is the financial effective interest, after disregarding 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 accounts for its interest as an investment in an associate on account of its board representation.*

[3] *The group acquired its interest in these entities during the current period. Refer to note 3 for further information.*

[4] *The group has concluded that it does not control Naspers Beleggings (RF) Limited as it does not have the ability to unilaterally direct its substantive decisions.*

Adjustments are made for significant transactions and events that take place where lag periods are applied. These adjustments routinely include fair-value adjustments related to the underlying financial instruments of associates measured at fair value through profit or loss or at fair value through other comprehensive income.

9. INVESTMENTS IN ASSOCIATES (continued)

The fair values of the group's investments in its listed associates are detailed below:

	31 March	
	2019	2018
	US$'m	US$'m
Listed investments		
Tencent Holdings Limited	**136 180**	154 535
Mail.ru Group Limited	**1 501**	2 121
MakeMyTrip Limited	**1 208**	1 519
Delivery Hero SE	**1 506**	2 027

The above fair values have been measured using quoted prices in active markets and the disclosed amounts therefore represent level 1 fair-value measurements.

	31 March	
	2019	2018
	US$'m	US$'m
Opening balance	**16 666**	10 784
Associates acquired - gross consideration	**1 279**	1 885
net assets acquired	**517**	433
goodwill and other intangibles recognised	**821**	1 535
deferred taxation recognised	**(59)**	(83)
Associates disposed of	**(458)**	(92)
Share of current year other reserve movements	**482**	763
Share of equity-accounted results	**3 418**	3 316
Equity-accounted results due to purchase accounting	**(11)**	(18)
amortisation of other intangible assets	**(19)**	(26)
realisation of deferred taxation	**8**	8
Impairment	**(88)**	(46)
Dividends received	**(342)**	(247)
Foreign currency translation effects	**(1 027)**	1 019
Disposal of partial interest in Tencent	**-**	(816)
Dilution (losses)/gains	**(173)**	118
Closing balance	**19 746**	16 666
Investments in associates		
Listed	**18 175**	15 583
Unlisted	**1 571**	1 083
Total investments in associates	**19 746**	16 666

9. INVESTMENTS IN ASSOCIATES (continued)

The group recognised US$3.41bn (2018: US$3.33bn) from associates as its share of equity-accounted results in the income statement. Cumulative unrecognised losses relating to associates that have been fully impaired, amounted to US$4.6m (2018: US$110.8m) as at 31 March 2019.

The group recognised total dilution losses of US$181.7m (2018: dilution gains of US$9.22bn) as part of "Dilution gains/(losses) on equity-accounted investments" in the income statement. The aggregate net dilution losses include US$173.8m related to dilutions in the group's shareholding in Tencent, Delivery Hero, MakeMyTrip and Mail.ru.

The total dilution loss presented in the income statement also includes US$7.9m relating to the reclassification of a portion of the group's foreign currency translation reserves from other comprehensive income to the income statement following shareholding dilutions.

Impairment losses related mainly to an equity-accounted investment focussed on the provision of consumer lending and financial services in the payments business. The group impaired this investment as performance and the opportunity to leverage the investment in some of the group's core markets fell below expectations.

The prior year dilution gain presented in the income statement included a gain of US$9.10bn relating to the group's disposal of approximately 6% of its interest in Tencent during March 2018 (refer to note 3).

The group's share of equity-accounted investments' other comprehensive income and reserves relates mainly to the revaluation of the associates' investments at fair value through other comprehensive income.

9. INVESTMENTS IN ASSOCIATES (continued)

Material associates' summarised financial information

	31 March[(1)] Tencent Holdings Limited		31 March[(1)] Mail.ru Group Limited	
	2019 US$'m	2018 US$'m	**2019 US$'m**	2018 US$'m
Dividends received	**342**	247	**-**	-
Non-current assets	**77 637**	59 758	**2 763**	2 971
Current assets	**32 341**	28 436	**381**	416
Total assets	**109 978**	88 194	**3 144**	3 387
Non-current liabilities	**24 564**	20 053	**228**	169
Current liabilities	**30 160**	24 181	**381**	279
Total liabilities	**54 724**	44 234	**609**	448
Revenue	**46 443**	36 211	**1 013**	898
Net profit/(loss) from continuing operations	**11 872**	10 888	**(125)**	30
Other comprehensive income/(loss)	**286**	130	**(5)**	(6)
Total comprehensive income/(loss)	**12 158**	11 018	**(130)**	24

Reconciliation of summarised financial information to carrying value of investment

	31 March[(1)] Tencent Holdings Limited		31 March[(1)] Mail.ru Group Limited	
	2019 US$'m	2018 US$'m	**2019 US$'m**	2018 US$'m
Opening net assets	**43 961**	27 726	**2 939**	2 946
Profit/(loss) for the year	**11 872**	10 888	**(125)**	30
Other comprehensive income/(loss)	**286**	130	**(5)**	(6)
Transactions with equity holders	**2 515**	2 811	**111**	-
Dividends	**(1 100)**	(792)	**-**	-
Foreign currency translation effects	**(2 280)**	3 198	**(385)**	(45)
Other	**-**	-	**-**	14
Closing net assets	**55 254**	43 961	**2 535**	2 939
Non-controlling interests	**(4 871)**	(3 349)	**(6)**	(1)
	50 383	40 612	**2 529**	2 938
Group's effective interest in associate (at year-end)	**15 669**	12 655	**709**	831
Goodwill	**11**	11	**121**	143
Carrying value of investment	**15 680**	12 666	**830**	974

[(1)] Reflects the summarised financial information of the above associates as at 31 December, adjusted for significant transactions and events that take place during the lag period applied for accounting purposes.

9. INVESTMENTS IN ASSOCIATES (continued)

Material associates' summarised financial information

	31 March MakeMyTrip Limited		31 March Delivery Hero SE	
	2019 US$'m	2018 US$'m	**2019 US$'m**	2018 US$'m
Non-current assets	**187**	298	**746**	1 052
Current assets	**502**	616	**982**	942
Total assets	**689**	914	**1 728**	1 994
Non-current liabilities	**60**	63	**168**	242
Current liabilities	**183**	184	**367**	274
Total liabilities	**243**	247	**535**	516
Revenue	**481**	520	**769**	408
Net loss from continuing operations	**(170)**	(241)	**(69)**	(295)
Other comprehensive (loss)/income	**(94)**	69	**(107)**	(68)
Total comprehensive loss	**(264)**	(172)	**(176)**	(363)

Reconciliation of summarised financial information to carrying value of investment

	31 March MakeMyTrip Limited		31 March Delivery Hero SE	
	2019 US$'m	2018 US$'m	**2019 US$'m**	2018 US$'m
Opening net assets	**668**	471	**1 478**	-
Loss for the year	**(170)**	(241)	**(69)**	(295)
Other comprehensive (loss)/income	**(94)**	69	**(107)**	(68)
Acquisitions/disposals	**-**	326	**-**	1 602
Transactions with equity holders	**42**	43	**20**	195
Foreign currency translation effects	**-**	-	**(130)**	45
Other	**-**	-	**1**	(1)
Closing net assets	**446**	668	**1 193**	1 478
Non-controlling interests	**-**	1	**3**	2
	446	669	**1 196**	1 480
Group's effective interest in associate (at year-end)	**190**	287	**267**	335
Goodwill	**274**	282	**934**	1 039
Carrying value of investment	**464**	569	**1 201**	1 374

(1) Reflects the summarised financial information of the above associates as at 31 December, adjusted for significant transactions and events that take place during the lag period applied for accounting purposes.

9. INVESTMENTS IN ASSOCIATES (continued)

Other associates' summarised financial information

	31 March 2019 US$'m	31 March 2018 US$'m
Net loss from continuing operations	**(166)**	(192)
Other comprehensive income	**32**	-
Total comprehensive loss	**(134)**	(192)
Carrying value of investments	**1 571**	1 083
Total carrying value of investments in associates	**19 746**	16 666

The group had no capital commitments or contingent liabilities at 31 March 2019 or 2018 in respect of its investments in associates.

10. INVESTMENTS IN JOINT VENTURES

The following information relates to the group's financial interest in its significant joint ventures:

Name of joint venture	Effective percentage interest[1] 2019 %	Effective percentage interest[1] 2018 %	Nature of business	Country of incorporation	Functional currency	Year-end
Unlisted companies						
Sympla Internet Soluções SA[2]	**-**	34.2	Ecommerce	Brazil	BRL	December
Silver Brazil JVCo B.V. (OLX Brazil)	**50.0**	50.0	Classifieds	The Netherlands	US$	December
El Cocinero a Cuerda S.L. (SinDelantal)	**26.4**	25.3	Food delivery	Spain	EUR	December

[1] *The percentage interest shown is the financial effective interest, after disregarding 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 gained control of Sympla Internet Soluções SA during the current period.*

Adjustments are made for significant transactions and events that take place where lag periods are applied.

10. INVESTMENTS IN JOINT VENTURES (continued)

	31 March 2019 US$'m	31 March 2018 US$'m
Opening balance	**78**	79
Joint ventures acquired - gross consideration	**19**	19
net assets acquired	**19**	13
goodwill and other intangibles recognised	**-**	6
Joint ventures disposed of[(1)]	**(5)**	-
Share of equity-accounted results[(2)]	**3**	(19)
Equity-accounted results due to acquisition accounting	**(1)**	(2)
amortisation of other intangible assets	**(2)**	(2)
realisation of deferred taxation	**1**	-
Dividends received	**(2)**	(2)
Foreign currency translation effects	**4**	3
Closing balance	**96**	78

[(1)] *During the current reporting period, the group increased its interest in Sympla Internet Soluções SA resulting in the entity becoming a subsidiary.*

[(2)] *Includes share of equity-accounted losses of US$1.2m (2018:US$7.5m) associated with discontinued operations (refer to note 4).*

The group recognised US$1.8m as its share of equity-accounted profits in 2019 (2018:US$21.0m losses) from joint ventures in the income statement.

None of the group's interests in joint ventures are considered to be individually material. The group had no capital commitments or contingent liabilities in respect of its investments in joint ventures at 31 March 2019 and 2018.

11. INVESTMENTS AND LOANS

	31 March 2019 US$'m	31 March 2018 US$'m
Investments at fair value through other comprehensive income	**71**	63
Investments in preference shares and convertible notes of associates	**-**	25
Loans to related parties	**-**	25
Other loans and receivables	**3**	2
Total investments and loans	**74**	115

Investments at fair value through other comprehensive income were previously referred to as available-for-sale investments in terms of IAS 39 *Financial Instruments: Recognition and Measurements*. Following the application of IFRS 9 *Financial Instruments* in 2019, fair value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods. There is no current intention to dispose of these investments.

Included in the 2018 balance of investments at fair value through other comprehensive income is an amount of US$28.3m relating to equity investments and investments in funds that were measured at cost less accumulated impairment losses in terms of IAS 39. The fair value of these investments could not be measured with sufficient reliability on account of the group's minority shareholding and the associated lack of future cash flow information.

Significant equity investments at fair value through other comprehensive income

Significant equity investments at fair value through other comprehensive income include the following:

	31 March 2019 US$'m Fair value	31 March 2019 US$'m Dividend income
Listed investments		
Novus Holdings Limited	**18**	**2**
MultiChoice Group Limited[1]	**4**	**-**
	22	**2**
Unlisted investments		
Creditas Financial Solutions Limited	**13**	**-**
Grishin Robotics Fund, L.P.	**8**	**-**
SV Angel Funds	**9**	**1**
Bakkt Holdings LLC	**5**	**-**
Other	**14**	**-**
	49	**1**
Total	**71**	**3**

[1] Shares held in MultiChoice Group Limited (MCG) relate to MCG shares received by equity compensation plans and other group entities that held Naspers Limited N-ordinary shares (as treasury shares) at the time of distribution of the group's interest in MCG to its shareholders (refer to note 3). The group has classified MCG shares with a fair value of US$50.7m as held for sale (refer to note 17) as these shares will be disposed of within 12 months after the end of the reporting period. The remaining MCG shares, with a fair value of US$4.3m are held by the group's equity compensation plans and will be utilised when relevant awards are settled with participants on exercise.

12. DEFERRED TAXATION

The deferred tax assets and liabilities and movements thereon were attributable to the following items:

	1 April 2018 US$'m	Charged to income[(1)] US$'m	Charged to other compre-hensive income US$'m	Acquisition of subsi-diaries and businesses US$'m	Disposals of sub-sidiaries and businesses US$'m	Foreign exchange effects US$'m	Trans-ferred to held for sale[(2)] US$'m	31 March 2019 US$'m
Deferred tax assets								
Provisions and other current liabilities	48	6	-	-	-	(2)	(37)	15
Capitalised finance leases	213	22	-	-	-	(2)	(232)	1
Income received in advance	36	(1)	-	-	-	-	(35)	-
Tax losses carried forward	33	(10)	(1)	-	-	-	(11)	11
Other	57	4	30	1	-	(3)	(11)	78
Total deferred tax assets	387	21	29	1	-	(7)	(326)	105
Offsetting of deferred tax liabilities	(270)							(84)
Net deferred tax assets	117							21
Deferred tax liabilities								
Property, plant and equipment	8	-	-	-	-	(1)	(6)	1
Intangible assets	234	(17)	(1)	9	(1)	(26)	(3)	195
Receivables and other current assets	33	20	-	-	-	-	(50)	3
Capitalised finance leases	192	(9)	-	-	-	13	(196)	-
Programme and film rights	28	(20)	-	-	-	(3)	(5)	-
Other	34	(20)	(14)	-	-	-	15	15
Total deferred tax liabilities	529	(46)	(15)	9	(1)	(17)	(245)	214
Offsetting of deferred tax liabilities	(270)							(84)
Net deferred tax liabilities	259							130
Net deferred taxation	(142)	67	44	(8)	1	10	(81)	(109)

[(1)] Includes taxation of US$26.7m associated with discontinued operations (refer to note 4).

[(2)] Relates to the MultiChoice Group which was distributed to shareholders during the current year (refer to note 3).

12. DEFERRED TAXATION (continued)

	1 April 2017 US$'m	Charged to income[1] US$'m	Charged to other compre-hensive income US$'m	Acquisition of subsi-diaries and businesses US$'m	Foreign exchange effects US$'m	31 March 2018 US$'m
Deferred taxation assets						
Provisions and other current liabilities	34	11	-	-	3	48
Capitalised finance leases	223	(40)	-	-	30	213
Income received in advance	31	1	-	-	4	36
Tax losses carried forward	44	(9)	-	-	(2)	33
Other	40	(1)	12	-	6	57
Total deferred tax assets	372	(38)	12	-	41	387
Offsetting of deferred tax liabilities						(270)
Net deferred tax assets						117
Deferred taxation liabilities						
Property, plant and equipment	5	4	-	-	(1)	8
Intangible assets	211	(19)	-	40	2	234
Receivables and other current assets	20	10	-	-	3	33
Capitalised finance leases	183	(16)	-	-	25	192
Programme and film rights	25	-	-	-	3	28
Other	65	(21)	(12)	-	2	34
Total deferred tax liabilities	509	(42)	(12)	40	34	529
Offsetting of deferred tax liabilities						(270)
Net deferred tax liabilities						259
Net deferred taxation	(137)	4	24	(40)	7	(142)

[1] Includes taxation of US$26.4m associated with discontinued operations (refer to note 4).

The ultimate outcome of additional taxation assessments may vary from the amounts accrued. However, management believes that any additional taxation liability over and above the amounts accrued would not have a material adverse impact on the group's income statement and statement of financial position.

12. DEFERRED TAXATION (continued)

The group has tax losses carried forward of approximately US$2.8bn (2018: US$3.5bn). A summary of the tax losses carried forward at 31 March 2019 by tax jurisdiction and the expected expiry dates are set out below:.

	South Africa US$'m	Asia US$'m	Europe US$'m	Latin America and USA US$'m	Other US$'m	Total US$'m
Expires in year one	-	28	168	4	-	200
Expires in year two	-	29	155	-	-	184
Expires in year three	-	23	138	-	7	168
Expires in year four	-	24	132	-	7	163
Expires in year five	-	22	325	19	8	374
Non-expiring/expires after year five	371	47	1 237	54	-	1 709
	371	173	2 155	77	22	2 798

The group recognised a deferred income tax expense of US$23.8m (2018: US$13.2m) in other comprehensive income as a result of changes in the fair value of derivative financial instruments that relate to cash flow hedges of foreign currency forecast transactions or firm commitments.

Total deferred taxation assets amount to US$20.8m (2018: US$116.9m), of which US$9.4m (2018: US$62.1m) are expected to be utilised within the next 12 months and US$11.4m (2018: US$54.8m) after 12 months. Total deferred taxation liabilities amount to US$129.9m (2018: US$258.8m), of which US$41.8m (2018: US$132.9m) will be settled within the next 12 months and US$88.1m (2018: US$125.9m) after 12 months.

Included in the group's recognised deferred tax assets is an amount of US$nil (2018: US$10.5m), of which the utilisation depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, and the relevant group entity from which the deferred tax asset arises has suffered a loss in either the current or a preceding period. These entities are expected to return to profitability in the foreseeable future.

13. PROGRAMME AND FILM RIGHTS

	31 March 2019 US$'m	31 March 2018 US$'m
Cost price		
programme rights	-	740
film rights	-	80
	-	820
Accumulated amortisation		
programme rights	-	(520)
film rights	-	(60)
	-	(580)
Carrying value		
programme rights	-	220
film rights	-	20
	-	240

Programme and film rights related to the MultiChoice Group which was distributed to shareholders in February 2019. At 30 September 2018, on classification of the MultiChoice Group as held for distribution, the group transferred programme and film rights with a carrying value of US$379.8m to non-current assets classified as held for distribution. Refer to note 3 for details related to the distribution.

In the prior year, a significant portion of the group's cash obligations under contracts for video-entertainment programming and channels was denominated in US dollar. Forward foreign exchange cover was not available in many territories and accordingly exposures in those territories were not hedged. Where forward cover was available, the group used forward exchange contracts to hedge the exposure to foreign currency risk. The group generally covers forward 100% of firm commitments in foreign currency for a minimum of 12 months and up to two years. The average forward rate for forward exchange contracts outstanding at 31 March 2018 was R14.29 for US dollar cover and R17.44 for euro cover in the video-entertainment segment.

At 31 March 2018 the group had entered into contracts for the purchase of programme and film rights. The group's commitments in respect of these contracts amounted to US$2.91bn. The group had no commitments in respect of programme and film right contracts as at 31 March 2019.

14. INVENTORY

	31 March 2019 US$'m	31 March 2018 US$'m
Carrying value		
Finished products, trading inventory and consumables	**223**	208
Work in progress	**1**	2
Decoders and associated components	**-**	76
Gross inventory	**224**	286
Allowance for slow-moving and obsolete inventories	**(15)**	(55)
Net inventory	**209**	231

The total allowance charged to the income statement to write inventory down to net realisable value amounted to US$30.7m (2018: US$47.5m), and reversals of these allowances amounted to US$2.6m (2018: US$4.7m). Net realisable value write-downs relate primarily to general inventory write-downs in the etail segment. Net realisable value write-downs of US$22.0m (2018: US$39.6m) and reversals of US$nil (2018: US$nil) were associated with discontinued operations (refer to note 4).

15. TRADE RECEIVABLES

	31 March 2019 US$'m	31 March 2018 US$'m
Carrying value		
Trade accounts receivable, gross	**196**	531
Less: Allowance for impairment of receivables	**(24)**	(79)
	172	452
The movement in the allowance for impairment of trade receivables during the year was as follows:		
Opening balance	**(79)**	(66)
Change in accounting policy (refer to note 2)[1]	**(14)**	-
Restated opening balance	**(93)**	(66)
Additional allowances charged to income statement	**(14)**	(24)
Allowances reversed through the income statement	**21**	9
Allowances utilised	**5**	6
Disposal of subsidiaries	**1**	-
Transferred to assets classified as held for sale	**46**	-
Foreign currency translation effects	**10**	(4)
Closing balance	**(24)**	(79)

[1]Represents the impact of adopting IFRS 9.

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above. The group does not hold any form of collateral as security relating to trade receivables. Refer to note 42 for the group's credit risk management policy.

15. TRADE RECEIVABLES (continued)

At 31 March 2019 and 2018 the total allowance for impairment of trade receivables comprised both portfolio allowances and specific allowances. The majority of the allowance related to a portfolio allowance, which cannot be identified with specific receivables.

The ageing of trade receivables as well as the amount of the impairment allowance per age class is presented below:

	31 March 2019			31 March 2018	
	Carrying value US$'m	**Impair-ment US$'m**	**Expected loss rate**	Carrying value US$'m	Impair-ment US$'m
Current	**129**	**(1)**	**1%**	255	-
Past due 30 to 59 days	**25**	**(2)**	**8%**	62	(7)
Past due 60 to 89 days	**6**	**(1)**	**17%**	33	(9)
Past due 90 to 119 days	**7**	**(2)**	**29%**	22	(3)
Past due 120 days and older[1]	**29**	**(18)**	**62%**	159	(60)
	196	**(24)**		531	(79)

[1] 2018 included US$95.5m of trade receivables relating to the group's video-entertainment agency in Angola. Due to constrained liquidity and limited availability of foreign currency, remittances were delayed.

16. OTHER RECEIVABLES

	31 March	
	2019 US$'m	2018 US$'m
Prepayments	**98**	355
Accrued income[1]	**24**	33
Staff debtors*	**4**	3
VAT and related taxes receivable	**96**	113
Merchant and bank receivables*[2]	**156**	141
Sundry deposits	**8**	12
Interest receivable on cross-currency interest rate swap*	**8**	8
Disposal proceeds receivable*	**97**	34
Other receivables**	**31**	80
Total other receivables	**522**	779
Less: non-current portion of other receivables[3]	**(7)**	(21)
Current portion of other receivables	**515**	758

[1] Relates to revenue earned from contracts with customers but not yet invoiced. Refer to note 28 for details of accrued income balances.

[2] Merchant and bank receivables are presented net of an allowance for expected impairment (credit) losses of US$6.5m. Refer to note 42 for details of the group's credit risk management policy.

[3] Relates to non-current prepaid rental deposits and employment linked prepayments.

** Financial assets*

*** Includes financial assets of US$15.9m (2018: US$66.0m)*

17. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The group distributed its shareholding in the MultiChoice Group Limited to shareholders during the year (refer to note 3). As a consequence of this transaction, equity-compensation plans and other group entities that held Naspers Limited N-ordinary shares (as treasury shares) at the time of distribution received MultiChoice Group shares. The group has classified a portion of these MultiChoice Group shares with a fair value of US$50.7m as held for sale as at 31 March 2019 as it has committed to dispose of these shares within 12 months from the end of the current reporting period. The portion of MultiChoice Group shares not classified as held for sale are presented in note 11.

The assets and liabilities of the group's subsidiary Netrepreneur Connections Enterprises, Inc. (Sulit) were also classified as held for sale during the year as the group signed an agreement to contribute this investment to Carousell Private Limited (Carousell) in exchange for an equity interest in Carousell (refer to note 44).

The assets and liabilities classified as held for sale as at 31 March 2019 are detailed in the table below:

	31 March	
	2019	2018
	US$'m	US$'m
Assets classified as held for sale		
Goodwill and other intangible assets	**13**	-
Investments at fair value through other comprehensive income	**51**	-
Trade and other receivables	**2**	-
Cash and cash equivalents	**1**	-
	67	-
Liabilities classified as held for sale		
Accrued expenses and other current liabilities	**2**	-
	2	-

18. RELATED PARTY TRANSACTIONS AND BALANCES

The group entered into transactions and has balances with a number of related parties, including associates, joint ventures, directors (key management personnel), shareholders, and entities under common control. Transactions that are eliminated on consolidation as well as gains or losses eliminated through the application of the equity method are not included. The transactions and balances with related parties are summarised below:

	31 March	
	2019 US$'m	2018 US$'m
Sale of goods and services to related parties(1)		
MakeMyTrip Limited	**12**	15
Various other related parties	**1**	2
	13	17

(1) The group receives revenue from a number of its related parties in connection with service agreements. The nature of these related party relationships are that of associates and joint ventures.

Purchases of goods and services from related parties amounted to US$1.0m (2018: US$1.0m), amounts payable to related parties amounted to US$2.8m (2018: US$2.2m) and amounts receivable from related parties amounted to US$3.4m (2018: US$1.8m). These amounts are not considered significant and relate to various related parties, most of which are equity-accounted investments of the group.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' remuneration

	31 March 2019 US$'000	31 March 2018 US$'000
Non-executive directors		
fees for services as directors	**4 557**	4 126
fees for services as directors of subsidiary companies	**508**	876
	5 065	5 002

No executive director has a notice period of more than one year.

The company directors' service contracts 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.

The individual directors received the following remuneration and emoluments:

	Salary US$'000	Annual short-term incentive payments US$'000	Pension contributions and other benefits paid on behalf of director US$'000	Total US$'000
Executive directors				
2019				
V Sgourdos	**897**	**1 006**	**112**	**2 015**
Paid by other companies in the group				
B van Dijk	**1 259**	**1 108**	**151**	**2 518**
Paid by other companies in the group				
	2 156	**2 114**	**263**	**4 533**
2018				
V Sgourdos	862	605	108	1 575
Paid by other companies in the group				
M R Sorour	719	1 904	233	2 856
Paid by other companies in the group				
B van Dijk	1 332	1 064	146	2 542
Paid by other companies in the group				
	2 913	3 573	487	6 973

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' remuneration (continued)

Annual performance-related short-term incentive (STI) payments made in respect of the 2018/2019 performance year for Basil Sgourdos and Bob van Dijk were based on a combination of group financial, strategic and operational objectives, approved by the human resources and remuneration committee. These group financial objectives had a weighting of 50% of maximum annual STI.

The individual directors received the following remuneration and emoluments during the current financial year:

	2019						
	Directors' fees		Committee and trustee fees		Other fees[4]		
Non-executive directors	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Total US$'000
J P Bekker	552	23	-	-	-	-	575
E M Choi	260	-	61	-	-	-	321
H J du Toit[1]	-	-	-	-	-	-	-
C L Enenstein	260	-	100	-	-	50	410
D G Eriksson	235	-	247	-	-	-	482
G Liu[2]	235	-	-	-	-	-	235
R C C Jafta	239	69	157	10	-	-	475
F L N Letele	235	-	24	-	-	-	259
D Meyer	228	23	24	13	-	-	288
R Oliveira de Lima	253	-	51	-	-	50	354
S J Z Pacak	256	-	28	-	-	-	284
T M F Phaswana	253	-	51	-	-	-	304
M R Sorour[3]	232	150	-	-	-	120	502
J D T Stofberg	249	-	24	-	-	-	273
B J van der Ross	228	-	75	-	-	-	303
	3 715	265	842	23	-	220	5 065

[1] Hendrik du Toit elected not to receive directors' fees.

[2] Resigned 25 February 2019.

[3] Mark Sorour received US$3 800 from MIH Holdings Proprietary Limited for the period 1 January 2019 to 31 March 2019. This payment relates to the increased cost of medical aid for retired members of the MMED medical aid scheme as a result of the distribution to shareholders of the MultiChoice Group. The company will provide an annual allowance to cover the difference in cost for retired scheme members during the 2020 and 2021 financial years only. This is not disclosed in the above table.

[4] Compensation for assignments.

General notes

Directors' fees include fees for services as directors, where appropriate, of Media24 Proprietary 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 23 August 2019 for services as trustees of the group's share-incentive schemes. Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act.

Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' remuneration (continued)

	2018						
	Directors' fees		Committee and trustee fees		Other fees[4]		
Non-executive directors	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Total US$'000
J P Bekker[1]	526	23	-	-	-	-	549
E M Choi[2]	258	-	28	-	-	-	286
H J du Toit[3]	-	-	-	-	-	-	-
C L Enenstein	258	-	10	-	-	50	318
D G Eriksson	233	53	235	52	-	-	573
R C C Jafta	233	70	199	10	-	-	512
F L N Letele	233	-	23	-	-	433	689
G Liu	258	-	-	-	-	-	258
D Meyer	233	23	23	13	-	-	292
R Oliveira de Lima	261	-	5	-	-	50	316
S J Z Pacak	251	35	26	17	-	47	376
T M F Phaswana	233	-	48	-	-	-	281
J D T Stofberg	251	-	-	-	-	-	251
B J van der Ross	230	-	71	-	-	-	301
	3 458	204	668	92	-	580	5 002

[1] *Koos Bekker elected to donate the full after-tax proceeds of his Naspers directors' fees, being R3.4m, to Simondium Primary, a school serving mostly farmworkers' children in the Drakenstein Valley of South Africa.*

[2] *Appointed 21 April 2017.*

[3] *Hendrik du Toit elected not to receive directors' fees.*

[4] *Compensation for assignments.*

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers scheme shares in the group's equity compensation plans

The executive directors of Naspers are allowed to participate in Naspers group share-based incentive schemes (including those of associate companies and joint ventures). Details as at 31 March 2019 in respect of the executive directors' participation in such scheme shares not yet released, are as follows:

Name	Incentive scheme	Offer date	Number of shares	Purchase price	Release period	Value of option[1]
V Sgourdos	MIH Services FZ LLC	04/09/2014	7 471	R1 272.66	04/09/2019	R694.04
	MIH Services FZ LLC	18/09/2015	4 494	R1 634.84	18/09/2019	R844.14 to
					to 18/09/2020	R913.19
	MIH Services FZ LLC	25/09/2015	919	R1 594.52	25/09/2019	R825.66 to
					to 25/09/2020	R893.55
	MIH Services FZ LLC	29/08/2016	9 691	R2 323.52	29/08/2019	R908.97 to
					to 29/08/2021	R1 134.33
	MIH Services FZ LLC	08/09/2017	4 332	R2 755.72	08/09/2019 to	R804.60 to
					08/09/2021	R1083.79
	MIH Services FZ LLC	25/06/2018	33 108	R3 100.99	25/06/2019 to	R806.21 to
					25/06/2022	R1351.31
	Naspers Global Ecommerce	17/09/2015	19 367	US$18.59	17/09/2019	US$6.47 to
	SAR				to 17/09/2020	US$6.84
	Naspers Global Ecommerce	29/08/2016	97 801	US$20.45	29/08/2019	US$6.27 to
	SAR				to 29/08/2021	US$7.07
	Naspers Global Ecommerce	15/08/2017	101 413	US$27.25	15/08/2019 to	US$6.24 to
	SAR				15/08/2022	US$7.91
	Naspers Global Ecommerce	08/09/2017	84 071	US$27.60	08/09/2019 to	US$6.18 to
	SAR				08/09/2022	US$7.80
	Naspers Global Ecommerce	25/06/2018	214 759	US$33.57	25/06/2019 to	US$11.23 to
	SAR				25/06/2022	US$14.61
	Showmax SAR	18/09/2015	2 223	US$18.00	18/09/2019	US$9.83 to
					to 18/09/2020	US$10.28

[1] *The value of the option represents the fair value on grant date in accordance with IFRS in the respective scheme currency.*

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers scheme shares in the group's share incentive schemes (continued)

Name	Incentive scheme	Offer date	Number of shares	Purchase price	Release period	Value of option[1]
B van Dijk	MIH Services FZ LLC	05/07/2016	147 906	R2 056.88	05/07/2019 to 05/07/2021	R841.96 to R1 040.60
	MIH Services FZ LLC	08/09/2017	38 796	R2 755.72	08/09/2019 to 08/09/2021	R804.60 to R1 083.79
	MIH Services FZ LLC	25/06/2018	61 142	R3 100.99	25/06/2019 to 25/06/2022	R806.21 to R1 351.31
	Naspers Global Ecommerce SAR	12/09/2014	1 493 229	US$15.58	12/09/2019	US$5.59
	Naspers Global Ecommerce SAR	15/08/2017	587 156	US$27.25	15/08/2019 to 15/08/2022	US$6.24 to US$7.91
	Naspers Global Ecommerce SAR	08/09/2017	140 208	US$27.60	08/09/2019 to 08/09/2022	US$6.18 to US$7.80
	Naspers Global Ecommerce SAR	25/06/2018	418 434	US$33.57	25/06/2019 to 08/09/2022	US$11.23 to US$14.61
	SimilarWeb Limited SAR	10/09/2014	39 937	US$1.45	10/09/2019	US$0.55

[1] *The value of the option represents the fair value on grant date in accordance with IFRS in the respective scheme currency.*

Directors' interests in Naspers shares

The directors of Naspers have the following interests in Naspers A ordinary shares at 31 March:

	2019			2018		
	Naspers A ordinary shares[1]			Naspers A ordinary shares		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
J D T Stofberg	**-**	**166**	**166**	-	166	166
S J Z Pacak[2]	**-**	**83**	**83**	-	-	-
	-	**249**	**249**	-	166	166

[1] *Naspers has an obligation in terms of its memorandum of incorporation (MOI) to maintain its control structure. The voting percentage of the control structure companies, Naspers Beleggings (RF) Beperk and Keeromstraat 30 Beleggings (RF) Beperk, was falling close to below 50% as a result of the issue of Naspers N ordinary shares. The board therefore approved a capitalisation award of 194 997 A ordinary shares to A ordinary shareholders to be implemented on 26 November 2015. The effect of the capitalisation issue increased the voting percentage of the control structure companies to 54.86%, and restored the voting percentage of the A ordinary shareholders to 68.38% – the percentage it was when the new MOI of Naspers Limited was adopted in August 2012.*

[2] *On 27 March 2019 Steve Pacak's family trust acquired 83 Naspers A ordinary shares.*

Koos Bekker and Cobus Stofberg each have an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 168 605 Naspers Beleggings (RF) Beperk ordinary shares, 16 860 500 Keeromstraat 30 Beleggings (RF) Beperk ordinary shares and 133 350 Naspers A shares.

No other director of Naspers had any direct interest in Naspers A ordinary shares at 31 March 2019 or 31 March 2018.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers shares (continued)

The directors of Naspers (and their associates) had the following interests in Naspers N ordinary shares as at 31 March:

	2019			2018		
	Naspers N ordinary shares			Naspers N ordinary shares		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
J P Bekker	**-**	**4 688 691**	**4 688 691**	-	4 688 691	4 688 691
E M Choi	**-**	**-**	**-**	-	-	-
C L Enenstein[1]	**-**	**415**	**415**	-	-	-
D G Eriksson	**-**	**-**	**-**	-	-	-
R C C Jafta	**-**	**-**	**-**	-	-	-
F L N Letele	**1 474**	**-**	**1 474**	1 474	-	1 474
G Liu[2]	**-**	**-**	**-**	-	-	-
D Meyer	**-**	**-**	**-**	-	-	-
R Oliveira de Lima	**-**	**-**	**-**	-	-	-
S J Z Pacak	**376 635**	**291 548**	**668 183**	376 635	291 548	668 183
T M F Phaswana	**-**	**3 530**	**3 530**	-	3 530	3 530
V Sgourdos[3]	**32 483**	**64 239**	**96 722**	-	86 990	86 990
M R Sorour[4][5]	**2 145**	**101 713**	**103 858**	1 219	61 556	62 775
J D T Stofberg	**159 831**	**291 888**	**451 719**	159 831	291 888	451 719
B J van der Ross[6]	**2 550**	**820**	**3 370**	1 650	820	2 470
B van Dijk[7]	**51 809**	**844 932**	**896 741**	-	568 062	568 062
	626 927	**6 287 776**	**6 914 703**	540 809	5 993 085	6 533 894

(1) *On 25 March 2019 Craig Enenstein's retirement funds purchased 415 Naspers N ordinary shares at a market price of R3 223.68 per share.*

(2) *Resigned 25 February 2019.*

(3) *On 1 August 2018 Basil Sgourdos exercised 43 490 Naspers options in the MIH Services FZ LLC Share Trust and 11 007 Naspers N ordinary shares were sold by at average market prices ranging between R3 254 and R3 258.60 per share. The proceeds on the sale of 11 007 Naspers N ordinary shares were used to settle the tax and the offer price of R17 061 494.12 in total (being the listed market value on the date of the offer) on the exercise of the 43 490 Naspers options. All the remaining 32 483 Naspers N ordinary shares where delivered to Basil.*

(4) *The comparative has been restated to correct the allocation between direct and indirect holding.*

(5) *Due to the group's disposal of its entire interest in ecommerce company Flipkart Limited (refer to note 3 for further information), all non-vested share appreciation rights in the Flipkart Limited SAR Scheme vested. On 19 September 2018 Mark Sorour exercised 12 009 share appreciation rights in the Flipkart Limited SAR Scheme and received 2 279 Naspers N ordinary shares in settlement of the gain. He then sold 1 034 Naspers N ordinary shares at R3 183.57 per share to cover the tax on the exercise of the 12 009 share appreciation rights. The balance of 1 245 Naspers N ordinary shares was delivered to Mark.*

(6) *On 27 March 2019 Ben van der Ross purchased 300 Naspers N ordinary shares at average market prices ranging between R3 308.46 and R3 308.75 per share. On 28 March 2019 Ben purchased 300 Naspers N ordinary shares at average market prices ranging between R3 275.90 and R3 297 per share. On 29 March 2019 Ben purchased 300 Naspers N ordinary shares at average market prices ranging between R3 334 and R3 361.95 per share.*

(7) *On 20 September 2018 Bob van Dijk exercised 20 094 Naspers options in the MIH Services FZ LLC Share Trust and 10 842 Naspers N ordinary shares were sold at average market prices ranging between R3 165 and R3 170.41 per share. The proceeds on the sale of 10 842 Naspers N ordinary shares were used to settle the tax and the offer price of R767.89 (being the listed market value on the date of the offer) on the exercise of the 20 094 Naspers options. All the remaining 9 252 Naspers N ordinary shares were delivered to Bob. Furthermore, on 20 September 2018 Bob exercised 365 854 share appreciation rights in the Flipkart Limited SAR Scheme and received 68 829 Naspers N ordinary shares in settlement of the gain. He then sold 26 272 Naspers N ordinary shares at average market prices ranging between R3 168 and R3 200 per share to cover the tax on the exercise of the 365 854 appreciation rights. The balance of 42 557 Naspers N ordinary shares was delivered to Bob.*

There have been no further changes to the directors' interests in the table above between the end of the financial year and 21 June 2019.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Key management remuneration

Comparatives have not been restated to account for the change in the composition of key management.

The total of executive directors' and key management's emoluments amounted to US$49.2m (2018: US$45.4m), comprising short-term employee benefits of US$15.4m (2018: US$15.0m), post-employment benefits of US$0.6m (2018: US$0.8m) and a share-based payment expense of US$33.2m (2018: US$29.6m).

No other remuneration is paid to executive directors. Remuneration is earned for services rendered in conducting the business of the group.

19. SHARE CAPITAL AND PREMIUM

	31 March	
	2019 US$'m	2018 US$'m
Authorised		
1 250 000 A ordinary shares of R20 each	**2**	2
500 000 000 N ordinary shares of 2 SA cents each	**2**	2
	4	4
Issued		
907 128 A ordinary shares of R20 each (2018: 907 128)	**2**	2
438 656 059 N ordinary shares of 2 SA cents each (2018: 438 656 059)	**2**	2
	4	4
Share premium	**6 154**	6 154
	6 158	6 158
Cumulative effect of treasury shares used in equity compensation plans[1]	**(1 213)**	(1 193)
	4 945	4 965

[1] Refers to the cumulative net effect on share premium of treasury shares held at cost and the gains and losses arising on vesting of equity compensation awards.

19. SHARE CAPITAL AND PREMIUM (continued)

Treasury shares

The group holds a total of 6 455 824 N ordinary shares (2018: 6 530 202), or 1.5% (2018: 1.5%), of the gross number of N ordinary shares in issue at 31 March 2019 as treasury shares. Equity compensation plans hold 3 023 498 (2018: 3 097 876) of the N ordinary shares and the remaining 3 432 326 (2018: 3 432 326) N ordinary shares are held by various group companies.

Voting and dividend rights

The company's issued share capital at 31 March 2019 consisted of 907 128 A ordinary shares and 438 656 059 N ordinary shares. The N ordinary shares are listed on the JSE, the A2X Exchange and has an ADR listing on the LSE. The N ordinary shares on a poll carry one vote per share. The A ordinary shares are not listed on a stock exchange and on a poll carry 1 000 votes per share.

In terms of the Naspers memorandum of incorporation, both N and A ordinary shareholders are entitled to nominal dividends. However, the dividends declared to A ordinary shareholders are equal to one-fifth of the dividends to which N ordinary shareholders are entitled.

Naspers Limited, through Heemstede Beleggings Proprietary Limited, a wholly owned subsidiary of the company, holds 49% of Naspers Beleggings (RF) Limited. Naspers Beleggings (RF) Limited, in turn, holds 445 839 (2018: 445 839) A ordinary shares (49.1% of the total A ordinary shares in issue), which carry approximately 33.1% of the total voting rights in respect of the company's ordinary shares. Keeromstraat 30 Beleggings (RF) Limited holds 279 406 (2018: 279 406) A ordinary shares (30.8% of the total A ordinary shares in issue), which represents 20.8% of the total voting rights in respect of the company's ordinary shares. Some of the company's directors are on the boards of Keeromstraat Beleggings (RF) Limited and Naspers Beleggings (RF) Limited, but do not represent the majority of board members. Each of these boards operates independently. Naspers Beleggings (RF) Limited and Keeromstraat Beleggings (RF) Limited collectively hold 53.9% of the voting rights in respect of the company, exercise their voting rights in consultation with one another in terms of a voting pool agreement and constitute the control structure of Naspers Limited. 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 (RF) Limited and Keeromstraat Beleggings (RF) Limited 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 A ordinary shares will be paid the nominal value of such shares before any payment is made to holders of N ordinary shares. This amounted to approximately R18 142 560 as at 31 March 2019.

Unissued share capital

The directors of the company have unrestricted authority, until the next annual general meeting, to allot and issue the unissued 342 872 A ordinary shares and 61 343 941 N ordinary shares of the company. This authority was granted subject to the provisions of the Companies Act No 71 of 2008, the JSE Limited Listings Requirements and any other exchange on which the shares of the company may be quoted or listed from time to time.

19. SHARE CAPITAL AND PREMIUM (continued)

	2019 Number of N shares	2018 Number of N shares
Movement in N ordinary shares in issue during the year		
Shares in issue at 1 April	**438 656 059**	438 265 253
Shares issued to share incentive trusts and group companies	**-**	390 806
Shares in issue at 31 March	**438 656 059**	438 656 059
Movement in N ordinary shares held as treasury shares during the year		
Shares held as treasury shares at 1 April	**6 530 202**	6 725 537
Shares issued to share incentive trusts and companies[(1)]	**338 114**	433 775
Shares acquired by participants from equity compensation plans	**(412 492)**	(629 110)
Shares held as treasury shares at 31 March	**6 455 824**	6 530 202
Net number of N ordinary shares in issue at 31 March	**432 200 235**	432 125 857

[(1)] *Includes shares issued to share incentive trusts and group companies as well as shares purchased on the open market by share incentive trusts and group companies. In line with the group's commitment to avoid shareholder dilution, shares required to settle equity-compensation benefits are purchased on the open market.*

	31 March	
	2019 US$'m	2018 US$'m
Share premium		
Balance at 1 April	**6 154**	6 070
Share premium on share issues	**-**	84
Balance at 31 March	**6 154**	6 154

Refer to note 45 for the group's equity compensation plans.

Capital management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits for other stakeholders by pricing products and services commensurately with the level of risk.

Naspers relies upon distributions, including dividends, from its subsidiaries, associates and joint ventures to generate the funds necessary to meet the obligations and other cash flow requirements of the combined group. The operations of the group have historically been funded in a number of ways. The internet development activities were primarily funded by cash generated from the video-entertainment businesses (refer to note 3 for details of the group's distribution of the MultiChoice Group to its shareholders during the current year) as well as debt and equity financing. Recent acquisitions of ecommerce businesses were primarily funded by cash retained following disposals, including that of the group's interest in Flipkart during the current year and the disposal of 6% of the group's investment in Tencent in March 2018. The ecommerce businesses are also scaling and accordingly, they will become cash generative over time and able to sustain their operating capital requirements. The group received US$342.0m (2018: US$247.0m) in dividends from Tencent during the year and US$377.3m after the year-end – an increase of 10% compared to the 2019 financial year. The group's cash resources (including short-term cash investments) will be invested over time to accelerate growth in classifieds, online-food delivery services as well as in payments and fintech and to pursue growth opportunities when they arise.

19. SHARE CAPITAL AND PREMIUM (continued)

Capital management (continued)

The group's general business strategy is to acquire developing businesses and to provide funding to meet the cash needs of those businesses until they can, within a reasonable period of time, become self-funding. Funding is provided through a combination of loans and share capital, depending on the country-specific regulatory requirements. From a subsidiary's perspective, intergroup loan funding is generally considered to be part of the capital structure. The focus on increased profitability and cash flow generation will continue into the foreseeable future, although the group will continue to actively evaluate potential growth opportunities within its areas of expertise.

The group will also grow its business in the future by making equity investments in growth companies. The group anticipates that it may fund future acquisitions and investments through the issue of debt and equity instruments and utilisation of available cash resources.

The group follows a risk-based approach to the determination of the optimal capital structure. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or modify the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group issued a seven-year US$1bn bond in July 2013. The bond matures in July 2020 and carries a fixed interest rate of 6% per annum.

The group issued a 10-year US$1.2bn bond in July 2015. The bond matures in July 2025 and carries a fixed interest rate of 5.5% per annum.

The group issued a 10-year US$1.0bn bond in July 2017. The bond matures in July 2027 and carries a fixed interest rate of 4.85% per annum.

In April 2018 the group amended and extended its previous revolving credit facility (RCF) of US$2.5bn with a new RCF of US$2.5bn. The new RCF matures in April 2023 and bears interest at US LIBOR plus 1.25%, before commitment and utilisation fees. In April 2019 the group exercised an option included in the RCF to extend the maturity date of US$2.28bn to April 2024.

The borrower under the bonds and the undrawn US$2.5bn (2018: undrawn balance of US$2.5bn) RCF (refer to the group's unutilised banking facilities disclosed in note 42) is Prosus N.V. (formerly Myriad International Holdings N.V.) and the facilities are guaranteed by Naspers Limited. The borrower is obligated to pay a commitment fee equal to 35% of the applicable margin under the RCF. The undrawn balance of the RCF is available to fund future investments and development expenditure by the group as part of its growth strategy.

As of 31 March 2019 the group had total interest-bearing debt (including capitalised finance leases) of US$3.3bn (2018: US$4.4bn) and net cash and cash equivalents and short-term investments of US$9.6bn (2018: US$11.4bn). The net interest-bearing debt-to-equity ratio was negative at 31 March 2019 and 31 March 2018 due to the group's net cash position, inclusive of short-term investments. The group excludes capitalised finance leases (in the prior year this notably included satellite transponder leases) from total interest-bearing debt when evaluating and managing capital. These items are considered to be operating expenses. The adjusted total interest-bearing debt (excluding capitalised finance leases) was US$3.2bn (2018: US$3.2bn) and the adjusted net interest-bearing debt-to-equity ratio was negative due to the group's net cash position of US$6.3bn (2018: US$8.2bn) at 31 March 2019.

The group does not have a formally targeted debt-equity ratio. The group has specific financial covenants in place with various financial institutions to govern its debt, all of which were complied with during the reporting period. These financial covenants are linked to various financial metrics including the net-debt-to-adjusted-EBITDA ratio and interest cover.

19. SHARE CAPITAL AND PREMIUM (continued)

Capital management (continued)

The group's listed bonds are rated by Moody's and Standard & Poor's (S&P) as Baa3 and BBB-, respectively, and both with a stable outlook.

South African exchange control regulations provide for a common monetary area consisting of the Republic of South Africa, the Kingdom of Lesotho, the Kingdom of eSwatini (formerly Swaziland) and the Republic of Namibia, and restrict the export of capital from the common monetary area. Approval by the South African Reserve Bank is required for any acquisitions outside of the common monetary area if the acquisition is funded from within the common monetary area.

20. OTHER RESERVES

	31 March	
	2019	2018
	US$'m	US$'m
Other reserves in the statement of financial position comprise:		
Foreign currency translation reserve	**(2 070)**	(761)
Hedging reserve	**-**	(106)
Valuation reserve	**760**	1 679
Existing control business combination reserve	**(1 127)**	(1 847)
Share-based compensation reserve	**1 698**	1 460
	(739)	425

The foreign currency translation reserve relates to exchange differences arising on the translation of foreign operations' income statements and statements of comprehensive income at average exchange rates for the year and their statements of financial position at the ruling exchange rates at the reporting date if the functional currency differs from the group's presentation currency. The movement on the foreign currency translation reserve for the year relates primarily to the effects of foreign exchange rate fluctuations related to the group's net investments in its subsidiaries.

The hedging reserve relates to changes in the fair value of derivative financial instruments and relevant underlying hedged items. The changes in fair value are recorded in the hedging reserve until the forecast transaction or firm commitment results in the recognition of a non-financial asset or liability, when such deferred gains or losses are included in the initial measurement of the non-financial asset or liability. Refer to note 42 for the movements in the hedging reserve during the year.

The valuation reserve relates to fair-value changes in investments at fair value through other comprehensive income, remeasurements on post-employment benefit plans, differences between the fair value and the contractually stipulated value of shares issued in business combinations and other acquisitions as well as the group's share of equity-accounted investees' revaluations of their investments at fair value through other comprehensive income. Following the adoption of IFRS 9 in the current year, no amounts contained in the valuation reserve will be reclassified to the income statement in future periods. During the prior year, US$128.5m, previously recognised as the group's share of other comprehensive income of equity-accounted investments, was reclassified to the income statement by equity accounted investees in accordance with IAS 39 and was therefore included in the group's share of equity-accounted results.

20. OTHER RESERVES (continued)

Movements in the valuation reserve during the year, after the effects of non-controlling interests, are detailed below:

	31 March	
	2019 **US$'m**	2018 US$'m
Opening balance	**1 679**	1 387
Fair-value gains on investments at fair value through other comprehensive income[1]	**11**	(4)
Foreign currency translation reserve movements on equity reserves	**3**	2
Valuation reserve reclassified to the income statement[2]	**-**	(106)
Valuation reserve reclassified to retained earnings[3]	**(1 277)**	-
Share of valuation reserve of equity-accounted investments	**344**	400
Closing balance	**760**	1 679

[1] *Previously referred to as available-for-sale investments in terms of IAS 39 Financial Instruments: Recognition and Measurement.*
[2] *Relates to cumulative fair value changes on available-for-sale investments that were reclassified to the income statement on disposal in terms of IAS 39 Financial Instruments: Recognition and Measurement.*
[3] *Relates to cumulative fair value changes on financial assets at fair value through other comprehensive income that were reclassified to retained earnings on disposal in terms of IFRS 9 Financial Instruments.*

The existing control business combination reserve is used to account for transactions with non-controlling shareholders, whereby the excess of the cost of the transactions over the acquirer's proportionate share of the net asset value acquired/sold is allocated to this reserve in equity. Written put options and other obligations that may require the group to purchase its own equity instruments by delivering cash or another financial asset are also initially recognised from this reserve. Similarly, written put options and other similar obligations are reclassified to this reserve in the event of cancellation or expiry.

The grant date fair value of share incentives issued to employees in equity-settled share-based payment transactions is accounted for in the share-based compensation reserve over the vesting period, if any. The reserve is adjusted at each reporting period when the entity revises its estimates of the number of share incentives that are expected to vest. The impact of revisions of original estimates, if any, is recognised in the income statement, with a corresponding adjustment to this reserve in equity.

A significant proportion of the group's foreign currency translation, valuation and share-based compensation reserves relates to the group's interests in its equity-accounted investments, particularly Tencent.

21. RETAINED EARNINGS

Distributions made by Naspers Limited to shareholders that are not exempt from dividend tax are subject to dividend tax at a rate of 20%. Although the group's presentation currency is the US dollar, dividends are declared and paid in South African rand, with the relevant exchange rate announced at the time of the dividend payment.

The board of directors has proposed that a dividend of 715 SA cents (2018: 650 SA cents) per N ordinary share and 143 SA cents (2018: 130 SA cents) per A ordinary share be paid to shareholders on 17 September 2019. If approved by the shareholders of the company at its annual general meeting, the company will pay a total dividend of approximately R3.1bn based on the number of shares in issue at 31 March 2019.

22. POST-EMPLOYMENT LIABILITIES

22.1 Medical liability

The group operates a number of post-employment medical benefit schemes. The obligation of the group to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit for current employees is dependent upon the employees remaining in service until retirement age and completing a minimum service period. The group determines its obligations for post-employment medical aid benefits by way of an annual valuation. The key assumptions and valuation method are described below.

Key assumptions and valuation method

The actuarial valuation method used to value the obligations is the projected unit credit method. Future benefits are projected using actuarial assumptions and the obligations for in-service members are accrued over the expected working lifetimes.

The significant actuarial assumptions used in the current and prior period valuations are outlined below:

	31 March	
	2019	2018
Discount rates	**10.0%**	9.0%
Healthcare cost inflation	**8.3%**	8.1%
Average retirement age	**60**	60
Membership discontinued at retirement	**0%**	0%

The group assumes that current in-service members would retire on their current medical scheme option and that there would be no change in medical scheme options at retirement.

Actuarial assumptions are generally more suited to the estimation of the future experience of larger groups of individuals. The overall experience of larger groups is less variable and is more likely to tend to the expected value of the underlying statistical distribution. The smaller the group size, the less likely it is that the actual future experience will be close to that which is expected. Furthermore, assumptions that are appropriate for the group overall, may not be appropriate at an individual entity level.

22. POST-EMPLOYMENT LIABILITIES (continued)

22.1 Medical liability (continued)

Post-employment medical liability

	31 March 2019 US$'m	31 March 2018 US$'m
Opening balance	**34**	15
Current service cost	**-**	1
Interest cost	**2**	-
Past service cost[1]	**-**	12
Employer benefit payments	**(2)**	(1)
Remeasurements	**(2)**	5
Disposal of subsidiary	**(1)**	-
Transferred to liabilities classified as held for sale	**(1)**	-
Foreign currency translation effects	**(5)**	2
Total post-employment medical liability	**25**	34
Current portion of post-employment medical liability	**4**	4
Non-current portion of post-employment medical liability	**21**	30

[1] The prior year increase in past service cost related to Media24 members that transferred to a different medical aid fund and with respect to whom the group has provided an additional top-up subsidy.

As the value of the liability is based on a number of assumptions, a sensitivity analysis is presented below to show the effect of a one-percentage point decrease or increase in the rate of healthcare cost inflation:

Healthcare cost inflation	**Assumption** 8.3%	-1%	+1%
Accrued liability 31 March 2019 (US$'m)	25	23	27
% change		-8.7%	10.2%
Current service cost plus interest cost 2019 and 2020 (US$'m)	2	2	3
% change		-9.2%	10.9%

22.2 Pension and provident benefits

The group provides retirement benefits for its full-time employees by way of various separate defined contribution pension and provident funds. All full-time employees have access to these funds. Contributions to these funds are paid on a fixed scale. Substantially all the group's full-time employees are members of either one of the group's retirement benefit plans or a third-party plan. Certain of these funds are related parties to the group and as at 31 March 2019 and 2018 there were no outstanding amounts between the group and these funds. The group has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

An amount of US$3.1m (2018: US$14.2m) was recognised as an expense during the period in relation to the group's defined contribution funds.

23. LONG-TERM LIABILITIES

	31 March 2019 US$'m	31 March 2018 US$'m
Interest-bearing: Capitalised finance leases	**5**	1 086
Total liabilities	**8**	1 158
Less: Current portion	**(3)**	(72)
Interest-bearing: Loans and other liabilities	**3 237**	3 202
Total liabilities	**3 247**	3 216
Less: Current portion	**(10)**	(14)
Non-interest-bearing: Programme and film rights	**-**	-
Total liabilities	**-**	143
Less: Current portion	**-**	(143)
Non-interest-bearing: Loans and other liabilities	**3**	13
Total liabilities	**13**	64
Less: Current portion	**(10)**	(51)
Net long-term liabilities	**3 245**	4 301

Interest-bearing: Capitalised finance leases

Type of lease	**Currency of year-end balance**	**Year of final repayment**	**Weighted average year-end interest rate**	**31 March 2019 US$'m**	31 March 2018 US$'m
Buildings, manufacturing equipment, vehicles, computers and office equipment	Various	Various	Various	**8**	9
				8	9
Transmission equipment and satellites[1]					
	US$	2019	3.5% - 4.1%	**-**	29
	US$	2020	3.2%	**-**	13
	US$	2025	3.2% - 6.0%	**-**	193
	US$	2027	4.0% - 6.0%	**-**	261
	US$	2031	5.0%	**-**	234
	US$	2032	3.5% - 5.0%	**-**	419
				-	1 149
Total capitalised finance leases				**8**	1 158

[1] Tranmission equipment and satellite leases related to the MultiChoice Group which was distributed to shareholders during the current year (refer to note 3).

23. LONG-TERM LIABILITIES (continued)

Interest-bearing: Capitalised finance leases (continued)

Maturity profile

	31 March	
	2019 US$'m	2018 US$'m
Minimum instalments		
Payable within year one	**3**	115
Payable within year two	**2**	133
Payable within year three	**2**	139
Payable within year four	**2**	138
Payable within year five	**-**	138
Payable after year five	**-**	787
	9	1 450
Future finance costs on finance leases	**(1)**	(292)
Present value of finance lease liabilities	**8**	1 158
Present value		
Payable within year one	**3**	72
Payable within year two	**2**	85
Payable within year three	**2**	99
Payable within year four	**1**	103
Payable within year five	**-**	107
Payable after year five	**-**	692
Present value of finance lease liabilities	**8**	1 158

23. LONG-TERM LIABILITIES (continued)

Interest-bearing: Loans and other liabilities

	Asset secured	Currency of year-end balance	Year of final repay-ment	Weighted average year-end interest rate	31 March 2019 US$'m	31 March 2018 US$'m
Unsecured						
Publicly traded bond		US$	2020	6.00%	**1 000**	1 000
Publicly traded bond		US$	2025	5.50%	**1 200**	1 200
Publicly traded bond		US$	2027	4.85%	**1 000**	1 000
Financiadora de Estudos e Projetos (Finep)		BRL	2020	4.50%	**4**	-
Itaú Unibanco Holding S.A.		BRL	2020 - 2021	11.00%	**4**	-
Various institutions		Various	Various	Various	**5**	11
Syndicated facility[1]		ZAR	2022	JIBAR + 1.9%	**9**	14
Secured						
Exim Bank S.A.	Buildings	RON and EUR	2019 - 2028	1.58% - 4.12%	**19**	6
Raiffeisen Bank S.A.	Buildings	RON and EUR	2019 - 2028	1.58% - 4.12%	**19**	
Total facilities					**3 260**	3 231
Unamortised loan costs					**(13)**	(15)
					3 247	3 216

[1] This is a syndicated facility between Investec Bank Limited and Rand Merchant Bank.

Non-interest-bearing: Programme and film rights

Liabilities	Currency of year-end balance	Year of final repay-ment	31 March 2019 US$'m	31 March 2018 US$'m
Unsecured				
Programme and film rights liabilities	Various	2019	**-**	128
Programme and film rights liabilities	Various	2020	**-**	15
			-	143

23. LONG-TERM LIABILITIES (continued)

Non-interest-bearing: Loans and other liabilities

Loans	Asset secured	Currency of year-end balance	Year of final repay-ment	31 March 2019 US$'m	31 March 2018 US$'m
Secured					
Fortress Projectontwikkeling B.V.	Various	US$	2020-2029	**-**	2
Unsecured					
Earn-out obligations		Various	Condi-tional	**7**	58
Other		Various	Various	**6**	4
				13	64
Total long-term liabilities					
Repayment terms of long-term liabilities (excluding capitalised finance leases)					
Payable within year one				**20**	159
Payable within year two				**1 011**	64
Payable within year three				**6**	1 005
Payable within year four				**4**	3
Payable within year five				**6**	7
Payable after year five				**2 226**	2 200
				3 273	3 438
Unamortised loan costs				**(13)**	(15)
				3 260	3 423
Interest rate profile of long-term liabilities (long- and short-term portion, including capitalised finance leases)					
Loans at fixed rates: 1 to 12 months				**6**	79
Loans at fixed rates: more than 12 months				**3 201**	4 289
Interest-free loans				**13**	207
Loans linked to variable rates				**48**	6
				3 268	4 581

23. LONG-TERM LIABILITIES (continued)

Reconciliation of liabilities arising from financing activities

	Finance lease liabilities	Interest bearing liabilities	Non-interest bearing liabilities
		31 March	
	2019 US$'m	2019 US$'m	2019 US$'m
Balance at 1 April 2018	**1 158**	**3 216**	**64**
Additional liabilities recognised	**-**	**60**	**2**
Repayments of long- and short-term debt	**(102)**	**(26)**	**(2)**
Settlements of earnout obligations	**-**	**-**	**(23)**
Settlement of obligations relating to investing activities	**-**	**-**	**(17)**
Interest accrued	**43**	**2**	**-**
Remeasurement of contingent consideration	**-**	**-**	**(3)**
Acquisition of subsidiary	**-**	**1**	**-**
Disposal of subsidiary	**-**	**(1)**	**-**
Transferred to assets classified as held for sale[1]	**(1 091)**	**(1)**	**(7)**
Amortisation of transaction costs	**-**	**2**	**-**
Foreign exchange translation	**-**	**(6)**	**(1)**
Balance at 31 March 2019	**8**	**3 247**	**13**
Less: Current portion	**(3)**	**(10)**	**(10)**
Non-current liabilities	**5**	**3 237**	**3**

[1] *Relates to the group's video-entertainment business which was distributed to shareholders during the year (refer to note 3).*

	Finance lease liabilities	Interest bearing liabilities	Non-interest bearing liabilities
		31 March	
	2018 US$'m	2018 US$'m	2018 US$'m
Balance at 1 April 2017	1 206	2 898	28
Additional liabilities recognised	5	1 124	48
Repayments	(103)	(827)	(8)
Interest accrued	50	1	-
Acquisition of subsidiary	-	14	-
Amortisation of transaction costs	-	3	-
Capitalisation of transaction costs	-	(7)	-
Foreign exchange translation	-	4	(4)
Other	-	6	-
Balance at 31 March 2018	1 158	3 216	64
Less: Current portion	(72)	(14)	(51)
Non-current liabilities	1 086	3 202	13

24. OTHER NON-CURRENT LIABILITIES

	31 March 2019 US$'m	31 March 2018 US$'m
Written put option liabilities[1]	**827**	2 394
Total other liabilities	**827**	2 394
Less: Current portion of other liabilities included in accrued expenses and other current liabilities (refer to note 26)	**(289)**	(1 527)
Non-current portion of other liabilities	**538**	867

[1] Relates to put options written over the non-controlling interests in the group's letgo classifieds business, Dante International S.A. (eMAG), Movile Internet Movel S.A. and various other smaller ecommerce units.

During the year, the group recognised an aggregate gain on the remeasurement of written put option liabilities of US$52.8m (2018: US$252.1m expense) as part of "Other finance (costs)/income - net" in the income statement (refer to note 31). The decrease in witten put option liabilities is mainly due to the settlement of the written put options held by the non-controlling interest in Avito, Dubizzle and letgo USA (refer to note 3 for information regarding the acquisitions of non-controlling interest in these businesses during the year).

The maturity profile of the group's written put option liabilities is detailed in the table below and reflects the first date on which the respective written put options can be contractually exercised:

	31 March 2019 US$'m	31 March 2018 US$'m
Exercisable within one year	**289**	1 527
Exercisable within one to two years	**286**	-
Exercisable after two to five years	**252**	867
Total other liabilities	**827**	2 394

The group has the contractual discretion to settle all written put option obligations either in cash or in Naspers N ordinary shares.

The majority of the group's written put option liabilities are exercisable when non-controlling shareholders request an initial public offering (IPO) of the relevant group subsidiary and the IPO is either declined by the group or is ultimately unsuccessful.

Sensitivity analysis

The measurement of written put option liabilities is based on discounted cash flow analyses as well as prices observed in orderly transactions. At 31 March 2019, 27% of the total balance of written put option liabilities has been measured using discounted cash flow analyses. Accordingly, the measurement of written put option liabilities is subject to significant estimation uncertainty. The following analysis illustrates the sensitivity of written put option liabilities to reasonably possible changes in the most significant underlying variables used in their measurement:

Increase/(decrease) in written put option liabilities and loss/(gain) in the income statement	31 March 2019 US$'m
1% increase in the discount rate and a 1% decrease in the terminal growth rate	**(36)**
1% decrease in the discount rate and a 1% increase the terminal growth rate	**44**

24. OTHER NON-CURRENT LIABILITIES (continued)

Sensitivity analysis (continued)

Other assumptions contained in the discounted cash flow analyses used by the group when valuing written put option liabilities vary widely between obligations due to the group's diverse range of business models and are closely linked to entity-specific key performance indicators.

Movements during the year on the group's written put option liabilities are detailed below. Cash flows arising from the settlement of written put option liabilities are presented as part of financing activities in the statement of cash flows.

	31 March	
	2019 US$'m	2018 US$'m
Opening balance	**2 394**	2 218
Additional obligations raised	**83**	-
Remeasurements recognised in the income statement	**(53)**	252
Settlements	**(1 566)**	(62)
Foreign currency translation effects	**(31)**	(14)
Closing balance	**827**	2 394

25. PROVISIONS

	31 March	
	2019 US$'m	2018 US$'m
Warranties	**1**	2
Pending litigation	**10**	8
Reorganisation	**4**	20
Ad valorem duties	**-**	2
Long-service and retirement gratuity	**9**	11
Other	**1**	17
Total provisions	**25**	60
Less: Non-current portion of provisions	**(6)**	(9)
Current portion of provisions	**19**	51

Provisions relate to a variety of obligations for the group as follows:

The group is currently involved in various litigation matters. The litigation provision has been estimated based on legal counsel and management's estimates of costs and possible claims relating to these.

The provision for long service and retirement gratuity relates to the estimated cost of these employee benefits.

The provision for reorganisation relates to the relocation costs of certain of our operations.

Included in other provisions are estimated amounts related to other regulatory matters.

26. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March	
	2019 US$'m	2018 US$'m
Deferred income[1]	**58**	267
Accrued expenses*	**223**	445
Amounts owing in respect of investments acquired*	**47**	16
Taxes and other statutory liabilities	**78**	242
Bonus accrual	**56**	105
Accrual for leave	**16**	37
Other personnel accruals	**35**	35
Payments received in advance	**17**	42
Cash-settled share-based payment liability (refer to note 45)	**16**	40
Payables from reverse factoring arrangements*	**58**	35
Merchant payable*	**290**	232
Written put option liabilities (refer to note 24)*	**289**	1 527
Other current liabilities**	**36**	38
	1 219	3 061

[1] *Relates to revenue received In advance from contracts with customers. Refer to note 28 for movements in deferred income balances.*

* *Financial liabilities*

** *Includes financial liabilities of US$16.7m (2018: US$32.0m).*

27. COMMITMENTS AND CONTINGENCIES

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group plans to fund these commitments and contingencies out of existing facilities and internally generated funds. Prior period commitments include those relating to the MultiChoice Group which was distributed to shareholders during the current year (refer to note 3).

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2019 amount to US$18.8m (2018: US$16.5m).

(b) Other commitments

The group entered into contracts for the receipt of various services. These service contracts are for the receipt of information technology and computer support services, access to networks, consulting services and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to US$26.4m (2018: US$104.1m).

(c) Programme and film rights

The group entered into contracts for the purchase of programme and film rights relating to its video-entertainment business during the prior year. The group's commitments in respect of these contracts amounted to US$2.91bn. Refer to note 3 for details of the distribution of the MultiChoice Group during the current year.

(d) Set-top boxes

The group entered into contracts for the purchase of set-top boxes (decoders) relating to its video-entertainment business during the prior year. The group's commitments in respect of these contracts amounted to US$182.8m. Refer to note 3 for details of the distribution of the MultiChoice Group during the current year.

27. COMMITMENTS AND CONTINGENCIES (continued)

(e) Operating lease commitments

The group has the following operating lease commitments at 31 March 2019:

	31 March 2019 US$'m	31 March 2018 US$'m
Minimum operating lease payments:		
Payable in year one	**48**	67
Payable in year two	**47**	52
Payable in year three	**42**	42
Payable in year four	**34**	40
Payable in year five	**25**	35
Payable after five years	**86**	91
	282	327

The group leases office, manufacturing and warehouse space under various non-cancellable operating leases. Certain contracts contain renewal options and escalation clauses for various periods of time. Prior year operating lease commitments included US$108.4m relating to the group's video-entertainment business (refer to note 3 for details of the group's distribution of the MultiChoice Group to its shareholders in the current year).

(f) Litigation claims

Taxation matters

The group operates across a large number of jurisdictions and pays tax in the countries in which it operates. In certain jurisdictions uncertainty exists as to whether certain transactions or payments are subject to tax. In these countries the group continues to seek relevant advice and works with its advisers to identify and/or quantify tax exposures. Our current assessment of possible withholding and other tax exposures, including interest and potential penalties, amounts to approximately US$22.0m (2018: US$226.1m). The current year reduction in possible tax exposures relates primarily to the distribution of the MultiChoice Group to shareholders (refer to note 3). No provision has therefore been made as at 31 March 2019 and 2018 for these possible exposures.

Further, the group has a contingent asset of US$177.0m (2018: US$nil) related to amounts receivable from tax authorities.

(g) Assets pledged as collateral

The group pledged property, plant and equipment, investments, cash and cash equivalents, accounts receivable and inventory as collateral against its finance leases and other secured liabilities with an outstanding balance of US$46.4m (2018: US$1.18bn). Refer to note 23 for further details. The prior year balance relating to finance leases and other secured liabilities included transponder leases within the group’s video-entertainment business which was distributed to its shareholders during the current year (refer to note 3).

28. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Reportable segment(s) where revenue is included	31 March 2019 US$'m	31 March 2018 US$'m
Online sale of goods revenue	Classifieds and Etail	**1 481**	1 245
Classifieds listings revenue	Classifieds	**623**	491
Payment transaction commissions and fees	Payment and fintech	**308**	255
Mobile and other content revenue	Other ecommerce	**159**	142
Food delivery revenue	Food delivery	**159**	115
Advertising revenue	Various	**229**	241
Comparison shopping commissions and fees	Other ecommerce	**45**	59
Travel package revenue and commissions	Travel	**27**	53
Printing, distribution, circulation, publishing and subscription revenue	Media	**145**	284
Other revenue	Various	**115**	100
		3 291	2 985

Revenue is presented on an economic-interest basis (i.e. including a proportionate consolidation of the revenue of associates and joint ventures) in the group's segmental review and is accordingly not directly comparable to the above consolidated revenue figures.

The group has recognised the following assets and liabilities in the statement of financial position that relate to revenue from contracts with customers:

Accrued income (refer to note 16)

	31 March 2019 US$'m	31 March 2018 US$'m
Accrued income	**24**	33
Accrued income net of impairment allowance[1]	**24**	33

[1] Refer to note 42 for the group's credit risk management policy. Impairment allowances recorded on accrued income balances were not significant.

Deferred income (refer to note 26)

	31 March 2019 US$'m	31 March 2018 US$'m
Deferred income	**58**	267

Revenue recognised in relation to deferred income

The following table depicts the amount of revenue recognised in each reporting period that related to amounts included within the opening balance of deferred income for that reporting period:

	31 March 2019 US$'m	31 March 2018 US$'m
Revenue recognised that was included in the deferred income balance at the beginning of the period[1]	**32**	25

[1] Relates to revenue recognised from continuing operations.

Accrued income and deferred income balances were significantly impacted by the distribution of the MultiChoice Group to shareholders during the current year. At the date of distribution, the group derecognised accrued income of US$10.8m and deferred income of US$150.4m that was classified as held for sale. Refer to note 4 for further details.

28. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Unsatisfied long-term contracts

	31 March 2019 US$'m
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 March 2019	**1**

As permitted by the transitional provisions of IFRS 15, the group has not disclosed the transaction price allocated to partially or fully unsatisfied long-term contracts for periods prior to 31 March 2019.

29. EXPENSES BY NATURE

	31 March 2019 US$'m	2018 US$'m
Operating loss includes the following items:		
Depreciation classification		
Cost of providing services and sale of goods	**1**	1
Selling, general and administration expenses	**34**	30
	35	31
Amortisation classification		
Selling, general and administration expenses	**111**	111
Operating leases		
Minimum lease payments	**22**	16
Auditor's remuneration		
Audit fees	**6**	6
Tax fees	**-**	1
All other fees	**1**	1
	7	8
Staff costs		
As at 31 March 2019, the group had 20 196 (2018: 17 823) permanent employees.		
The total cost of employment of all employees, including executive directors, was as follows:		
Salaries, wages and bonuses	**859**	764
Retirement benefit costs	**7**	10
Medical aid fund contributions	**7**	8
Post-employment benefits	**3**	14
Training costs	**10**	9
Retention option expense	**11**	7
Share-based compensation expenses	**98**	97
Total staff costs	**995**	909
Advertising expenses	**318**	403
Cost of inventories sold	**1 343**	1 221

30. OTHER (LOSSES)/GAINS - NET

	31 March 2019 US$'m	31 March 2018 US$'m
(Loss)/gain on disposal of assets	**(2)**	1
Fair-value adjustments on financial instruments	**(27)**	(6)
Impairment losses	**(8)**	(28)
impairment of goodwill and other intangible assets	**(7)**	(4)
impairment of property, plant and equipment and other assets	**(1)**	(24)
Dividends received on investments	**4**	1
Other	**(5)**	-
Total other (losses)/gains - net	**(38)**	(32)

Refer to notes 5, 6 and 7 for further information on the above impairments.

31. FINANCE (COSTS)/INCOME

	31 March 2019 US$'m	31 March 2018 US$'m
Interest expense		
Loans and overdrafts	**(201)**	(193)
Other	**(4)**	(4)
	(205)	(197)
Interest income		
Loans and bank accounts	**283**	49
Other	**1**	3
	284	52
Net loss/(profit) from foreign exchange translation and fair-value adjustments on derivative financial instruments		
On translation of assets and liabilities	**45**	(7)
On translation of forward exchange contracts and cross-currency interest rate swaps	**32**	(120)
	77	(127)
Remeasurement of written put option liabilities	**53**	(252)
Other finance income/(costs) - net	**130**	(379)
Total finance income/(costs) - net	**209**	(524)

32. GAINS ON ACQUISITIONS AND DISPOSALS

	2019 US$'m	2018 US$'m
Gain/(loss) on sale of investments	**1 618**	(91)
Remeasurement of contingent consideration	**3**	(5)
Acquisition-related costs	**(19)**	(18)
Remeasurement of previously held interest	**7**	21
	1 609	(93)

33. TAXATION

	31 March 2019 US$'m	31 March 2018 US$'m
Normal taxation	**269**	100
current year	**266**	100
prior year	**3**	-
Deferred taxation	**(40)**	(30)
current year	**(49)**	(31)
prior year	**9**	1
Total taxation per income statement	**229**	70
Reconciliation of taxation		
Taxation at statutory rates[(1)]	**1 230**	3 127
Adjusted for:		
non-deductible expenses[(2)]	**94**	180
non-taxable income[(2)]	**(63)**	(2 634)
temporary differences not provided for[(3)]	**134**	251
assessed losses unprovided	**(1)**	5
initial recognition of prior year tax losses	**(33)**	-
other taxes	**10**	14
changes in taxation rates	**-**	(10)
tax attributable to equity-accounted earnings	**(955)**	(919)
tax adjustment for foreign taxation rates[(4)]	**(187)**	56
Taxation provided in income statement	**229**	70

[(1)] *The reconciliation of taxation has been performed using the statutory tax rate of Naspers Limited of 28% (2018: 28%). The impact of different tax rates applied to profits earned in other jurisdictions is disclosed above as "Tax adjustment for foreign taxation rates".*
[(2)] *Non-deductible expenses relate primarily to impairment losses and dilutions of equity-accounted investments. Non-taxable income relates primarily to the gains on disposals of subsidiaries and associates.*
[(3)] *Temporary differences not provided for relate primarily to loss-making entities that did not recognise deferred tax assets.*
[(4)] *Tax adjustment for foreign taxation rates relates mainly to different capital gain tax rate on disposal of associates.*

34. EARNINGS PER SHARE

	31 March 2019							
	Continuing operations				Discontinued operations			
	Gross US$'m	**Taxation US$'m**	**Non-controlling interests US$'m**	**Net US$'m**	Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m
Earnings								
Basic earnings attributable to shareholders (restated)				**4 218**				2 683
Impact of dilutive instruments of subsidiaries, associates and joint ventures				**(47)**				-
Diluted earnings attributable to shareholders				**4 171**				2 683
Headline adjustments								
Adjustments for:	**(653)**	**175**	**(21)**	**(499)**	(2 465)	-	(2)	(2 467)
Impairment of property, plant and equipment and other assets	**1**	**-**	**-**	**1**	21	-	(1)	20
Impairment of goodwill and other intangible assets	**7**	**-**	**(1)**	**6**	3	-	(1)	2
(Gain)/loss on sale of assets	**2**	**-**	**-**	**2**	-	-	-	-
Gains on acquisitions and disposals of investments	**(1 621)**	**177**	**-**	**(1 444)**	(2 489)	-	-	(2 489)
Remeasurement of previously held interest	**(7)**	**-**	**2**	**(5)**	-	-	-	-
Dilution gains on equity-accounted investments	**182**	**-**	**-**	**182**	-	-	-	-
Remeasurements included in equity-accounted earnings[1]	**695**	**(2)**	**(22)**	**671**	-	-	-	-
Impairment of equity-accounted investments	**88**	**-**	**-**	**88**	-	-	-	-
Basic headline earnings (restated)				**3 719**				216
Diluted headline earnings				**3 672**				216

[1] Remeasurements included in equity-accounted earnings include US$126.4m relating to gains arising on acquisitions and disposals by associates and US$799.4m relating to impairments of assets recognised by associates.

34. EARNINGS PER SHARE (continued)

	31 March 2018							
	Continuing operations				Discontinued operations			
	Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m	Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m
Earnings								
Basic earnings attributable to shareholders (restated)				11 245				113
Impact of dilutive instruments of subsidiaries, associates and joint				(49)				-
Diluted earnings attributable to shareholders (restated)				11 196				113
Headline adjustments								
Adjustments for:	(9 594)	20	(1)	(9 575)	16	(2)	(2)	12
Impairment of property, plant and equipment and other assets	24	-	-	24	15	(3)	(2)	10
Impairment of goodwill and other intangible assets	4	-	(1)	3	-	-	-	-
(Gain)/loss on sale of assets	-	-	-	-	(1)	1	-	-
Losses/(gains) on acquisitions and disposals of investments	95	5	(1)	99	-	-	-	-
Remeasurement of previously held interest	(21)	-	-	(21)	-	-	-	-
Dilution gains on equity-accounted investments	(9 216)	17	-	(9 199)	-	-	-	-
Remeasurements included in equity-accounted earnings(1)	(526)	(2)	1	(527)	2	-	-	2
Impairment of equity-accounted investments	46	-	-	46	-	-	-	-
Basic headline earnings (restated)(2)				1 670				125
Diluted headline earnings (restated)(2)				1 621				125

(1) *Remeasurements included in equity-accounted earnings include US$691.8m relating to gains arising on acquisitions and disposals by associates and US$159.4m relating to impairments of assets recognised by associates.*

(2) *Refer to note 2 for details of restatement.*

34. EARNINGS PER SHARE (continued)

	2019 Number of N shares	2018 Number of N shares
Number of N ordinary shares in issue at year-end (excluding treasury shares)	**432 200 235**	432 125 857
Adjusted for movement in shares held by share trusts	**1 277**	(490 491)
Weighted average number of N ordinary shares in issue during the year	**432 201 512**	431 635 366
Adjusted for effect of future share-based payment transactions	**1 858 498**	1 368 076
Diluted weighted average number of N ordinary shares in issue during the year	**434 060 010**	433 003 442
Earnings per N ordinary share (US cents) from continuing operations		
Basic	**976**	2 604
Diluted	**961**	2 585
Headline earnings per N ordinary share (US cents) from continuing operations		
Basic	**860**	387
Diluted	**846**	374
Earnings per N ordinary share (US cents) from discontinued operations		
Basic	**621**	27
Diluted	**618**	27
Headline earnings per N ordinary share (US cents) from discontinued operations		
Basic	**50**	29
Diluted	**50**	28
Dividend paid per A ordinary share (SA cents)		
- South African	**130**	116
Dividend paid per N ordinary share (SA cents)		
- South African	**650**	580
Proposed dividend per A ordinary share (SA cents)		
- South African	**143**	130
Proposed dividend per N ordinary share (SA cents)		
- South African	**715**	650

35. CASH FROM OPERATIONS

	31 March 2019 US$'m	31 March 2018 Restated[1] US$'m
Profit before tax from continuing operations per income statement	**4 391**	11 179
Adjustments relating to continuing operations:		
Non-cash and other	**(4 696)**	(11 555)
Loss on sale of assets	**2**	(1)
Depreciation and amortisation	**146**	142
Retention option expense	**11**	7
Share-based compensation expenses	**98**	96
Net finance (income)/ cost	**(209)**	524
Share of equity-accounted results	**(3 410)**	(3 285)
Impairment of equity-accounted investments	**88**	46
Gains on acquisitions and disposals	**(1 628)**	93
Dilution losses/(gains) on equity-accounted investments	**182**	(9 216)
Net realisable value adjustments on inventory, net of reversals	**7**	3
Impairment losses	**8**	28
Other	**9**	8
Operating cash flows of discontinued operations, net of adjustments for non-cash and other items	**699**	797
	394	421
Working capital	**(72)**	(280)
Cash movement in trade and other receivables	**(16)**	(204)
Cash movement in payables and accruals	**52**	17
Cash movement in programme and film rights	**(24)**	(25)
Cash movement in inventories	**(84)**	(68)
Total cash from operations	**322**	141

[1] *Represents the impact of adopting IFRS 15.*

36. ACQUISITIONS OF SUBSIDIARIES AND BUSINESSES

	31 March 2019 US$'m	31 March 2018 US$'m
Carrying values of assets and liabilities:		
property, plant and equipment	**3**	13
other intangible assets	**58**	142
net current assets	**48**	115
deferred taxation	**(8)**	(40)
long-term liabilities	**(1)**	(14)
contingent liability	**-**	(4)
	100	212
Non-controlling interests	**(13)**	(83)
Derecognition of equity-accounted investments	**(15)**	(102)
Remeasurement of previously held interest	**(7)**	(21)
Goodwill	**105**	124
Purchase consideration	**170**	130
Amount to be settled in future	**-**	(1)
Net cash in subsidiaries and businesses acquired	**(66)**	(113)
Net cash outflow from acquisitions of subsidiaries and businesses	**104**	16

37. DISPOSALS OF SUBSIDIARIES AND BUSINESSES

	31 March 2019 US$'m	2018 US$'m
Carrying values of assets and liabilities:		
property, plant and equipment	**1**	-
disposal groups classified as held for sale	**874**	225
goodwill	**8**	-
other intangible assets	**4**	-
net assets	**28**	10
deferred taxation	**(1)**	-
other liabilities	**(9)**	-
foreign currency translation reserve realised	**594**	110
	1 499	345
Distribution to owners[1]	**(3 771)**	(69)
Non-controlling interests	**145**	(94)
Existing control business combination reserve	**(274)**	-
Fair value of investments at fair value through other comprehensive income retained following distribution to owners[1]	**(58)**	(29)
Gain on disposal	**2 513**	(143)
Selling price	**54**	10
Net cash in subsidiaries and businesses disposed of	**(562)**	30
Net cash (outflow)/inflow from disposals of subsidiaries and businesses	**(508)**	40

[1] *Relates to the group's video-entertainment business which was distributed to shareholders during the current year (refer to note 3 and note 11).*

38. ACQUISITION OF AND ADDITIONAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Included in acquisition of and additional investments in associates of US$1 280.0m (2018: US$1 923.5m) are the following: Swiggy US$716.4m, BYJU US$383.2m, Frontier Car Group US$89.4m, Honor US$35.0m, PaySense US$11.5m and other acquisitions of US$44.5m (2018: Delivery Hero US$1 343.0m, MakeMyTrip US$155.0m, Swiggy US$121.0m, Remitly US$100.0m, Kreditech US$99.0m, FlipKart US$71.0m, Joymode US$11.2m, Brainly US$9.3m and other acquisitions of US$14.5m). These investments were classified as investments in associates.

Included in acquisition of and additional investments in joint ventures of US$17.8m (2018: US$17.4m) is El Cochinero US$8.8m and THL MIH Limited US$7.8m and other additional investments of US$1.2m (2018: WeChat US$6.5m, Sympla US$4.6m, El Cochinero US$4.3m and Silver Brazil JVCo US$2.0m). These investments were classified as investments in joint ventures.

39. SHORT-TERM INVESTMENTS

The group holds investments in money-market investments and fixed deposits. The carrying values of these investments as at 31 March 2019 are shown below.

		31 March	
	Weighted average interest rate	**2019 US$'m**	2018 US$'m
Money-market investments	2.9%	**6 967**	-
Fixed deposits	7.8%	**259**	-
Accrued interest income		**72**	-
Total short-term investments		**7 298**	-

Included in short-term investments are money-market investments of US$6.97bn (2018: US$nil) denominated in US dollar and fixed deposits of US$258.7m (2018: US$ nil) that are denominated in South African rand.

The above investments have maturity dates (from the date of acquisition) of between three and 12 months and have accordingly not been disclosed as part of cash and cash equivalents.

Short-term investments are classified as financial assets at amortised cost. Due to their short-term nature, the carrying values of these investments are considered to be a reasonable approximation of their fair values. None of the group's short-term investments were past due or subject to significant impairment allowances as at 31 March 2019.

Short-term investments are held by entities that have the same functional currencies as the currencies in which the investments are denominated and accordingly do not give rise to foreign currency risk. Due to the nature of short-term investments, there is an insignificant exposure to price risk.

Refer to note 42 for further information regarding the credit risk of short-term investments.

40. CASH AND CASH EQUIVALENTS

	31 March	
	2019 US$'m	2018 US$'m
Cash at bank and on hand	**1 334**	982
Short-term bank deposits[1]	**950**	10 387
Bank overdrafts and call loans	**(8)**	(1)
	2 276	11 368
Restricted cash		
The following cash balances are restricted from immediate use according to agreements with banks and other financial institutions:		
Africa	**4**	26
Europe	**100**	82
Other	**29**	37
Total restricted cash	**133**	145

[1] *The group invested a significant portion of its cash and cash equivalents in short-term cash investments during the year. Refer to note 39 for further details.*

Restricted cash is still included in cash and cash equivalents due to the fact that it mostly relates to cash held on behalf of customers.

41. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decisionmaker (CODM) in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the group's executive directors who make strategic decisions.

The group proportionately consolidates its share of the results of its associated companies and joint ventures in its reportable segments. This is considered to be more reflective of the economic value of these investments and corresponds to the manner in which the CODM assesses segmental performance.

Continuing operations

The group has identified its operating segments from continuing operations based on its business by service or product as follows: ecommerce (comprising the businesses listed below), social and internet platforms and media. Below are the types of services and products from which each segment generates revenue:

Ecommerce – the group operates internet platforms to provide various services and products. These platforms and communities offer ecommerce, communication, social networks, entertainment and mobile value-added services. The reportable segments within ecommerce include classifieds, payments and fintech, food delivery, etail, travel and other ecommerce.

- *Classifieds* – the group operates a number of leading online classifieds platforms comprising general classifieds (such as OLX and letgo) and verticals (automotive and real estate verticals) in more than 40 markets globally.
- *Payments and fintech* – the group operates one of the largest mobile and online payment platforms globally through PayU, an online payment services provider. This segment also includes the group's fintech and credit interests via associates and subsidiaries.
- *Food delivery* – the group invests in leading global online food ordering and delivery platforms operating in regions including India, Africa, Latin America and across Europe, Asia and the Middle East through its investments in Delivery Hero, Swiggy and iFood.
- *Etail* – comprises the group's etail subsidiaries (including eMAG and Takealot) and, up to date of disposal, the group's associate Flipkart. The group's operations are spread across Central and Eastern Europe and South Africa.
- *Travel* – the group, through its investment in MakeMyTrip in India, operates a platform for online travel services including flight tickets and hotel reservations.
- *Other ecommerce* – this segment comprises the group's online comparison shopping interests as well as its mobile and other content businesses.

Social and internet platforms – the group holds listed investments in social and internet platforms through Tencent, China's largest and most used internet services platform and Mail.ru, the leading internet company in Russian speaking markets.

Media – through Media24 in Africa, the group publishes newspapers, magazines and books. Its activities also include printing and distribution.

Corporate – this segment comprises entities providing various corporate functions and activities.

41. **SEGMENT INFORMATION** (continued)

Continuing operations *(continued)*

Sales between the segments are eliminated on consolidation and presented in the "Inter-segmental" column. The revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report is measured in a manner consistent with that in the income statement. EBITDA, as presented in the segmental report, refers to earnings before interest, tax, depreciation and amortisation.

The revenues from external customers for each major group of products and services are disclosed in note 28. The group is not reliant on any one major customer as the group's products are consumed by the general public in a large number of countries.

Discontinued operations

Discontinued operations relate to the group's video-entertainment business which was distributed to its shareholders during the current year (refer to note 3). This segment offered digital satellite and digital terrestrial television services to subscribers as well as mobile and internet services through MultiChoice South Africa in South Africa and through MultiChoice Africa in the rest of sub-Saharan Africa. Through Irdeto, the segment provided digital content management and protection systems to customers globally to protect, manage and monetise digital media on any platform. Through Showmax, the segment provided subscription video-on-demand services.

41. SEGMENT INFORMATION (continued)

	Revenue Year ended 31 March 2019			2018		
	US$'m	**US$'m**	**US$'m**	US$'m	US$'m	US$'m
	External	**Inter-segmental**	**Total**	External	Inter-segmental	Total
Continuing operations						
Ecommerce	**3 934**	**-**	**3 934**	3 582	-	3 582
- Classifieds	**875**	**-**	**875**	628	-	628
- Payments and fintech	**354**	**6**	**360**	294	-	294
- Food delivery	**377**	**-**	**377**	166	-	166
- Etail	**1 847**	**-**	**1 847**	2 060	-	2 060
- Travel[1]	**233**	**1**	**234**	211	-	211
- Other	**248**	**(7)**	**241**	223	-	223
Social and internet platforms	**14 744**	**-**	**14 744**	12 281	-	12 281
- Tencent	**14 457**	**-**	**14 457**	12 024	-	12 024
- Mail.ru	**287**	**-**	**287**	257	-	257
Media[2]	**312**	**14**	**326**	489	18	507
Corporate	**-**	**2**	**2**	-	2	2
Eliminations	**-**	**(16)**	**(16)**	-	(20)	(20)
Total economic interest from continuing operations	**18 990**	**-**	**18 990**	16 352	-	16 352
Less: Equity-accounted investments	**(15 699)**	**-**	**(15 699)**	(13 367)	-	(13 367)
Total consolidated from continuing operations	**3 291**	**-**	**3 291**	2 985	-	2 985
Total consolidated from discontinued operations (refer to note 4)	**3 321**	**-**	**3 321**	3 672	-	3 672
Total consolidated[3]	**6 612**	**-**	**6 612**	6 657	-	6 657

[1] The adoption of IFRS 15 by the group's associate MakeMyTrip Limited resulted in the reduction of travel revenue for the year ended 31 March 2018 by US$65.0m. This adjustment did not have an impact on EBITDA or trading profit.
[2] 2018 includes revenue of US$133.0m relating to Novus Holdings Limited (Novus). The group distributed the majority of its shareholding in Novus to its shareholders in September 2017 (refer to note 3).
[3] Includes the results of the video-entertainment segment which has been classified as a discontinued operation (refer to note 4).

41. SEGMENT INFORMATION (continued)

	Year ended 31 March 2019						
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
	Total revenue	COPS and SGA[1]	EBITDA	Deprecia-tion	Amorti--sation of software	Interest on finance leases	Trading profit/(loss)
Continuing operations							
Ecommerce	3 934	(4 490)	(556)	(40)	(17)	-	(613)
- Classifieds	875	(856)	19	(14)	(3)	-	2
- Payments and fintech	360	(399)	(39)	(4)	-	-	(43)
- Food delivery	377	(539)	(162)	(4)	(5)	-	(171)
- Etail	1 847	(1 980)	(133)	(16)	(1)	-	(150)
- Travel	234	(270)	(36)	(1)	-	-	(37)
- Other	241	(446)	(205)	(1)	(8)	-	(214)
Social and internet platforms	14 744	(10 375)	4 369	(400)	(17)	-	3 952
- Tencent	14 457	(10 133)	4 324	(388)	(7)	-	3 929
- Mail.ru	287	(242)	45	(12)	(10)	-	23
Media	326	(333)	(7)	(5)	(2)	-	(14)
Corporate	2	(19)	(17)	(4)	-	-	(21)
Eliminations	(16)	16	-	-	-	-	-
Total economic interest from continuing operations	18 990	(15 201)	3 789	(449)	(36)	-	3 304
Less: Equity-accounted investments	(15 699)	11 579	(4 120)	413	21	-	(3 686)
Total consolidated from continuing operations	3 291	(3 622)	(331)	(36)	(15)	-	(382)
Total consolidated from discontinued operations (refer to note 4)	3 321	(2 666)	655	(90)	(10)	(43)	512
Total consolidated[2]	6 612	(6 288)	324	(126)	(25)	(43)	130

[1] *Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.*
[2] *Includes the results of the video-entertainment segment which has been classified as a discontinued operation (refer to note 4).*

41. SEGMENT INFORMATION (continued)

	Year ended 31 March 2018						
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
	Total revenue	COPS and SGA[1]	EBITDA	Deprecia-tion	Amorti--sation of software	Interest on finance leases	Trading (loss)/profit
Continuing operations							
Ecommerce	3 582	(4 237)	(655)	(47)	(11)		(713)
- Classifieds	628	(727)	(99)	(13)	(2)	-	(114)
- Payments and fintech	294	(354)	(60)	(3)	(1)	-	(64)
- Food delivery	166	(186)	(20)	(6)	(4)	-	(30)
- Etail	2 060	(2 308)	(248)	(19)	(3)	-	(270)
- Travel[2]	211	(270)	(59)	(2)	-	-	(61)
- Other[3]	223	(392)	(169)	(4)	(1)	-	(174)
Social and internet platforms	12 281	(8 284)	3 997	(255)	(16)	-	3 726
- Tencent	12 024	(8 099)	3 925	(245)	(5)	-	3 675
- Mail.ru	257	(185)	72	(10)	(11)	-	51
Media[4]	507	(497)	10	(5)	(2)		3
Corporate	2	(20)	(18)	(2)	(2)	-	(22)
Eliminations	(20)	20	-	-	-	-	-
Total economic interest from continuing operations	16 352	(13 018)	3 334	(309)	(31)	-	2 994
Less: Equity-accounted investments	(13 367)	9 623	(3 744)	278	17		(3 449)
Total consolidated from continuing operations	2 985	(3 395)	(410)	(31)	(14)	-	(455)
Total consolidated from discontinued operations (refer to note 4)	3 672	(3 003)	669	(188)	(15)	(51)	415
Total consolidated[5]	6 657	(6 398)	259	(219)	(29)	(51)	(40)

[1] Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.
[2] The adoption of IFRS 15 the group's associate MakeMyTrip Limited resulted in the reduction of travel revenue for the year ended 31 March 2018 by US$65.0m. This adjustment did not have an impact on EBITDA or trading profit.
[3]The group historically allocated a portion of its corporate costs to the video-entertainment segment. Following the distribution of the MultiChoice Group to shareholders in the current year, and the consequent presentation of the video-entertainment segment as a discontinued operation, corporate costs are now only allocated to the ecommerce business. The group views these corporate costs as primarily relating to the support of the ecommerce business. In line with IFRS 8 Operating Segments the group has accordingly presented the comparative information contained in the segmental review on a similar basis..
[4]Includes EBITDA of US$33.3m and trading profit of US$33.3m relating to Novus Holdings Limited (Novus). The group distributed the majority of its shareholding in Novus to its shareholders in September 2017 (refer to note 3).
[5] Includes the results of the video-entertainment segment which has been classified as a discontinued operation (refer to note 4).

41. SEGMENT INFORMATION (continued)

Additional disclosure

	Year ended 31 March 2019			Year ended 31 March 2018		
	US$'m	**US$'m**	**US$'m**	US$'m	US$'m	US$'m
	Impairment of assets	**Remeasurement of written put option liabilities**	**Share of equity-accounted results**	Impairment of assets	Remeasurement of written put option liabilities	Share of equity-accounted results
Ecommerce	**(7)**	**53**	**(252)**	(35)	(252)	(340)
- Classifieds	**-**	**86**	**5**	(9)	(228)	(5)
- Payments and fintech	**-**	**3**	**(29)**	-	(6)	(16)
- Food delivery	**-**	**-**	**(66)**	(1)	-	(36)
- Etail	**(2)**	**7**	**(43)**	(23)	(23)	(152)
- Travel	**(1)**	**-**	**(73)**	(7)	-	(103)
- Other	**(4)**	**(43)**	**(46)**	5	5	(28)
Social and internet platforms	**(806)**	**-**	**3 661**	(141)	-	3 625
- Tencent	**(799)**	**-**	**3 696**	(141)	-	3 616
- Mail.ru	**(7)**	**-**	**(35)**	-	-	9
Media	**(1)**	**-**	**1**	-	-	1
Total reportable segments	**(814)**	**53**	**3 410**	(176)	(252)	3 286
Less: Equity-accounted investments[1]	**806**	**-**	**-**	141	-	-
Continuing operations	**(8)**	**53**	**3 410**	(35)	(252)	3 286
Discontinued operations (refer to note 4)	**(26)**	**-**	**(1)**	(20)	-	(7)
Total	**(34)**	**53**	**3 409**	(55)	(252)	3 279

[1] *All associates' and joint ventures' results are accounted for using the equity method.*

41. SEGMENT INFORMATION (continued)

Trading profit as presented in the segment disclosure is the CODM and management's measure of each segment's operational performance. A reconciliation of the segmental trading profit to operating profit and profit before tax as reported in the income statement is provided below:

	31 March	
	2019	2018
		Restated
	US$'m	US$'m
Trading profit from continuing operations[1]	**(398)**	(496)
Adjusted for:		
Finance cost on capitalised finance leases	**1**	-
Amortisation of other intangible assets	**(94)**	(97)
Other gains/(losses) - net	**(38)**	(32)
Retention option expense	**(11)**	(7)
Share-based incentives settled in treasury shares	**(27)**	(27)
Operating loss per the income statement	**(567)**	(659)
Interest income	**284**	52
Interest expense	**(205)**	(197)
Other finance income/(costs) - net	**130**	(379)
Share of equity-accounted results	**3 410**	3 285
Impairment of equity-accounted investments	**(88)**	(46)
Dilution (losses)/gains on equity-accounted investments	**(182)**	9 216
Gains/(losses) on acquisitions and disposals	**1 609**	(93)
Profit before taxation per the income statement	**4 391**	11 179

[1] *Includes the net profit impact of trading between continuing and discontinued operations of US$15.7m (2018: US$40.5m).*

41. SEGMENT INFORMATION (continued)

Geographical information

The group operates in five main geographical areas:

Africa - The group derives revenues from video-entertainment platform services (refer to note 3 for details of the distribution of the group's video-entertainment business to shareholders during the current period), media activities, internet services (including payments and fintech and classifieds services and products) and technology products and services. The group is domiciled in the Republic of South Africa which is consequently presented separately.

Asia - The group's activities comprise its interest in internet activities based in China, India, Thailand and Singapore.

Europe - The group's activities comprise its interest in internet activities based in Central and Eastern Europe and Russia. Furthermore, the group generates revenue from technology products and services provided by subsidiaries based in the Netherlands.

Latin America - The group's activities comprise its interest in internet activities based in Brazil and other Latin American countries.

Other - Includes the group's provision of various products through internet and technology activities located mainly in Australia and the United States of America.

	Africa						
	South Africa US$'m	**Rest of Africa US$'m**	**Latin America US$'m**	**Asia US$'m**	**Europe US$'m**	**Other US$'m**	**Total US$'m**
March 2019							
External consolidated revenue from continuing operations	**663**	**4**	**423**	**215**	**1 896**	**90**	**3 291**
External proportionately consolidated revenue from continuing operations[1]	**677**	**4**	**469**	**15 270**	**2 431**	**139**	**18 990**
March 2018							
External consolidated revenue from continuing operations	684	6	372	167	1 679	77	2 985
External proportionately consolidated revenue from continuing operations[1]	738	10	410	13 096	2 006	97	16 357

[1] *Revenue includes the group's proportionate share of associates' and joint ventures' external revenue.*

Revenue is allocated to a country based on the location of subscribers or users/customers.

42. FINANCIAL RISK MANAGEMENT

Financial risk factors

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair-value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. These include the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The group's overall risk management programme seeks to minimise the potential adverse effects of financial risks on its financial performance. The group uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge certain risk exposures.

Risk management is carried out by management under policies approved by the board of directors and its risk management committee. Management identifies, evaluates and, where appropriate, hedges financial risks. The various boards of directors within the group provide written policies, in line with the overall group policies, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and the investment of excess liquidity.

42.1 Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk. Although a substantial portion of the group's revenue is denominated in the currencies of the countries in which it operates, a significant portion of cash obligations, including satellite transponder leases and contracts for video-entertainment programming, were denominated in US dollar prior to the group's distribution of its video-entertainment business to shareholders (refer to note 3). Where the group's revenue is denominated in local currency, depreciation of the local currency against the US dollar adversely affects the group's earnings and its ability to meet cash obligations. Some entities in the group use forward exchange contracts to hedge their exposure to foreign currency risk in connection with their obligations. Management may hedge 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 and up to two years in the video-entertainment business. However, in many territories, forward cover is not available and accordingly, such exposures are not hedged. The group also uses forward exchange contracts to hedge foreign currency exposure in its media business where cover is generally taken for 50% to 100% of firm commitments in foreign currency for up to one year.

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

The group classified its forward exchange contracts relating to forecast transactions and firm commitments as either cash flow or fair value hedges, and measures them at fair value. Hedged transactions historically related mainly to programming costs, transponder lease instalments and the acquisition of inventory items in the video-entertainment segment which has been presented as a discontinued operations (refer to note 4). Movements in the hedging reserve for the year are detailed below:

	31 March	
	2019	2018
	US$'m	US$'m
Opening balance	**(107)**	(30)
Net fair value gains/(losses),	**77**	(101)
Foreign exchange movement	**1**	(2)
Derecognised and added to asset	**4**	27
Derecognised and reported in revenue	**(1)**	2
Derecognised and reported in cost of sales	**38**	(16)
Derecognised and reported in finance cost	**(5)**	(7)
Derecognised and reported in income when recognition criteria failed	**1**	-
Tax effects	**(24)**	12
Non-controlling interest in hedging reserve	**(14)**	8
Transfer to foreign currency translation reserve	**(24)**	-
Hedging reserve reclassified to the income statement on distribution of subsidiary [1]	**54**	-
Closing balance	**-**	(107)

[1]*Relates to the MultiChoice Group which was distributed to shareholders during the current year (refer to note 3).*

The fair value of all forward exchange contracts designated as cash flow hedges at 31 March 2019 was US$nil (2018: net liability of US$99.2m), comprising assets of US$nil (2018: US$4.1m) and liabilities of US$nil (2018: US$103.3m), that were recognised as derivative financial instruments. The fair value of all forward exchange contracts designated as fair value hedges at 31 March 2019 was US$nil (2018: liability of US$23.9m).

During the year ended 31 March 2019 the group recognised gains on fair value hedging instruments of US$4.9m (2018: US$7.9m) and gain of US$101.6m (2018: losses of US$84.1m) on the hedged items attributable to the hedged risks.

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

Following the distribution of its video-entertainment business to shareholders during the year (refer to note 3) the group is no longer party to significant forward exchange contracts. Forward exchange contracts in the statement of financial position as at 31 March 2019 relate to agreements entered into by the group on behalf of its former subsidiary Irdeto B.V. (Irdeto). The group has offsetting buy and sell positions with respect to all forward exchange contracts entered into on behalf of Irdeto and accordingly, on a gross basis, the contractual cash flows arising under these agreements are zero.

The group has, however, entered into an agreement, maturing within the next 12 months, to exchange US$180m for HKD1.41bn (Hong Kong dollars) at an average exchange rate US$/HKD 7.82.

The group does not apply hedge accounting with respect to any of its forward exchange contracts outstanding as at 31 March 2019.

The table below sets out the periods when the cash flows are expected to occur for both fair value and cash flow hedges in place at 31 March 2018:

	Maturing within one year					
	EUR[1] 'm	EUR[2] 'm	US$[1] 'm	NGN[2] 'm	KES[2] 'm	Other[3] 'm
Total outstanding FECs at 31 March 2018:						
Video-entertainment segment	34	66	499	48 340	5 150	111
Corporate segment	-	-	144	-	-	-
Media segment	-	-	-	-	-	-
	34	66	643	48 340	5 150	111
Average exchange rate (SA rand)	17.25	-	14.42	-	-	-
Average exchange rate (US dollar)	-	1.20	-	0.003	0.009	0.009

	Maturing within one to two years		
	US$[1] 'm	EUR[1] 'm	EUR[2] 'm
Total outstanding FECs at 31 March 2018:			
Video-entertainment segment	205	35	6
Corporate segment	-	-	-
Media segment	-	-	-
	205	35	6
Average exchange rate (SA rand)	14.36	17.63	
Average exchange rate (US dollar)			1.22

[1] Group entities that are party to these foreign exchange contracts have SA rand functional currencies.

[2] Group entities that are party to these foreign exchange contracts have US dollar functional currencies.

[3] The majority of these FECs relate to contracts denominated in Indian rupees, British pound and South African rand and have been expressed in the US dollar equivalent.

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

Following the acquisition of the group's interests in Delivery Hero SE and Kreditech Holding SSL GmbH during the 2018 financial year (refer to note 3), it is exposed to significant foreign exchange translation risk as a result of these investments being euro denominated.

To hedge its exposure to the foreign currency translation risk arising on translation of certain of the group's euro denominated equity-accounted investments to the group's US dollar presentation currency, the group entered into a cross-currency interest rate swap agreement. The cross-currency interest rate swap agreement has been designated as a net investment hedge.

The cross-currency interest rate swap matures in July 2025 and on maturity the group will exchange €700m for US$783.7m. The group has designated only the spot exchange rate element of the cross-currency interest rate swap as forming part of the hedging relationship. The hedge ratio is 1:1.

During the current year, total gains of US$89.9m (2018: losses of US$122.9m) were recognised on the cross-currency interest rate swap agreement. Gains of US$77.3m (2018: losses of US$53.4m) have been recognised in the foreign currency translation reserve relating to the net investment hedge. Gains of US$12.6m (2018: losses of US$69.5m) were recognised as part of "Other finance (costs)/income – net" in the income statement. This relates to the element of the cross-currency interest rate swap not designated as part of the hedging relationship.

Where the group has surplus funds offshore, the treasury policy is to spread the funds between more than one currency to limit the effect of foreign exchange rate fluctuations and to generate the highest possible interest income. As at 31 March 2019 the group had a net cash balance, including short-term cash investments, of US$9.57bn (2018: US$11.37bn), of which US$421.0m (2018: US$397.7m) was held in South Africa. The US$9.15bn (2018: US$10.97bn) held offshore was largely denominated in US dollar which is also the functional currency of the relevant group subsidiary in which the cash is held.

Foreign currency sensitivity analysis

The group's presentation currency is the US dollar, but as it operates internationally, it is exposed to a number of currencies, of which the exposure to the US dollar, euro, Indian rupee, Russian rouble and South African rand is the most significant. The group is also exposed to the Chinese yuan renminbi and Brazil real, albeit to a lesser extent. For purposes of the below analysis, financial instruments are only considered sensitive to foreign exchange rates when they are not denominated in the functional currency of the group entity holding the relevant financial instrument.

The sensitivity analysis details the group's sensitivity to a 10% decrease (2018: 10% decrease) in the South African rand, Indian rupee and Russian rouble against the US dollar, as well as a 10% increase of the US dollar against the euro (2018: 10% increase of the US dollar against the euro and 15% decrease of the US dollar against the Nigerian naira). These movements would result in a US$52.2m decrease in net profit after tax for the year (2018: US$23.0m increase). Total equity would decrease by US$89.0m (2018: US$94.7m decrease).

This analysis includes only outstanding foreign currency denominated monetary assets and liabilities (i.e. those monetary assets and liabilities denominated in a currency that differs from the relevant group company's functional currency) and adjusts their translation at the period-end for the above percentage changes in foreign currency rates. The sensitivity analysis includes external loans, as well as loans to foreign operations within the group, but excludes translation differences due to translating from functional currency to presentation currency. The analysis has been adjusted for the effect of hedge accounting.

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

Foreign exchange rates

The exchange rates used by the group to translate foreign entities' income statements, statements of comprehensive income and statements of financial position are as follows:

	31 March 2019		31 March 2018	
	Average rate	**Closing rate**	Average rate	Closing rate
Currency (1FC = US$)				
South African rand	**0.0723**	**0.0690**	0.0774	0.0845
Euro	**1.1537**	**1.1218**	1.1786	1.2323
Chinese yuan renminbi	**0.1485**	**0.1490**	0.1517	0.1594
Brazilian real	**0.2622**	**0.2548**	0.3097	0.3026
Nigerian naira	**0.0028**	**0.0028**	0.0028	0.0028
Indian rupee	**0.0143**	**0.0145**	0.0155	0.0154
Polish zloty	**0.2684**	**0.2606**	0.2794	0.2922
Russian rouble	**0.0153**	**0.0152**	0.0173	0.0175

The average rates listed above are only approximate average rates for the year. The group measures separately the transactions of each of its material operations, using the particular currency of the primary economic environment in which the operation conducts its business, translated at the prevailing exchange rate on the transaction date.

Uncovered liabilities

The below table details the group's unhedged liabilities that are denominated in a currency other than the functional currency of the settling entity:

	31 March 2019		31 March 2018	
	Currency amount of liabilities 'm	**US$'m**	Currency amount of liabilities 'm	US$'m
Uncovered liabilities				
US dollar	**32**	**32**	1 362	1 362
British pound	**1**	**1**	7	10
Euro	**8**	**9**	107	133
Canadian dollar	**-**	**-**	4	3
Nigerian naira	**6**	**-**	8 771	24
South African rand	**-**	**-**	118	10
Indian rupee	**-**	**-**	258	4
Other	**-**	**-**	-	15

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

Derivative financial instruments

The following table details the group's derivative financial instruments:

	31 March 2019		31 March 2018	
	Assets US$'m	**Liabilities US$'m**	Assets US$'m	Liabilities US$'m
Current portion				
Forward exchange contracts	**4**	**3**	9	128
Cross-currency interest rate swap	**-**	**-**	-	1
Currency devaluation features[1]	**-**	**-**	2	-
	4	**3**	11	129
Non-current portion				
Forward exchange contracts	**-**	**-**	-	34
Derivatives embedded in leases	**1**	**-**	1	-
Cross-currency interest rate swap	**-**	**33**	-	123
	1	**33**	1	157
Total	**5**	**36**	12	286

[1] *Included in 2018 was currency devaluation features related to clauses in content acquisition agreements in the video-entertainment segment that provided the group with a contractually specified level of currency devaluation protection. The total value of derivative assets arising from such agreements at 31 March 2018 amounted to US$1.7m. Refer to note 3 for information regarding the distribution of the group's video-entertainment business to shareholders during the current year.*

The group's forward exchange contracts and cross-currency interest rate swap are subject to master netting arrangements that allow for offsetting of asset and liability positions with the same counterparty in the event of default. None of the group's forward exchange contracts and cross-currency interest rate swap agreements have been offset in the statement of financial position. Had forward exchange contracts been offset, the net asset presented in the statement of financial position would amount to US$1.0m (2018: net liability of US$153.1m).

42. FINANCIAL RISK MANAGEMENT (continued)

42.2 Credit risk

The group is exposed to credit risk relating to the following assets:

Trade receivables and accrued income balances

Trade receivables consist primarily of invoiced amounts from normal trading activities. The group has a diversified customer base across various geographical areas. Various credit checks are performed on new debtors to determine the quality of their credit history. These checks are also performed on existing debtors with long-overdue accounts. Furthermore, current debtors are monitored to ensure they do not exceed their credit limits.

The group's trade receivables arise mainly in its etail, classifieds, media and online content businesses as well as, but to a lesser extent, from its online comparison shopping and payments businesses. Average payment terms vary considerably between the group's businesses, given the diverse nature of their operations. Average payment terms, however, generally do not exceed 60 days from date of invoice.

Accrued income balances relate to unbilled revenue that has been earned and have substantially similar risk characteristics as trade receivables. Accrued income balances arise mainly in the group's media and etail businesses and are included within "Other receivables" in the statement of financial position.

The group applies the simplified approach mandated by IFRS 9 *Financial Instruments* when measuring impairment loss allowances related to trade receivables and accrued income balances and accordingly the group's impairment allowances on these financial assets equal, at all times, the credit losses expected to arise over the lifetime of these financial assets.

In measuring credit losses expected to arise over the lifetime of trade receivables and accrued income balances, financial assets are grouped according to their shared credit characteristics and aging profile.

The quantification of credit losses expected to arise over the lifetime of trade receivables and accrued income balances is based on (i) the group's actual observed historical loss experience/rates within each business and (ii) forward-looking information that is considered predictive of future credit losses within each business.

The historical loss experience/rates that are taken into account when determining impairment allowances is determined with reference to representative sales periods within each businesses (typically not shorter than 12 months) and the credit losses incurred over that period.

Forward-looking information considered in measuring lifetime expected credit losses include macroeconomic factors, with the most significant factors considered being inflation and unemployment rate increases as these are considered to most significantly affect the future ability of the group's customers to settle their accounts as they fall due for payment. All forward-looking information considered is specific to the economy that most significantly affects the underlying customer's ability to repay the relevant amount due. Due to the group's diverse operations, the forward-looking information considered and the values assigned to forward-looking information when calculating impairment allowances vary by business type and country in which the customer is located.

Related party loans and receivables

Related party loans and receivables consist primarily of balances with certain associates of the group. These financial assets are considered, by nature, to be trade receivables and accordingly are subject to the simplified impairment methodology in IFRS9. These balances are however not significant to the consolidated annual financial statements.

42. FINANCIAL RISK MANAGEMENT (continued)

42.2 Credit risk *(continued)*

Other receivables

Credit risk related to other receivables arises mainly from accrued income balances, merchant and bank receivables and disposal proceeds receivable.

Accrued income

The credit risk profile and impairment methodology applied to accrued income balance that are included within "Other receivables" in the statement of financial position is outlined above.

Merchant and bank receivables

Merchant and bank receivables balances relate to transactions, primarily in the group's payments and fintech and food delivery segments, where the group facilitates the payment process between the end consumer and the provider of goods and services (i.e. the merchant).

Impairment allowances are established on merchant and bank receivables by considering the group's historical loss experience/rates as well as forward-looking information. The group also considers whether the underlying counterparty is a new or recurring customer. The credit risk inherent in merchant and bank receivables is also reduced by the group's right to offset amounts receivable from counterparties against the corresponding amounts payable to banks and other merchants (refer to note 26) in the event of default. An average payment terms of 30 days generally apply to merchant and bank receivables.

As at 31 March 2019, an impairment allowance of US$6.5m has been recognised with respect to merchant and bank receivables.

Disposal proceeds receivable

Disposal proceeds receivable relate to amounts held in escrow following disposals of group businesses to external parties. These amounts are generally held in escrow by the relevant purchaser as security for the group's warranty and indemnity obligations in terms of disposal agreements.

The group assesses, on a continuing basis, whether a significant increase in credit risk has taken place with respect to the relevant underlying counterparty. At 31 March 2019, impairment allowances related to disposal proceeds receivable were not significant.

Cash and cash equivalents, short-term investments and derivative assets

The group is exposed to certain concentrations of credit risk relating to its cash and cash equivalents, short-term investments and derivative assets. There are no significant concentrations of credit risk relating to these financial assets. The group 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. As at 31 March 2019 the group held the majority of its cash and cash equivalents, short-term investments and derivative assets with local and international banks with a 'Baa1' credit rating or higher. The majority of the group's short-term investments are placed with international banks with an 'A1' credit rating (Moody's International's long-term deposit rating). The credit standings of counterparties that are used by the group are evaluated on a continuous basis.

Total impairment losses on financial assets at amortised cost

Total impairment losses (net of reversals) recorded on financial assets measured at amortised cost amounted to US$17.5m as at 31 March 2019.

42. FINANCIAL RISK MANAGEMENT (continued)

42.2 Credit risk *(continued)*

Previous accounting policy and methodology regarding impairment of financial assets at amortised cost

The group adopted IFRS 9 *Financial Instruments* for the first time during the current year (refer to note 2) and has applied IFRS 9's requirements, including those relating to impairment of financial assets at amortised cost, on a prospective basis from the beginning of the 2019 financial year. Impairment allowances for 2018 were accordingly determined in accordance with the group's previously applied guidance as contained in IAS 39 *Financial Instruments: Recognition and Measurement*. In terms of IAS 39, impairment allowances were determined in terms of an incurred-loss model and the group assessed, at each reporting date (or earlier when such assessment was prompted) whether there was objective evidence that a financial asset or group of financial assets may be impaired. The impairment loss was measured as the difference between the financial asset's carrying amount and the present value of the estimated future cash flows that were expected to be recovered.

42.3 Liquidity risk

Prudent liquidity risk management implies, among other aspects, maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In terms of the memorandum of incorporation of the company, no limitation is placed on its borrowing capacity. The facilities expiring within one year are subject to renewal at various dates during the next year. The group had the following unutilised banking facilities as at 31 March 2019 and 2018:

	31 March	
	2019	2018
	US$'m	US$'m
On call	**53**	24
Expiring within one year	**25**	5
Expiring beyond one year	**2 510**	2 668
	2 588	2 697

The following analysis details the remaining contractual maturity of the group's non-derivative and derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to settle the liability. The analysis includes both interest and principal cash flows.

	31 March 2019				
	Carrying value US$'m	**Contractual cash flows US$'m**	**0 - 12 months US$'m**	**1 - 5 years US$'m**	**5 years + US$'m**
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases	**(8)**	**(9)**	**(3)**	**(6)**	**-**
Interest-bearing: Loans and other liabilities	**(3 247)**	**(4 198)**	**(185)**	**(1 632)**	**(2 381)**
Non-interest-bearing: Loans and other liabilities	**(13)**	**(13)**	**(10)**	**(3)**	**-**
Other non-current liabilities	**(538)**	**(538)**	**-**	**(538)**	**-**
Trade payables	**(287)**	**(287)**	**(287)**	**-**	**-**
Accrued expenses and other current liabilities[1]	**(924)**	**(924)**	**(924)**	**-**	**-**
Related party payables	**(6)**	**(6)**	**(6)**	**-**	**-**
Dividends payable	**(1)**	**(1)**	**(1)**	**-**	**-**
Bank overdrafts	**(8)**	**(8)**	**(8)**	**-**	**-**
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	**1**	**204**	**204**	**-**	**-**
Forward exchange contracts - outflow	**-**	**(202)**	**(202)**	**-**	**-**
Cross-currency interest rate swap - inflow	**-**	**1 063**	**43**	**172**	**848**
Cross-currency interest rate swap - outflow	**(33)**	**(1 115)**	**(29)**	**(125)**	**(961)**

[1] Includes written put option liabilities - refer to note 24.

42. FINANCIAL RISK MANAGEMENT (continued)

42.3 Liquidity risk (continued)

	31 March 2018				
	Carrying value Restated US$'m	Contractual cash flows Restated US$'m	0 - 12 months Restated US$'m	1 - 5 years Restated US$'m	5 years + Restated US$'m
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases	(1 158)	(1 450)	(115)	(548)	(787)
Interest-bearing: Loans and other liabilities	(3 216)	(4 338)	(189)	(1 565)	(2 584)
Non-interest bearing: Programme and film rights	(143)	(147)	(130)	(17)	-
Non-interest-bearing: Loans and other liabilities	(64)	(64)	(51)	(11)	(2)
Other non-current liabilities	(867)	(867)	-	(867)	-
Trade payables	(564)	(568)	(568)	-	-
Accrued expenses and other current liabilities	(2 285)	(2 286)	(2 286)	-	-
Related party payables	(17)	(17)	(17)	-	-
Dividends payable	(2)	(2)	(2)	-	-
Bank overdrafts	(1)	(1)	(1)	-	-
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	-	928	655	273	-
Forward exchange contracts - outflow	(153)	(1 083)	(773)	(310)	-
Currency devaluation features	2	2	2	-	-
Shareholders' liabilities	1	-	-	-	-
Cross-currency interest rate swap - inflow	-	1 106	43	172	891
Cross-currency interest rate swap - outflow	(124)	(1 289)	(32)	(138)	(1 119)

42.4 Interest rate risk

As part of the process of managing the group's 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, the group uses derivative financial instruments, such as interest rate swap agreements, purely for hedging purposes. The fair value of these instruments will not change significantly as a result of changes in interest rates due to their short-term nature and floating interest rates.

Refer to note 23 for the interest rate profiles and repayment terms of long-term liabilities as at 31 March 2019 and 2018.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the statement of financial position date (after taking into account the effect of hedge accounting) and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The group is mainly exposed to interest rate fluctuations of the South African, American, European and London repo rates. Management's best estimate of the possible change in these interest rates is an increase of 100 basis points (2018: 100 basis points).

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's net profit after tax and total equity for the year ended 31 March 2019 would increase by US$77.5m as at 31 March 2019 (2018: increase by US$1.1m).

43. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2019			
	Carrying value US$'m	**Net gains/ (losses) recog- nised in profit or loss US$'m**	**Total interest income US$'m**	**Impair- ment US$'m**
Assets				
Investments and loans	125	(27)	-	-
Investments in preference shares and convertible notes of associates	-	(27)	-	-
Financial assets at fair value through other comprehensive income[(1)(2)]	122	-	-	-
Other loans and receivables	3	-	-	-
Receivables and loans	456	(16)	-	18
Trade receivables	172	(3)	-	11
Other receivables	281	(1)	-	7
Foreign currency intergroup receivables	-	(12)	-	-
Related party receivables	3	-	-	-
Derivative financial instruments	5	17	-	-
Forward exchange contracts	4	17	-	-
Derivatives embedded in leases	1	-	-	-
Short-term investments	7 298	-	72	-
Cash and cash equivalents	2 284	17	211	-
Total	**10 168**	**(9)**	**283**	**18**

(1) *During the period a gain of US$10.8m (2018: a loss of US$4.0m) was recognised in other comprehensive income with respect to the group's financial assets at fair value through other comprehensive income. The carrying value disclosed includes financial assets at fair value through other comprehensive income that are classified as held for sale.*

(2) *Previously referred to as available-for-sale investments in terms of IAS 39 Financial Instruments: Recognition and Measurements.*

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2019		
	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss US$'m	Total interest expense US$'m
Liabilities			
Long-term liabilities	**3 783**	**113**	**189**
Interest-bearing: Capitalised finance leases	**5**	**-**	**-**
Interest-bearing: Loans and other liabilities	**3 237**	**-**	**189**
Non-interest-bearing: Loans and other liabilities	**3**	**-**	**-**
Other non-current liabilities	**538**	**113**	**-**
Short-term payables and loans	**1 241**	**(24)**	**2**
Interest-bearing: Capitalised finance leases	**3**	**-**	**-**
Interest-bearing: Loans and other liabilities	**10**	**(1)**	**1**
Non-interest-bearing: Loans and other liabilities	**10**	**3**	**-**
Trade payables	**287**	**(2)**	**-**
Accrued expenses and other current liabilities[1]	**924**	**(27)**	**1**
Related party payables	**6**	**-**	**-**
Foreign currency intergroup payables	**-**	**3**	**-**
Dividends payable	**1**	**-**	**-**
Derivative financial instruments	**36**	**15**	**-**
Forward exchange contracts	**3**	**2**	**-**
Cross-currency interest rate swaps	**33**	**13**	**-**
Bank overdrafts	**8**	**-**	**11**
Total	**5 068**	**104**	**202**

[1] *Includes written put option liabilities (Refer to note 24).*

The carrying values of all financial instruments, apart from those disclosed below are considered to be a reasonable approximation of their fair values.

The fair values of the following instruments that are not measured at fair value have been disclosed as their carrying values are not a reasonable approximation of fair value:

Financial liabilities

Financial liabilities	Carrying value US$'m	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
31 March 2019					
Publicly traded bonds	**3 200**	**3 350**	**-**	**3 350**	**-**
31 March 2018					
Capitalised finance leases[1]	1 158	1 125	-	-	1 125
Publicly traded bonds	3 200	3 357	-	3 357	-

[1] *Related primarily to the group's video-entertainment business which was distributed to shareholders during the current year (refer to note 3).*

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2018			
	Carrying value US$'m	Net gains/(losses) recognised in profit or loss[1] US$'m	Total interest income[1] US$'m	Impairment[1] US$'m
Assets				
Investments and loans	123	(1)	3	-
Investments in preference shares and convertible notes of associates	25	-	-	-
Available-for-sale investments	71	-	-	-
Other loans and receivables	2	(1)	-	-
Related party loans	25	-	3	-
Receivables and loans	848	(23)	6	9
Trade receivables	452	(35)	2	9
Other receivables[1]	392	-	2	-
Foreign currency intergroup receivables	-	12	-	-
Related party receivables	4	-	2	-
Derivative financial instruments	12	7	-	-
Forward exchange contracts	9	4	-	-
Derivatives embedded in leases	1	-	-	-
Currency devaluation features	2	3	-	-
Cash and cash equivalents	11 369	5	66	-
Total	12 352	(12)	75	9

[1] *Includes net gains/(losses) of US$15.2m, interest income of US$36.4m and interest expense of US$69.2m associated with discontinued operations (Refer to note 4).*

[2] *Restated to exclude accrued income of US$32.9m which is presented as a contract asset in accordance with IFRS 15 which was adopted in the current year (refer to note 28).*

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2018		
	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss[2] US$'m	Total interest expense[2] US$'m
Liabilities			
Long-term liabilities	5 168	20	245
Interest-bearing: Capitalised finance leases[1]	1 086	94	50
Interest-bearing: Loans and other liabilities	3 202	-	195
Non-interest-bearing: Loans and other liabilities	13	-	-
Other non-current liabilities	867	(74)	-
Short-term payables and loans	3 149	(169)	20
Interest-bearing: Capitalised finance leases	72	4	1
Interest-bearing: Loans and other liabilities	14	1	1
Non-interest-bearing: Programme and film rights	143	12	7
Non-interest-bearing: Loans and other liabilities	51	-	-
Trade payables	564	12	7
Accrued expenses and other current liabilities[1]	2 286	(166)	2
Related party payables	17	-	2
Foreign currency intergroup payables	-	(32)	-
Dividends payable	2	-	-
Derivative financial instruments	286	(217)	-
Forward exchange contracts	162	(140)	-
Shareholders' liabilities	-	(7)	-
Cross-currency interest rate swap	124	(70)	-
Bank overdrafts	1	-	1
Total	8 604	(366)	266

[1] *Includes written put option liabilities - refer to note 24.*

[2] *Includes net gains/(losses) of US$15.2m, interest income of US$36.4m and interest expense of US$69.2m associated with discontinued operations (Refer to note 4).*

The group categorises fair-value measurements into levels 1 to 3 of the fair value hierarchy based on the degree to which the inputs used in measuring fair value are observable:

– Level 1 fair-value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2 fair-value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). The fair value of financial instruments that are not traded in active markets (for example, derivatives such as interest rate swaps, forward exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.

– Level 3 fair-value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Valuation techniques and key inputs used to measure significant level 2 and level 3 fair values

Level 2 fair-value measurements

- *Forward exchange contracts* – in measuring the fair value of forward exchange contracts, the group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the group's forward exchange contracts. Key inputs used in measuring the fair value of forward exchange contracts include: current spot exchange rates, market forward exchange rates and the term of the group's forward exchange contracts.

- *Cross-currency Interest rate swap* – the fair value of the group's cross-currency interest rate swap is determined through the use of discounted cash flow techniques using only market observable information. Key inputs used in measuring the fair value of cross-currency interest rate swaps include: spot market interest rates, contractually fixed interest rates, counterparty credit spreads, notional amounts on which interest rate swaps are based, payment intervals, risk-free interest rates as well as the duration of the relevant interest rate swap arrangement.

Level 3 fair-value measurements

- *Earn-out obligations* – relate to amounts that are payable to the former owners of businesses now controlled by the group provided that contractually stipulated post-combination performance criteria are met. These are remeasured to fair value at the end of each reporting period. Key inputs used in measuring fair value include: current forecasts of the extent to which management believe performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments.

- *Currency devaluation features* – relate to clauses in content acquisition agreements in the video-entertainment business (refer to note 4 for details of the disposal) that provide the group with protection in the event of significant devaluations of the purchasing entity's functional currency relative to the currency of the content acquisition agreement. The fair value of currency devaluation features is measured through the use of discounted cash flow techniques. Key inputs used in measuring fair value include the terms and benchmark rates contained in content acquisition agreements and spot exchange rates prevailing at the relevant measurement dates.

Instruments not measured at fair value for which fair value is disclosed

- *Level 2* – the fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments at the reporting date. As the instruments are not actively traded, this is a level 2 disclosure.

- *Level 3* – the fair values of all level 3 disclosures have been determined through the use of discounted cash flow analyses. Key inputs include current market interest rates as well as contractual cash flows.

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The fair values of the group's financial instruments that are measured at fair value at each reporting period are categorised as follows:

	31 March 2019			
	Fair value US$'m	**Level 1 US$'m**	**Level 2 US$'m**	**Level 3 US$'m**
Assets				
Financial assets at fair value through other comprehensive income [1]	**122**	**73**	**3**	**46**
Forward exchange contracts	**4**	**-**	**4**	**-**
Derivatives embedded in leases	**1**	**-**	**-**	**1**
Total	**127**	**73**	**7**	**47**
Liabilities				
Forward exchange contracts	**3**	**-**	**3**	**-**
Earn-out obligations	**7**	**-**	**-**	**7**
Cross-currency interest rate swap	**33**	**-**	**33**	**-**
Total	**43**	**-**	**36**	**7**

[1] *Previously referred to as available-for-sale investments in terms of IAS 39 Financial Instruments: Recognition and Measurements. The carrying value disclosed includes financial assets at fair value through other comprehensive income that are classified as held for sale.*

	31 March 2018			
	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
Assets				
Available-for-sale investments	35	33	2	-
Forward exchange contracts	9	-	9	-
Derivatives embedded in leases	1	-	-	1
Currency devaluation features	2	-	-	2
Total	47	33	11	3
Liabilities				
Forward exchange contracts	162	-	162	-
Earn-out obligations	58	-	-	58
Cross-currency interest rate swaps	124	-	124	-
Total	344	-	286	58

There were no transfers between level 1 and level 2 during any period presented.

44. SUBSEQUENT EVENTS

In April 2019 the group contributed 100% of the issued share capital of its subsidiary Netrepreneur Connections Enterprises Inc. (Sulit) as well as cash with an aggregate value of US$56.1m to Carousell Private Limited (Carousell) in exchange for a 12% (10% fully diluted) interest in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces. The companies will merge their operations in the Philippines, a process that is expected to conclude in the second half of the 2019 calendar year. The group will classify its interest in Carousell as an investment in an associate on account of its representation on the board of Carousell.

In April 2019 the group announced the exchange of its 43% interest in its online travel associate MakeMyTrip Limited for an approximately 6% interest in Ctrip.com International Limited (Ctrip), a well-known provider of online travel and related services headquartered in China. The transaction is expected to be finalised in the second half of the 2019 calendar year and is subject to regulatory approval. The group will classify its interest in Ctrip as an investment at fair value through other comprehensive income.

In April 2019 the group signed an agreement to invest US$70m for a 100% effective interest in Wibmo, Inc. (Wibmo) a digital payment company providing payment security, mobile payment solutions and processing services in India. The transaction is subject to regulatory approval. The group will account for the acquisition of its interest in Wibmo as a business combination and will classify the investment as an investment in a subsidiary.

In May 2019 the group announced the sale of its 100% effective interest in its subsidiary BuscaPé Company Informaçao e Technologia Limitada. The transaction is subject to regulatory approval.

In June 2019 the group signed an agreement to invest approximately US$131m for a 79% effective interest (85% fully diluted) in İyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (iyzico), a leading payment service provider in Turkey. The transaction is subject to regulatory approval. The group will account for the acquisition of its interest in iyzico as a business combination and will classify the investment as an investment in a subsidiary.

45. EQUITY COMPENSATION BENEFITS

The group had various equity compensation plans in operation during the financial year, 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, restricted stock units (RSUs) or share appreciation rights (SARs).

All awards are granted subject to the completion of a requisite service (vesting) period by employees, ranging from one year to five years. Unvested awards are subject to forfeiture on termination of employment. Vesting takes place in tranches depending on the duration of the total vesting period.

In respect of the share options and SARs on exercise date, following completion of the vesting period, awards are settled with employees in the equity instruments of Naspers Limited or its subsidiaries for equity-settled plans and in cash or other assets for cash-settled plans, where applicable. In respect of RSUs, awards are automatically settled in Naspers Limited equity instruments on the vesting date.

All share options 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. RSUs are granted with an exercise 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 cancelled options/RSUs/SARs are cancelled by mutual agreement between the employer and employee.

Although the group has various equity compensation plans in operation, disclosure is provided only for those plans that had the most significant impact on the group’s income statement during the current year.

45. EQUITY COMPENSATION BENEFITS (continued)

The following share option and RSU plans were in operation during the financial year:

Share option plan/RSU plan	Maximum awards permissible[(1)]	Vesting period[(2)]	Period to expiry from date of offer	IFRS 2 classification
Group				
Naspers Share Incentive Trust (Naspers)	Note 3	a[(3)]	10 years	Equity-settled
MIH Holdings Share Trust (MIH Holdings)	Note 3	a[(3)]	10 years	Equity-settled
MIH Services FZ LLC Share Trust (MIH Services)	Note 3	a[(3)]	10 years	Equity-settled
Naspers Restricted Stock Plan Trust (Naspers RSU)[(4)]	Note 4	a	Note 5	Equity-settled
Social and internet platforms				
MIH Russia Internet B.V. Share Trust	10%	c	10 years	Equity-settled
Ecommerce				
OLX B.V. Share Trust	15%	b	7 years and 3 months	Equity-settled
Ambatana Holdings B.V. 2016 Stock Option Plan	5%	a	10 years	Equity-settled
MIH Buscapé Holdings B.V. 2012 Share Trust	15%	c	10 years	Equity-settled
Buscapé Company Brasil Holdings B.V. Share Option Scheme	15%	a	10 years	Equity-settled
MIH In Loco Holdings B.V. Share Option Plan	1%	a	10 years	Equity-settled
iFood.com Share Option Scheme	10%	c	10 years	Equity-settled
Movile Internet Movel S.A. 2013 Share Trust	10%	a[(6)]	10 years	Equity-settled
Dante International S.A. (eMAG) Share Option Scheme	10%	a[(6)]	10 years	Equity-settled
MMC PlayKids Holding B.V. Share Option Scheme	15%	a[(6)]	10 years	Equity-settled
Rapiddo Agencia de Servicos de Entriga Rapida Limiteda Stock Option Scheme	10%	a	10 years	Equity-settled

The group provides detailed disclosure for those share option and RSU plans that are considered significant to the consolidated annual financial statements.

Notes in relation to the group's share option and RSU plans:

(1) The percentage reflected in this column is the maximum percentage of the respective companies' issued share capital that is available for the plan.

(2) Vesting period:
- a One quarter vests after years one, two, three and four.
- b One third vests after years three, four and five.
- c One fifth vests after years one, two, three, four and five.

(3) At the Naspers annual general meeting held on 25 August 2017 a resolution was adopted by shareholders whereby the vesting period for options granted after 25 August 2017 would be one quarter vesting after years one, two, three and four. Options granted before 25 August 2017 vest over three, four and five years respectively.

(4) The Naspers Restricted Stock Plan Trust may issue no more than 200 000 awards in aggregate during any one financial year.

(5) Awards are automatically settled with participants on the vesting date.

(6) For these schemes all offers made from 1 April 2018 vest over one, two, three and four years. All offers preceding this date vest over one, two, three, four and five years.

45. EQUITY COMPENSATION BENEFITS (continued)

The following share appreciation rights plans were in operation during the financial year:

Share appreciation rights plans	Maximum awards permissible[1]	Vesting period[2]	Period to expiry from date of offer	IFRS 2 classification
Media				
Media24 SAR Scheme	10%	a	5 years and 14 days	Equity-settled
Social and internet platforms				
MIH China/MIH TC 2008 SAR Scheme	10%	a[4]	5 years and 14 days	Equity-settled
Video entertainment[3]				
Multichoice 2008 SAR Scheme	10%	a	10 years	Equity-settled
Irdeto Holdings B.V. 2012 SAR Scheme	15%	c	10 years	Equity-settled
Showmax SAR Scheme	15%	c	10 years	Equity-settled
Ecommerce				
Netrepreneur Connections Enterprises Inc (OLX Philippines) SAR Scheme	13%	c	10 years	Equity-settled
MIH Internet SEA Private Limited SAR Scheme	15%	a[4]	10 years	Equity-settled
MIH Food Holdings B.V. SAR Scheme	5%	b	10 years	Equity-settled
MIH India Food Holdings B.V. SAR Scheme	10%	b	10 years	Equity-settled
Avito AB SAR Scheme (Avito)	5%	b	10 years	Equity-settled
CEE Classifieds SAR Scheme	10%	c	10 years	Equity-settled
FixeAds B.V. SAR Scheme	10%	c	10 years	Equity-settled
Tokobagus Exploitatie B.V. SAR Scheme	15%	c	10 years	Equity-settled
Dubizzle Limited SAR Scheme	10%	c	10 years	Equity-settled
Flipkart Limited SAR Scheme	5%	c	10 years	Equity-settled
Naspers Fintech B.V. SAR Scheme (Naspers Fintech)	15%	a[4]	10 years	Equity-settled
Naspers Global Classifieds SAR Scheme (Naspers Global Classifieds)	Note 5	a[4]	10 years	Equity-settled
Naspers Global Ecommerce SAR Scheme (Naspers Global Ecommerce)	Note 5	a[4]	10 years	Equity-settled
Naspers Global Online Services SAR Scheme	Note 5	c	10 years	Equity-settled
Naspers Ventures B.V. SAR Scheme	10%	d	10 years	Equity-settled
SimilarWeb Limited SAR Scheme	5%	c	10 years	Equity-settled
Property24 SAR Scheme	15%	a[4]	10 years	Equity-settled
Takealot Online Proprietary Limited SAR Scheme	15%	b	10 years	Equity-settled
Showmax SAR Scheme	15%	a[4]	10 years	Equity-settled
Dante International S.A. SAR Scheme	2.5%	b	10 years	Equity-settled

The group provides detailed disclosure for those share appreciation rights plans that are considered significant to the financial statements.

Notes in relation to the group's share appreciation rights plans:

(1) The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that is available for the plan.

(2) Vesting period:
- a One third vests after years three, four and five.
- b One quarter vests after years one, two, three and four.
- c One fifth vests after years one, two, three, four and five.
- d One quarter vests after years two, three, four and five.

(3) The group distributed its video-entertainment business to its shareholders during February 2019. Refer to note 3 for further information.

(4) For these schemes all offers made from 1 April 2018 vest over one, two, three and four years. All offers preceding this date vest over one, two, three, four and five years.

(5) The Naspers Global Classifieds, Naspers Global Ecommerce and Naspers Global Online Services 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.

45. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2019			
	Naspers	**Naspers RSU**	**MIH Holdings**	**MIH Services**
Shares				
Outstanding at 1 April	**204 848**	**108 407**	**500 499**	**2 185 008**
Granted	**33 808**	**82 721**	**71 234**	**326 880**
Exercised	**(16 133)**	**(43 693)**	**(152 169)**	**(200 183)**
Forfeited	**(5 829)**	**(46 915)**	**(53 853)**	**(35 134)**
Expired	**-**	**-**	**(27)**	**-**
Outstanding at 31 March	**216 694**	**100 520**	**365 684**	**2 276 571**
Available to be implemented at 31 March	**125 745**	**-**	**270 439**	**1 498 368**
Weighted average exercise price	**(SA rand)**	**(SA rand)**	**(SA rand)**	**(SA rand)**
Outstanding at 1 April	**1 292.92**	**-**	**1 480.18**	**1 332.29**
Granted	**3 132.04**	**-**	**3 089.45**	**3 082.67**
Excercised	**931.45**	**-**	**1 720.33**	**1 242.04**
Forfeited	**3 150.01**	**-**	**1 361.46**	**2 619.97**
Expired	**-**	**-**	**174.79**	**-**
Outstanding at 31 March	**1 505**	**-**	**1 616**	**1 492**
Available to be implemented at 31 March	**846.91**	**-**	**1 354.67**	**948.08**
Weighted average share price of options taken up during the year				
Shares	**16 133**	**43 693**	**152 169**	**200 183**
Weighted average share price	**2 587.02**	**3 094.60**	**3 182.62**	**3 099.02**
	31 March 2018			
Shares				
Outstanding at 1 April	222 550	99 604	598 158	2 340 315
Granted	21 087	50 568	71 383	252 898
Exercised	(27 050)	(27 127)	(150 645)	(390 796)
Forfeited	(11 739)	(14 638)	(18 397)	(16 292)
Expired	-	-	-	(1 117)
Outstanding at 31 March	204 848	108 407	500 499	2 185 008
Available to be implemented at	100 175	-	194 595	1 148 260
Weighted average exercise price	(SA rand)	(SA rand)	(SA rand)	(SA rand)
Outstanding at 1 April	1 076.46	-	1 112.48	973.72
Granted	2 973.22	-	2 992.97	2 945.66
Reduction in strike price due to Novus Limited unbundling	(1.94)	-	(1.90)	(2.05)
Exercised	495.18	-	671.98	193.13
Forfeited	2 008.88	-	1 950.95	1 977.23
Expired	-	-	-	182.00
Outstanding at 31 March	1 292.92	-	1 480.18	1 332.29
Available to be implemented at	588.17	-	642.96	776.58
Weighted average share price of options taken up during the year				
Shares	27 050	27 127	150 645	390 796
Weighted average share price	3 106.17	3 109.23	3 015.70	3 127.84

45. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2019			
	Avito	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	500 883	17 157 432	11 881 092	1 292 869
Granted	326 407	7 486 846	1 365 536	350 713
Exercised	(37 789)	(2 701 047)	(398 763)	(230 250)
Forfeited	(113 232)	(1 857 849)	(268 118)	(142 389)
Outstanding at 31 March	676 269	20 085 382	12 579 747	1 270 943
Available to be implemented at 31 March	93 874	5 534 311	7 649 628	360 394
Weighted average exercise price	(US$)	(US$)	(US$)	(US$)
Outstanding at 1 April	69.13	5.99	17.73	44.69
Granted	82.03	8.50	33.43	75.16
Exercised	61.62	5.44	18.66	42.11
Forfeited	70.30	7.39	26.67	46.74
Outstanding at 31 March	75.58	6.87	19.21	53.34
Available to be implemented at 31 March	69.11	5.37	16.40	43.00
Weighted average share price of options taken up during the year				
Shares	37 789	2 701 047	398 763	230 250
Weighted average share price	82.03	8.50	32.38	75.16

45. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2018			
	Avito	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	-	13 154 364	10 542 951	1 463 562
Granted	605 429	6 253 259	1 580 021	288 153
Exercised	(18 740)	(516 830)	(186 331)	(167 894)
Forfeited	(85 806)	(1 733 361)	(55 549)	(290 952)
Outstanding at 31 March	500 883	17 157 432	11 881 092	1 292 869
Available to be implemented at 31 March	15 363	3 929 738	5 588 826	331 547
Weighted average exercise price	(US$)	(US$)	(US$)	(US$)
Outstanding at 1 April	-	5.23	16.32	40.99
Granted	73.04	7.62	27.19	58.44
Exercised	54.86	5.35	17.42	40.98
Forfeited	58.21	6.30	19.67	41.84
Outstanding at 31 March	69.13	5.99	17.73	44.69
Available to be implemented at 31 March	54.86	4.80	15.96	41.09
Weighted average share price of options taken up during the year				
Shares	18 740	516 830	186 331	167 894
Weighted average share price	73.04	7.64	27.68	58.44

45. EQUITY COMPENSATION BENEFITS (continued)

Share option allocations outstanding and currently available to be implemented at 31 March 2019 by exercise price for the group's significant share incentive plans:

	Share options outstanding			Share options currently available	
Exercise prices	Number outstanding at 31 March 2019	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2019	Weighted average exercise price
Naspers (SA rand)					
142.86 to 144.86	**5 952**	1.18	144.69	**5 952**	144.69
241.86 to 285.87	**15 616**	2.07	261.42	**15 616**	261.42
303.87 to 434.70	**44 331**	2.91	385.91	**44 331**	385.91
767.87 to 886.67	**15 503**	4.40	794.22	**15 503**	794.22
1 196.86 to 1 477.86	**42 610**	5.58	1 363.13	**27 099**	1 358.27
1 572.02 to 1 740.83	**24 632**	6.39	1 665.16	**10 779**	1 649.55
1 931.83 to 1 962.86	**1 961**	7.67	1 933.34	**-**	-
2 323.50 to 2 429.51	**17 870**	7.42	2 385.59	**1 911**	2 323.50
2 839.86 to 3 207.00	**48 219**	8.95	3 034.74	**4 554**	2 877.16
	216 694			**125 745**	
MIH Holdings (SA rand)					
142.88 to 197.88	**19 603**	0.81	172.75	**19 603**	172.75
241.88 to 271.30	**18 833**	2.00	254.30	**18 833**	254.30
303.89 to 376.58	**31 279**	3.20	343.85	**31 279**	343.85
420.89 to 482.59	**7 995**	3.26	440.69	**7 995**	440.69
661.88 to 886.69	**38 956**	4.33	706.87	**38 956**	706.87
1 046.88 to 1 477.88	**70 279**	5.25	1 183.86	**58 804**	1 165.60
1 594.52 to 1 740.85	**38 019**	6.47	1 657.00	**21 601**	1 666.21
2 037.86 to 2 429.53	**43 179**	7.40	2 325.37	**19 937**	2 314.06
2 782.50 to 2 945.89	**50 762**	8.74	2 849.93	**20 363**	2 888.87
3 100.99 to 3 242.00	**41 387**	9.25	3 148.04	**27 676**	3 155.54
3 319.99 to 3 809.00	**5 392**	8.90	3 623.11	**5 392**	3 623.11
	365 684			**270 439**	
MIH Services (SA rand)					
142.88 to 195.93	**253 264**	0.10	151.01	**253 264**	151.01
197.88 to 271.30	**32 078**	2.12	230.64	**32 078**	230.64
303.89 to 482.59	**119 602**	3.31	421.35	**119 602**	421.35
661.88 to 886.69	**43 513**	4.33	699.52	**43 513**	699.52
1 046.88 to 1 272.66	**935 546**	5.03	1 064.44	**910 657**	1 058.75
1 302.89 to 1 378.67	**12 373**	5.64	1 369.94	**8 173**	1 368.51
1 477.88 to 1 634.84	**75 703**	6.42	1 620.31	**29 517**	1 614.73
1 700.53 to 1 770.05	**17 341**	6.64	1 735.22	**5 820**	1 735.38
1 817.89 to 1 886.88	**40 957**	7.05	1 832.58	**14 946**	1 826.63
1 931.85 to 1 992.88	**10 214**	7.30	1 979.65	**415**	1 991.88
2 056.88 to 2 340.52	**212 577**	7.32	2 134.80	**1 855**	2 323.52
2 429.53 to 2 945.89	**244 428**	8.53	2 803.70	**60 969**	2 827.39
3 017.00 to 3 213.98	**268 927**	9.25	3 102.82	**15 600**	3 135.67
3 463.98 to 3 809.00	**10 048**	9.02	3 596.58	**1 959**	3 700.39
	2 276 571			**1 498 368**	

45. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2019 by exercise price for the group's significant share incentive plans:

	SARs outstanding			SARs currently available	
Exercise prices	**Number outstanding at 31 March 2019**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price**	**Exercisable at 31 March 2019**	**Weighted average exercise price**
Avito (US$)					
54.86 to 82.03	**676 269**	8.85	75.58	**93 874**	69.11
Naspers Global Classifieds (US$)					
3.54 to 7.64	**13 254 033**	7.24	6.03	**5 534 311**	5.37
8.50	**6 831 349**	9.32	8.50	**-**	-
	20 085 382			**5 534 311**	
Naspers Global Ecommerce (US$)					
15.58 to 23.61	**9 874 555**	5.71	16.22	**7 360 485**	15.97
27.25 to 28.20	**1 456 889**	8.39	27.32	**289 143**	27.32
31.42 to 33.78	**1 248 303**	9.28	33.42	**-**	-
	12 579 747			**7 649 628**	
Naspers Fintech (US$)					
39.10 to 58.44	**928 847**	7.19	45.30	**360 394**	43.00
75.16	**342 096**	9.30	75.16	**-**	-
	1 270 943			**360 394**	

45. EQUITY COMPENSATION BENEFITS (continued)

Share option and RSU plan grants made during the year relating to the group's significant plans:

	31 March 2019			
	Naspers (SA rand)	Naspers RSU (SA rand)	MIH Holdings (SA rand)	MIH Services (SA rand)
Weighted average fair value at measurement date	1 128.97	3 140.09	1 122.86	1 111.81
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average share price	3 160	-	3 078	3 113
Weighted average exercise price	3 160	-	3 078	3 113
Weighted average expected volatility (%)*	34.0%	-	35.8%	34.0%
Weighted average option life (years)	10.0	2.5	10.0	10.0
Weighted average dividend yield (%)	0.2%	0.2%	0.2%	0.2%
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	8.4%	-	8.4%	8.4%
Weighted average annual suboptimal rate (%)	340%	-	340%	340%
Weighted average vesting period (years)	2.5	2.5	2.5	2.5

* *The weighted average expected volatility of all share options listed above is determined using historical daily share prices.*

Various early exercise expectations were calculated based on historical exercise behaviours.

45. EQUITY COMPENSATION BENEFITS (continued)

Share option and RSU plan grants made during the year relating to the group's significant plans:

	31 March 2018			
	Naspers (SA rand)	Naspers RSU (SA rand)	MIH Holdings (SA rand)	MIH Services (SA rand)
Weighted average fair value at measurement date	927.39	2 694.02	938.42	914.03
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average share price	2 973	-	2 993	2 946
Weighted average exercise price	2 973	-	2 993	2 946
Weighted average expected volatility (%)*	26.4%	-	26.5%	26.2%
Weighted average option life (years)	10.0	4.0	10.0	10.0
Weighted average dividend yield (%)	0.2%	0.2%	0.2%	0.2%
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	7.9%	-	7.9%	7.9%
Weighted average annual suboptimal rate (%)	318%	-	318%	318%
Weighted average vesting period (years)	2.5	2.5	2.5	2.5

* *The weighted average expected volatility of all share options listed above is determined using historical daily share prices.*

Various early exercise expectations were calculated based on historical exercise behaviours.

45. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights plan grants made during the year relating to the group's significant plans:

	Avito (US$)	Naspers Global Classifieds (US$)	Naspers Global Ecommerce (US$)	Naspers Fintech (US$)
31 March 2019				
Weighted average fair value at measurement date	**26.61**	**2.72**	**13.07**	**27.81**
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average SAR price	**82.03**	**8.50**	**33.63**	**75.16**
Weighted average exercise price	**82.03**	**8.50**	**33.63**	**75.16**
Weighted average expected volatility (%)*	**29.9%**	**29.2%**	**38.0%**	**35.3%**
Weighted average option life (years)	**10.0**	**10.0**	**10.0**	**10.0**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**2.8%**	**2.8%**	**2.9%**	**2.9%**
Weighted average annual suboptimal rate (%)	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Weighted average vesting period (years)	**2.5**	**2.5**	**2.5**	**2.5**
31 March 2018				
Weighted average fair value at measurement date	23.35	2.11	6.77	17.40
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average SAR price	68.13	7.62	27.19	58.44
Weighted average exercise price	68.13	7.62	27.19	58.44
Weighted average expected volatility (%)*	32.9%	23.8%	20.7%	26.4%
Weighted average option life (years)	10.0	10.0	10.0	10.0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	2.1%	2.3%	2.2%	2.2%
Weighted average annual suboptimal rate (%)	100.0%	100.0%	100.0%	100.0%
Weighted average vesting period (years)	2.5	3.0	3.0	3.0

* *The weighted average expected volatility of all share options listed above is determined using historical daily share price.*

Various early exercise expectations were calculated based on historical exercise behaviours.

45. EQUITY COMPENSATION BENEFITS (continued)

Liabilities arising from share-based payment transactions

The following liabilities have been recognised in the statement of financial position relating to the group's cash-settled share-based payment obligations:

	31 March	
	2019 US$'m	2018 US$'m
Share-based payment liability		
Total carrying amount of cash-settled share-based payment liability	**16**	40
Current portion of share-based payment liability	**(16)**	(40)
Non-current portion of share-based payment liability	**-**	-

NASPERS

COMPANY ANNUAL FINANCIAL STATEMENTS 2019

These company annual financial statements are presented in SA rand which is the company's functional and presentation currency

Company statement of financial position

for the year ended 31 March 2019

	Notes	31 March 2019 R'm	31 March 2018 R'm
ASSETS			
Non-current assets		**65 110**	73 237
Investments in subsidiaries	2	**6 953**	6 953
Loans to subsidiaries	3	**58 144**	66 282
Property, plant and equipment	4	**2**	2
Investment at fair value through other comprehensive income	5	**11**	-
Current assets		**3 783**	44
Other receivables	6	**5**	2
Related party receivables	7	**3 424**	-
Taxation receivable		**-**	10
Cash and cash equivalents	19	**338**	32
		3 767	44
Assets classified as held for sale	8	**16**	-
TOTAL ASSETS		**68 893**	73 281
EQUITY AND LIABILITIES			
Shareholders' equity		**68 477**	71 889
Share capital and premium	9	**66 686**	66 745
Other reserves		**1 309**	1 305
Retained earnings		**482**	3 839
Non-current liabilities		**4**	5
Post-employment medical liability	10	**3**	4
Other non-current liabilities		**1**	1
Current liabilities		**412**	1 387
Amounts owing in respect of investments acquired	11	**9**	10
Accrued expenses and other current liabilities	12	**361**	25
Related party payables	7	**23**	1 335
Dividends payable		**19**	17
TOTAL EQUITY AND LIABILITIES		**68 893**	73 281

The accompanying notes are an integral part of these company annual financial statements.

Company statement of comprehensive income

for the year ended 31 March 2019

		31 March	
		2019	2018
	Notes	**R'm**	R'm
Revenue	13	**53 300**	52
Selling, general and administration expenses	14	**(280)**	(262)
Operating profit/(loss)		**53 020**	(210)
Interest received	15	**117**	85
Interest paid	15	**(63)**	(21)
Other finance income/(costs) - net	15	**2**	(1)
Loss on acquisitions and disposals	16	**(355)**	(94)
Profit/(loss) before taxation		**52 721**	(241)
Taxation	17	**2**	(4)
Profit/(loss) for the year		**52 723**	(245)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**52 723**	(245)

The accompanying notes are an integral part of these company annual financial statements.

Company statement of changes in equity

for the year ended 31 March 2019

	Share capital and premium		Share-based compen-sation reserve	Valuation reserve	Retained earnings	Total
	A shares R'm	N shares R'm	R'm	R'm	R'm	R'm
Balance at 1 April 2017	18	65 635	12	1 296	7 552	74 513
Total comprehensive income for the year	-	-	-	-	(245)	(245)
Share capital issued	-	1 138	-	-	-	1 138
Treasury share movement	-	(46)	-	-	-	(46)
Share-based compensation reserve movement	-	-	5	-	-	5
Transfers to non-distributable reserves	-	-	(8)	-	8	-
Dividends	-	-	-	-	(2 544)	(2 544)
Distribution in specie[1]					(932)	(932)
Balance at 31 March 2018	18	66 727	9	1 296	3 839	71 889
Balance at 1 April 2018	**18**	**66 727**	**9**	**1 296**	**3 839**	**71 889**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**52 723**	**52 723**
Treasury share movement	**-**	**(59)**	**-**	**-**	**-**	**(59)**
Share-based compensation reserve movement	**-**	**-**	**7**	**-**	**-**	**7**
Transfers to non-distributable reserves	**-**	**-**	**(3)**	**-**	**3**	**-**
Dividends	**-**	**-**	**-**	**-**	**(2 834)**	**(2 834)**
Distribution in specie[1]	**-**	**-**	**-**	**-**	**(53 249)**	**(53 249)**
Balance at 31 March 2019	**18**	**66 668**	**13**	**1 296**	**482**	**68 477**

[1] Relates to the MultiChoice Group which was distributed to shareholders during the current year. In the prior year, Novus Holdings Limited was distributed to shareholders.

The accompanying notes are an integral part of these company annual financial statements.

Company statement of cash flows

for the year ended 31 March 2019

	Notes	31 March 2019 R'm	31 March 2018 R'm
Cash flows from operating activities			
Cash utilised in operations	18	**(290)**	(206)
Finance income		**117**	85
Finance costs		**(63)**	(21)
Dividends received		**-**	1
Taxation refunded/(paid)		**12**	(1)
Net cash utilised in operating activities		**(224)**	(142)
Cash flows from investing activities			
Short-term marketable equity instruments acquired		**(74)**	-
Loans repaid by subsidiaries		**3 433**	1 275
Net cash generated from investing activities		**3 359**	1 275
Cash flows from financing activities			
Proceeds from issue of share capital		**14**	51
Additional investment in subsidiary		**-**	(1 439)
Dividends paid		**(2 848)**	(2 541)
Net cash utilised in financing activities		**(2 834)**	(3 929)
Net increase/(decrease) in cash and cash equivalents		**301**	(2 796)
Foreign exchange translation adjustments on cash and cash equivalents		**5**	(3)
Cash and cash equivalents at the beginning of the year		**32**	2 831
Cash and cash equivalents at the end of the year	19	**338**	32

The accompanying notes are an integral part of these company annual financial statements.

Notes to the company annual financial statements

for the year ended 31 March 2019

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The company annual financial statements are presented in accordance with, and comply with, International Financial Reporting Standards (IFRS) and interpretations of those standards as issued by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act No 71 of 2008.

Accounting policies

The accounting policies of the company are the same as those of the group, where applicable (refer to note 2 of the consolidated annual financial statements), specifically as regards:

- investments at fair value through other comprehensive income; and
- financial assets measured at amortised cost.

Financial assets at amortised cost

Loans to subsidiaries, related party receivables and cash and cash equivalents are classifieds as financial assets at amortised cost as these items are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual cash flows represent solely payments of principal and interest on the amount outstanding. In making this assessment, the company considers the effect of terms (including conversion, prepayment and extension features) that may affect the timing and/or amounts of cash flows.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less accumulated impairment losses in the company annual financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration arrangements and includes the directly attributable costs of acquiring investments.

Transition to IFRS 9 *Financial Instruments*

The company has applied IFRS 9 *Financial Instruments* (IFRS 9) with effect from 1 April 2019.

Classification of loans to subsidiaries

In terms of the company's previously applied guidance, IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39), certain loans to subsidiaries were considered to form part of the company's investment in those subsidiaries and accounted for at cost in accordance with IAS 27 *Separate Financial Statements* (IAS 27).

In terms of IFRS 9, an intercompany loan may only be accounted for in terms of IAS 27 if it meets the definition of an equity instrument from the perspective of the subsidiary to which the loan has been granted.

Accordingly, as all loans extended to subsidiaries of the company are accounted for as debt instruments by the relevant subsidiaries, the company has applied the recognition and measurement provisions of IFRS 9 to these loans from 1 April 2019. The change in classification, however, did not have an impact on the measurement of these items.

Measurement of financial assets at amortised cost

The company applied the measurement provisions of IFRS 9, including those relating to impairment allowances on financial assets at amortised cost, to all financial instruments within the measurement scope of IFRS 9. The company's impairment methodology related to financial assets at amortised cost is detailed in note 3 of the company annual financial statements.

2. INVESTMENTS IN SUBSIDIARIES

The following information relates to Naspers Limited's direct interest in its significant subsidiaries:

Name of subsidiary	Functional currency	Effective percentage interest* 2019 %	Effective percentage interest* 2018 %	Direct investment in shares 2019 R'm	Direct investment in shares 2018 R'm	Nature of business	Country of incorporation
Unlisted companies							
Media24 Holdings Proprietary Limited	SA rand	**85.0**	85.0	**1 501**	1 501	Investment holding	South Africa
Heemstede Beleggings Proprietary Limited	SA rand	**100.0**	100.0	**-**	-	Investment holding	South Africa
MIH Holdings Proprietary Limited	SA rand	**100.0**	100.0	**5 452**	5 452	Investment holding	South Africa
Naspers Properties Proprietary Limited	SA rand	**100.0**	100.0	**-**	-	Property holding and services	South Africa
Intelprop Proprietary Limited	SA rand	**-**	100.0	**-**	-	Investment holding	South Africa
				6 953	6 953		

** The percentage interest shown is the effective financial interest, after disregarding the interests of any equity compensation plans treated as treasury shares.*

3. LOANS TO SUBSIDIARIES

	31 March	
	2019	2018
	R'm	R'm
Loans to subsidiaries		
Media24 Holdings Proprietary Limited group	**523**	487
MIH Holdings Proprietary Limited group	**57 256**	65 441
Naspers Properties Proprietary Limited	**365**	354
	58 144	66 282

Loans to subsidiary companies do not have any fixed repayment terms and are interest free, except for R180.0m (2018: R180.0m) of the Naspers Properties Proprietary Limited loan account which bears interest at a rate of prime less 2% (2018: prime less 2%).

As a result of loans to subsidiary companies having no fixed repayment terms, these loans are considered to be repayable on demand by the company and accordingly the effect of discounting these loans is insignificant.

The company establishes allowances for credit losses (impairment allowances) on loans to subsidiaries equal to the 12-month expected credit losses on these items unless there has been a significant increase in credit risk since initial recognition of these loans. Where there has been a significant increase in credit risk since initial recognition, impairment allowances are adjusted to equal the lifetime expected credit losses on these loans.

At 31 March 2019 the impairment allowances related to loans to subsidiaries were not significant on account of the loan counterparties' holdings of substantial highly-liquid marketable securities, cash/short-term cash investment balances and fixed commercial property. These holdings by the counterparties significantly exceed their obligations, excluding their liabilities towards the company, and accordingly mitigate the credit risk arising from these loans significantly.

4. PROPERTY, PLANT AND EQUIPMENT

	31 March		
	Office equipment R'm	**Total 2019 R'm**	Total 2018 R'm
Cost			
Opening balance	**4**	**4**	4
Acquisitions	**-**	**-**	-
Closing balance	**4**	**4**	4
Accumulated depreciation			
Opening balance	**(2)**	**(2)**	(2)
Depreciation	**-**	**-**	-
Closing balance	**(2)**	**(2)**	(2)
Cost	**4**	**4**	4
Accumulated depreciation and impairment	**(2)**	**(2)**	(2)
Carrying value	**2**	**2**	2

5. INVESTMENTS AND LOANS

	31 March	
	2019 R'm	2018 R'm
Investment in the MultiChoice Group shares	**11**	-
	11	-

The investment in the MultiChoice Group Limited (the MultiChoice Group) relates to shares received by share-incentive trusts and other Naspers group companies that held Naspers Limited N-ordinary shares (as treasury shares) at the time of distribution of the group's interest in the MultiChoice Group to its shareholders (refer to note 3 in the consolidated annual financial statements). The company has classified MultiChoice Group shares with a fair value of R16.0m as held for sale (refer to note 8) as these shares will be disposed of within 12 months after the end of the reporting period. The remaining MultiChoice Group shares, with a fair value of R11.0m are held by the Naspers Share Incentive Trust and will be utilised when relevant awards are settled with participants on exercise. To this extent, a cash-settled share-based payment liability of R11.0m has been raised (refer to note 12).

6. OTHER RECEIVABLES

	31 March	
	2019 R'm	2018 R'm
Prepaid expenses	**5**	2
	5	2

7. RELATED PARTY TRANSACTIONS AND BALANCES

For details on related party loans, interest and dividends received refer to notes 3 and 13.

	31 March 2019 R'm	31 March 2018 R'm
Related party receivables		
MIH Treasury Services Proprietary Limited	**3 422**	-
Prosus N.V. (formerly Myriad International Holdings N.V.)	**2**	-
	3 424	-
Related party payables		
MIH Treasury Services Proprietary Limited	**-**	(1 334)
MIH Holdings Proprietary Limited	**(16)**	-
Prosus N.V. (formerly Myriad International Holdings N.V.)	**(6)**	-
Media24 Proprietary Limited	**(1)**	(1)
	(23)	(1 335)

	31 March 2019 R'000	31 March 2018 R'000
Directors' emoluments		
Executive directors		
Paid by other companies in the group	**64 090**	86 204
Non-executive directors		
Fees for services as directors	**62 988**	53 287
Fees for services as directors of subsidiary companies	**7 022**	11 413
	134 100	150 904

Refer to note 18 of the consolidated annual financial statements for disclosure on executive and non-executive directors' remuneration.

8. ASSETS CLASSIFIED AS HELD FOR SALE

The company has classified MultiChoice Group shares with a fair value of R16.0m as held for sale as these shares will be disposed of within 12 months after the end of the reporting period.

	31 March 2019 R'm	31 March 2018 R'm
Assets classified as held for sale		
Investments at fair value through other comprehensive income	**16**	-
	16	-

9. SHARE CAPITAL AND PREMIUM

	31 March 2019 R'm	31 March 2018 R'm
Authorised		
1 250 000 A ordinary shares of R20 each	**25**	25
500 000 000 N ordinary shares of 2 cents each	**10**	10
	35	35
Issued		
907 128 A ordinary shares of R20 each (2018: 907 128)	**18**	18
438 656 059 N ordinary shares of 2 cents each (2018: 438 656 059)	**9**	9
Share capital	**27**	27
Share premium	**66 537**	66 537
Share capital and premium	**66 564**	66 564
Cumulative effect of treasury shares used in equity compensation plans[1]	**122**	181
	66 686	66 745

[1] *Refers to the cumulative net effect on share premium of treasury shares held at cost and gains and losses arising on vesting of equity compensation awards.*

	2019 Number of N shares	2018 Number of N shares
Movement in N ordinary shares in issue during the year		
Shares in issue at 1 April	**438 656 059**	438 265 253
Shares issued to share incentive trusts and group companies	**-**	390 806
Shares in issue at 31 March	**438 656 059**	438 656 059
Movement in N ordinary shares held as treasury shares during the year		
Shares held as treasury shares at 1 April	**218 864**	225 914
Shares issued to the Naspers equity compensation plan[1]	**22 792**	20 000
Shares acquired by participants from the Naspers equity compensation plan	**(16 133)**	(27 050)
Shares held as treasury shares at 31 March	**225 523**	218 864

[1] *Includes shares issued to share incentive trusts as well as shares purchased on the open market by share incentive trusts.*

	31 March 2019 R'm	31 March 2018 R'm
Share premium		
Balance at 1 April	**66 537**	65 399
Share premium on share issues	**-**	1 138
Balance at 31 March	**66 537**	66 537

9. SHARE CAPITAL AND PREMIUM (continued)

Voting and dividend rights

The A ordinary shareholders are entitled to 1 000 votes per share. In terms of the Naspers memorandum of incorporation, both N and A ordinary shareholders are entitled to nominal dividends, however, the dividends declared to A ordinary shareholders are equal to one-fifth of the dividends to which N ordinary shareholders are entitled. In respect of all other rights, the A ordinary shares rank pari passu with the N ordinary shares of the company.

Capital management, unissued shares and valuation reserve

Refer to notes 19 and 20 of the consolidated annual financial statements for the group's capital management policy and more details regarding the nature of the valuation reserve.

10. POST-EMPLOYMENT MEDICAL LIABILITY

The company operates a post-employment medical benefit scheme. The obligation of the company to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners, however, remain entitled to this benefit. The company provides for post-employment medical aid benefits on the accrual basis determined each year by an independent actuary.

	31 March	
	2019	2018
	R'm	R'm
Balance at 1 April	**4**	3
Provisions charged to statement of comprehensive income	**(1)**	1
Balance at 31 March	**3**	4

Refer to note 22 of the consolidated annual financial statement for additional information, including the actuarial assumptions.

11. AMOUNTS OWING IN RESPECT OF INVESTMENTS ACQUIRED

On 24 March 2004 the last conditions precedent relating to schemes of arrangement under section 311 of the old South African Companies Act, 1973, were satisfied, in terms of which Naspers Limited acquired an additional 19,62% financial interest in Electronic Media Network Proprietary Limited and SuperSport International Holdings Proprietary Limited respectively (which was sold to MultiChoice Africa Proprietary Limited during 2005). An amount of R816m was due to the non-controlling shareholders on 31 March 2004. Some of these non-controlling shareholders have not surrendered their share certificates and claimed payment for their shares, therefore an amount of R9m was still outstanding as at 31 March 2019 (2018: R10m).

12. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March	
	2019 R'm	2018 R'm
Accrued expenses	**336**	17
Bonus accrual	**5**	4
Cash-settled share-based payment liability	**13**	-
Other current liabilities	**7**	4
	361	25

13. REVENUE

	2019 R'm	2018 R'm
Dividends received		
Media24 Holdings Proprietary Limited	**36**	36
MIH Holdings Proprietary Limited[1]	**53 249**	-
Interest received		
Naspers Properties Proprietary Limited	**15**	15
Media24 Proprietary Limited	**-**	1
	53 300	52

[1] Relates to the dividend income recognised by the company on receipt of the distribution of the MultiChoice Group to the company by its subsidiary MIH Holdings Proprietary Limited prior to the company distributing its investment in the MultiChoice Group to its shareholders.

14. EXPENSES BY NATURE

Selling, general and administrative expenses include the following items:

	31 March 2019 R'm	31 March 2018 R'm
Staff costs		
As at 31 March 2019, the company had zero (2018: 18) permanent employees.		
The total cost of employment of all employees, was as follows:		
Salaries, wages and bonuses, retirement benefit costs, medical aid fund contributions, post-employment benefits, UIF, SDL and training costs	**35**	33
Share-based compensation expenses	**8**	7
Total staff costs	**43**	40
Fees paid to non-employees for administration, management and technical services	**33**	24
Auditor's remuneration		
Audit fees	**1**	1
	1	1

15. FINANCE COSTS/(INCOME) - NET

	2019	2018
Interest paid		
Loans and overdrafts	**63**	20
Other	**-**	1
	63	21
Interest received		
Loans and bank accounts	**(116)**	(85)
Other	**(1)**	-
	(117)	(85)
Net loss from foreign exchange translation of derivative financial instruments		
On translation of assets and liabilities	**(2)**	1
Other finance costs/(income) - net	**(2)**	1
Finance costs/(income) - net	**(56)**	(63)

16. LOSS ON ACQUISITIONS AND DISPOSALS

	31 March 2019 R'm	31 March 2018 R'm
Loss on sale of investments[1]	**-**	(85)
Acquisition-related costs[2]	**(355)**	(9)
	(355)	(94)

[1] *The loss on sale resulted primarily from the distribution of Novus Holdings Limited shares to Naspers shareholders.*
[2] *The 2019 acquisition-related costs resulted primarily from the Multichoice unbundling transaction.*

17. TAXATION

	31 March 2019 R'm	31 March 2018 R'm
Normal taxation	(2)	-
current year	(2)	-
Deferred taxation	-	4
current year	-	4
Income tax expense per statement of comprehensive income	**(2)**	4
Reconciliation of taxation		
Taxation at statutory rate of 28% (2018: 28%)	14 762	(68)
Adjusted for:		
non-deductible expenses[1]	156	70
unprovided timing differences	3	12
non-taxable income[1]	(14 921)	(10)
prior year adjustments	(2)	-
Income tax expense per statement of comprehensive income	**(2)**	4

[1] Non-deductible expenses relate primarily to donations made and expenses incurred that are not in the production of taxable income. Non-taxable income relates to dividend income.

18. CASH UTILISED IN OPERATIONS

	31 March 2019 R'm	31 March 2018 R'm
Profit/(loss) before tax per statement of comprehensive income	52 721	(241)
Adjustments:		
Non-cash and other	(53 348)	(23)
Finance (income)/costs - net	(71)	(79)
Dividends received	(53 285)	(36)
Share-based compensation expenses	8	7
Loss on acquisitions and disposals	-	85
Working capital	337	58
Cash movement in payables, provisions and accruals	337	58
Cash utilised in operations	**(290)**	(206)

19. CASH AND CASH EQUIVALENTS

	31 March 2019 R'm	31 March 2018 R'm
Cash at bank and on hand	338	32
	338	32

20. FINANCIAL RISK MANAGEMENT

Foreign exchange risk

Refer to note 42 of the consolidated annual financial statements for the group's foreign exchange risks policy.

Foreign currency sensitivity analysis

The company's presentation currency is the South African rand, but as it operates internationally, it is exposed to the US dollar and the euro.

The sensitivity analysis below details the company's sensitivity to a 10% decrease (2018: 10% decrease) in the rand against the US dollar and the euro. These percentage decreases represent management's assessment of the possible changes in the foreign exchange rates at the respective year-ends. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for the above percentage change in foreign currency rates.

A 10% decrease (2018: 10% decrease) of the rand against the US dollar and the euro would result in a increase in net profit after tax of R2.2m (2018: R1.7m increase in net profit after tax).

Credit risk

Refer to note 42 of the consolidated annual financial statements for the group's credit risks and credit risk management policy regarding related party receivables and cash and cash equivalents (which are the same as those of the company) and to note 3 for the company's credit risk management policy regarding loans to subsidiaries.

The company has guaranteed various revolving credit facilities of R36.7bn (2018: R31.0bn) and offshore bonds of R46.4bn (2018: R40.3bn) in Prosus N.V. of which the undrawn balance is available to fund future investments. The guarantees have also been disclosed as part of the company's liquidity risk below. The maximum potential exposure to credit risk under financial guarantee contracts amounts to R83.1bn (2018: R71.3bn). Refer to note 19 for details regarding the group's capital management policies.

Liquidity risk

Refer to note 42 of the consolidated annual financial statements for the group's liquidity risks. In terms of the memorandum of incorporation of the company, no limitation is placed on its borrowing capacity.

The following analysis details the remaining contractual maturity of the company's non-derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date at which the company can be required to settle the liabilities. The analysis includes both interest and principal cash flows.

	Carrying value R'm	**Contractual cash flows R'm**	**0 - 12 months R'm**
31 March 2019			
Non-derivative financial liabilities			
Amount owing in respect of investments acquired	**(9)**	**(9)**	**(9)**
Accrued expenses and other current liabilities	**(355)**	**(355)**	**(355)**
Related party payables	**(23)**	**(23)**	**(23)**
Dividends payable	**(19)**	**(19)**	**(19)**
Financial guarantees	**-**	**(83 074)**	**(83 074)**
31 March 2018			
Non-derivative financial liabilities			
Amount owing in respect of investments acquired	(10)	(10)	(10)
Accrued expenses and other current liabilities	(18)	(18)	(18)
Related party payables	(1 335)	(1 335)	(1 335)
Dividends payable	(17)	(17)	(17)
Financial guarantees	-	(71 276)	(71 276)

20. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

Refer to note 42 of the consolidated annual financial statements for the group's interest rate risks policy.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the statement of financial position date and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The company is mainly exposed to interest rate fluctuations of the South African, American and European repo rates. The following changes in the repo rates represent management's assessment of the possible change in interest rates at the respective year-ends:

South African repo rate: increases by 100 basis points (2018: increases by 100 basis points)

American, European and London Interbank rates: increases by 100 basis points each (2018: increases by 100 basis points each).

If interest rates change as stipulated above and all other variables were held constant, specifically foreign exchange rates, the company's profit after tax for the year ended 31 March 2019 would increase by R28.3m (2018: increase by R11.1m).

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values, net gains or losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2019		
	Carrying value R'm	**Net gains/(losses) recog-nised in profit or loss R'm**	**Total interest/ finance income/ (cost) R'm**
Assets			
Loans to subsidiaries	**58 144**	**-**	**15**
Investment at fair value through other comprehensive income[(1)]	**11**	**-**	**-**
Related party receivables	**3 424**	**-**	**114**
Cash and cash equivalents	**338**	**5**	**2**
Total	**61 917**	**5**	**131**
Liabilities			
Amounts owing in respect of investments acquired	**9**	**-**	**-**
Accrued expenses and other current liabilities	**355**	**(3)**	**-**
Related party payables	**23**	**-**	**(63)**
Dividends payable	**19**	**-**	**-**
Total	**406**	**(3)**	**(63)**

[(1)] *Represents a level 1 fair-value measurement.*

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The carrying values, net gains or losses recognised in profit or loss, total interest income, total interest expense and impairment of each class of financial instrument are as follows:

	31 March 2018		
	Carrying value R'm	Net losses recog-nised in profit or loss R'm	Total interest/ finance income R'm
Assets			
Loans to subsidiaries	66 282	-	16
Cash and cash equivalents	32	(3)	85
Total	66 314	(3)	101
Liabilities			
Amounts owing in respect of investments acquired	10	-	-
Accrued expenses and other current liabilities	18	2	(20)
Related party payables	1 335	-	-
Dividends payable	17	-	-
Total	1 380	2	(20)

The carrying amounts of all financial instruments disclosed above are considered to be a reasonable approximation of their fair values.

Refer to note 43 of the consolidated annual financial statements for details regarding the calculation of the fair values of financial instruments.

22. EQUITY COMPENSATION BENEFITS

Refer to note 45 of the consolidated annual financial statements for details regarding the Naspers Limited share incentive plan.

Administration and corporate information

GROUP SECRETARY
G Kisbey-Green
144 Bram Fischer Drive
Randburg 2194
South Africa

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South Africa
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Cape Town 8000
South Africa
Tel: +27 (0)21 406 2121
Fax: +27 (0)21 406 3753

REGISTRATION NUMBER
1925/001431/06
Incorporated in South Africa

AUDITOR
PricewaterhouseCoopers Inc

TRANSFER SECRETARIES
Link Market Services South Africa Proprietary Limited
(Registration number: 2000/007239/07)
PO Box 4844, Johannesburg 2000
South Africa
Tel: +27 (0)11 630 0800
Fax: +27 (0)11 834 4398

ADR PROGRAMME
Bank of New York Mellon maintains a Global BuyDIRECT^{SM} plan for Naspers Limited
For additional information, please visit
Bank of New York Mellon's website at
www.globalbuydirect.com
or call Shareholder Relations at
1-888-BNY-ADRS
or 1-800-345-1612 or write to:
Bank of New York Mellon
Shareholder Relations Department –
Global BuyDIRECT^{SM}
Church Street Station
PO Box 11258, New York, NY 10286-1258, USA

SPONSOR
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INVESTOR RELATIONS
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investorrelations@naspers.com
Tel: +27 (0)11 289 3320
Fax: +27 (0)11 289 3026

Analysis of shareholders and shareholder's diary

for the year ended 31 March 2019

ANALYSIS OF SHAREHOLDERS

Size of holdings	Number of shareholders	Number of shares owned
1 – 100 shares	61 516	2 064 873
101 – 1 000 shares	23 238	7 084 794
1 001 – 5 000 shares	3 212	7 026 933
5 001 – 10 000 shares	694	5 047 256
More than 10 000 shares	1 490	417 432 203

The following shareholders hold 5% and more of the N ordinary issued share capital of the company:

Name	% held	Number of N ordinary shares owned
Public Investment Corporation of South Africa	13.33%	58 484 062

PUBLIC SHAREHOLDER SPREAD

To the best knowledge of the directors, the spread of public shareholders in terms of paragraph 4.25 of the JSE Limited Listings Requirements at 31 March 2019 was 96.95%, represented by 90 138 shareholders holding 425 279 408 N ordinary shares in the company. The non-public shareholders of the company, comprising 12 shareholders representing 13 376 651 N ordinary shares, are analysed as follows:

Category	Number of N ordinary shares	% of N ordinary issued share capital
Naspers share-based incentive schemes	3 023 498	0.69%
Directors	6 914 703	1.58%
Group companies	3 432 326	0.78%

SHAREHOLDERS' DIARY

Annual general meeting	August
Reports	
Interim for half-year to September	November
Announcement of annual results	June
Annual financial statements	June
Dividend	
Declaration	August
Payment	September
Financial year-end	March

NASPERS

Creating value...

Mumbai, India

Integrated annual report 2019


... by improving
lives

Contents

In the following pages we share our story – who we are and why we are here; how we create value for all our stakeholders; our performance and progress in this financial year; and where we are heading.

Group overview

Performance review

Governance

Summarised consolidated annual financial statements

Further information

29% [(1)]
growth in group revenues to US$19.0bn

22% [(1)]
growth in trading profit to US$3.3bn

60%
improvement in free cash flow

>1.3bn
online users around the world

26%
increase in core headline earnings to US$3.0bn

29%
IRR realised, following the disposal of our interest in Flipkart for US$2.2bn

"Naspers is a strategic investor and operator. We support exceptional companies and entrepreneurs for the long term ..."

Bob van Dijk
Chief executive

Notes
(1) On an economic-interest basis. Growth in local currency, excluding acquisitions and disposals.
(2) Fintech or financial technology covers new applications, processes, products or business models in the financial services industry.
(3) Using online technology to improve education.

Investing in improving lives around the world

Naspers is a global consumer internet group and one of the largest and most successful technology investors in the world.

We are committed to investing in entrepreneurs and in technologies that improve people's lives. From India to Brazil to South Africa to Russia – well over a billion people around the world benefit from Naspers-backed businesses. Billions more are within our reach and we're keen to help them too. We continue to grow and address big societal needs and, in turn, create greater value over time.

Naspers builds leading companies that empower people and enrich communities by operating and investing in countries and markets with long-term growth potential across the world. The group operates or partners with a number of leading internet businesses across Africa, Central and Eastern Europe, the Americas and Asia in sectors that include online classifieds, food delivery, payments and fintech[2], travel, education[3], health, and social and internet platforms.

Every day, hundreds of millions of people use the products and services of companies that Naspers has invested in, acquired or built, including Avito, Brainly, BYJU'S, Codecademy, eMAG, Honor, ibibo, iFood, letgo, Media24, Movile, OLX, PayU, SimilarWeb, Swiggy, Takealot and Udemy.

Similarly, hundreds of millions of people have made the platforms of our associates part of their daily lives: Tencent (www.tencent.com; SEHK 00700), Mail.ru (www.corp.mail.ru; LSE: MAIL), MakeMyTrip Limited (www.makemytrip.com; NASDAQ: MMYT) and Delivery Hero (www.deliveryhero.com; Xetra: DHER).

Today, Naspers companies and associates help improve the lives of around one fifth of the world's population. We actively search for new opportunities to partner with exceptional entrepreneurs who are using technology to address big societal needs.

Naspers has a primary listing on the JSE Limited's stock exchange (NPN.SJ) and a secondary listing on the A2X Exchange (NPN.AJ) in South Africa, and has an ADR listing on the London Stock Exchange (LSE: NPSN).

About this report

The Naspers integrated annual report assesses our performance for the financial year ended 31 March 2019, focusing on the value we created for our key stakeholders. The aim is to provide a picture of our progress and impact.

Our purpose
(Why we're here)

From India to Brazil to South Africa to Russia – well over a billion people around the world benefit from Naspers-backed businesses. Billions more are within our reach and we're keen to help them too.

Chief executive's review

Read more on page 09

Who we are
(What we do)

We are a global consumer internet group and one of the largest and most successful technology investors in the world. We are committed to investing in entrepreneurs and technologies that improve people's daily lives.

Group overview

Read more on page 05

The Naspers approach
(How we do it)

We think global and support local teams.

We rigorously manage our assets and capital allocation for growth.

We understand the importance of making a positive impact on society.

Business model

Read more on page 16

Managed on strong foundations
(How we do it)

We understand the risks we take and manage these to minimise their impact on our business and results.

Our strong governance is integral to the way we think and make decisions.

Governance

Read more on page 55

Creating a positive impact
(The outcomes)

Delivering financial performance and value for our stakeholders.

Value creation

Read more on page 72

Reporting

In line with best practice for integrated reporting, we report on the six capitals that together provide a true picture of value across the group.

This way of telling a comprehensive, connected story fits well with our holistic view of value and our focus on creating sustainable value for long-term good.

Financial
Human
Manufactured
Intellectual
Social and relationship
Natural
Chief executive's STI achievements

About this report

continued

How it all fits together

We measure our performance by evaluating how we create value for our key stakeholders, taking account of the six capitals[1], as well as progress against our strategy, and by regularly measuring returns on invested capital. We understand the risks we take and manage these to minimise their impact on our business and results.

We pursue growth by building leading companies that empower people and enrich communities.

Listing information

Naspers has its primary listing on the JSE Limited's stock exchange (JSE) (NPN.SJ) and a secondary listing on the A2X Exchange (NPN.AJ) in South Africa, where it forms part of the Top 10 index and where most of its shares trade. It also has a level 1 American Depository Receipt (ADR) programme listing on the London Stock Exchange (LSE) (NPSN) and trades on an over-the-counter (OTC) basis in the United States (US). International investors are therefore able to buy and sell Naspers securities through the OTC market on the LSE or JSE (details on page 02). Naspers's indirect wholly owned subsidiary, Prosus N.V. (Prosus), formerly Myriad International Holdings N.V., also has three bonds listed on the Irish Stock Exchange (ISE).

Scope and boundary of reporting

Financial and non-financial reporting

This report extends beyond financial reporting. It reflects on non-financial performance, opportunities, risks and outcomes attributable to or associated with key stakeholders who have a significant influence on our ability to create value.

It includes the financial performance of Naspers and its subsidiaries, associates and joint ventures (the group). The scope of reporting on non-financial performance is indicated in this report.

Media24, a South African subsidiary, publishes a separate integrated annual report (**www.media24.com**). Group reporting standards are continually being developed to make disclosure meaningful and measurable for stakeholders. Given the highly competitive environment in which we operate, this report mostly excludes financial targets or forward-looking statements other than as explained on page 04.

Where relevant, we have adjusted amounts and percentages for the effects of foreign currency as well as acquisitions and disposals. Such adjustments (pro forma financial information) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS). Refer to page 91 of the summarised consolidated annual financial statements for a reconciliation of these metrics with the equivalent amounts reported under IFRS. Financial commentary and segmental reviews are prepared on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated. We presented our Video Entertainment segment as a discontinued operation for financial reporting purposes following the distribution of MultiChoice Group to shareholders in the current year. Unless otherwise stated, all financial information and related commentary relates to continuing operations.

Sustainability

Through our policies and governance structures, we demonstrate our commitment to ethical and sustainable entrepreneurship. We also recognise that our stakeholders are taking a growing interest in the sustainability of our operations and our approach to corporate citizenship. We take our responsibility seriously and are fully aware of the impact of our actions on our social and relationship capital. We are proud to support the United Nations' Sustainable Development Goals (SDGs) and we are committed to identifying and focusing on the goals our business aligns with. We discuss this alignment and our activities in support of the SDGs in this report.

The legislation and frameworks that inform our reporting

This integrated annual report was prepared against local and global standards, including:

- Framework of the International Integrated Reporting Council (IIRC): this principles-based approach promotes the concept of the six capitals, which considers material inputs and resources required to create and sustain value in the long term. We describe key components of the Naspers value chain (business model) that creates and sustains value for our stakeholders.
- South African Companies Act No 71 of 2008, as amended (Companies Act).
- King IV Report on Corporate Governance™[2] in South Africa 2016 (King IV).
- IFRS.

Materiality and material matters

We apply the principle of materiality in assessing what information to include in our integrated report. This report focuses particularly on those issues, opportunities and challenges that impact materially on the group, as well as its ability to be a sustainable business that consistently delivers value to key stakeholders, including our shareholders.

Forward-looking statements

This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour" and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

The key factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include changes to IFRS and associated interpretations, applications and practices as they apply to past, present and future periods; ongoing and future acquisitions; changes to domestic and international business and market conditions such as exchange rate and interest rate movements; changes in domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political conditions; any labour disruptions and industrial action; and the effects of both current and future litigation. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements in this report, whether as a result of new information, future events or otherwise. We cannot give any assurance that forward-looking statements will prove correct and investors are cautioned not to place undue reliance on any forward-looking statements in this report.

Assurance

Financial information contained in this report and that has been extracted from the audited Naspers Limited consolidated annual financial statements for the year ended 31 March 2019 was audited by PricewaterhouseCoopers Inc. (PwC) (refer to page 74 for its report). PwC also performed specific procedures on material non-financial information in this report. South African broad-based black economic empowerment (BBBEE) information was assured by EmpowerLogic (for Naspers and Media24).

The group has a combined assurance model for internal use. This model is designed to cover the key risks through a combination of assurance service providers and functions as appropriate for Naspers.

Statement of the board of directors on the integrated annual report

This report is primarily intended to address the information requirements of long-term investors (our equity shareholders, bondholders and prospective investors). We also present information relevant to the way we create value for other key stakeholders, including our employees, clients, regulators and society.

After being reviewed by the audit committee and board, the board approved the integrated annual report. The summarised consolidated annual financial statements were prepared in accordance with IFRS and the Companies Act, while the integrated annual report was prepared using the IIRC framework and recommendations of King IV. In our opinion, the integrated annual report and annual financial statements fairly reflect the financial position of the group at 31 March 2019 and its operations for this period.

On behalf of the board

Koos Bekker
Chair

Bob van Dijk
Chief executive

Cape Town
21 June 2019

An overview of combined assurance per key risk is reported for consideration by the joint audit and risk committees.

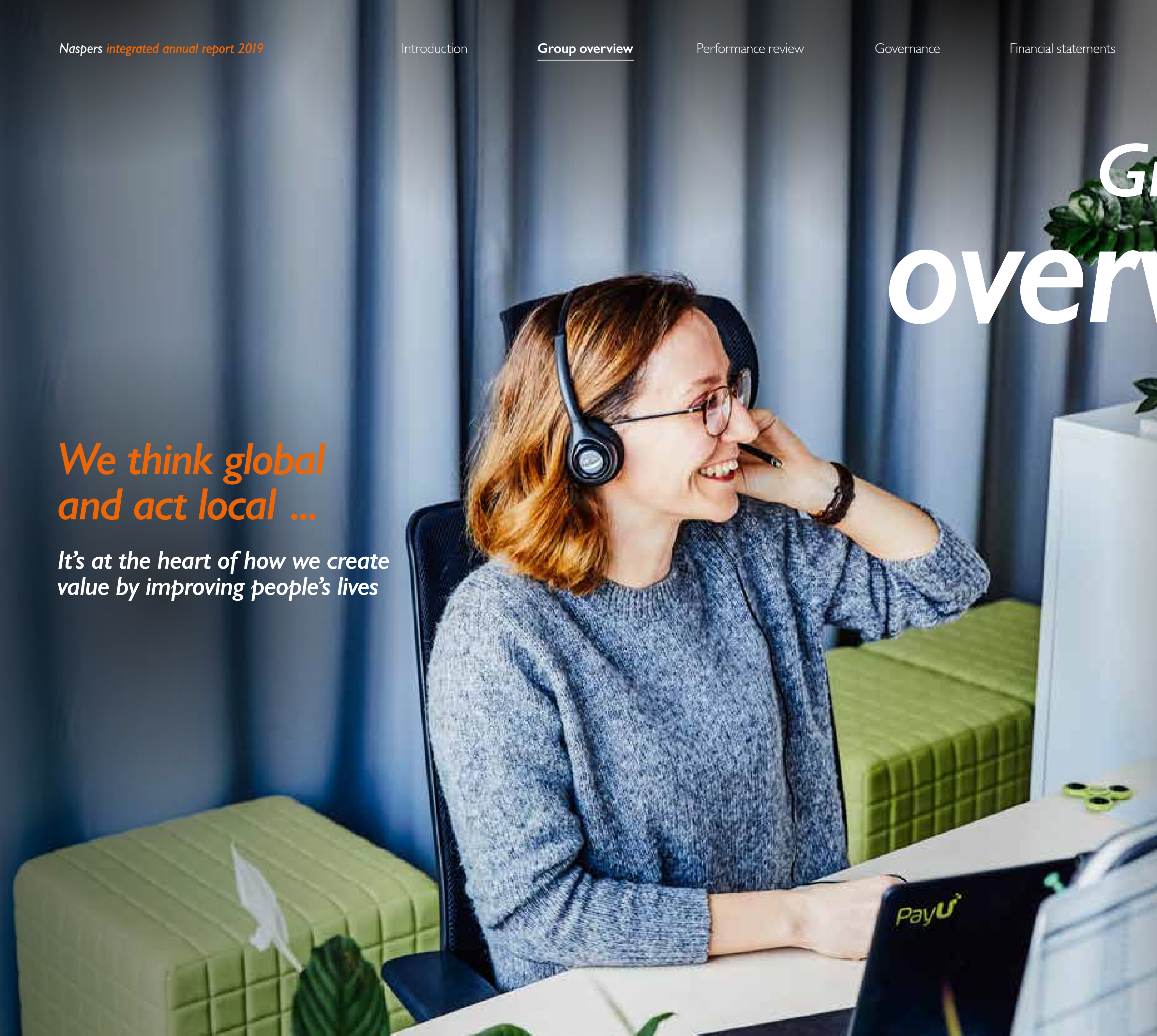
The scope for our group internal audit and risk support function includes all controlled assets. The head of internal audit and risk support reports to the audit committee and presents for its approval an objective-driven, risk-based internal audit plan. Where required, external parties support the internal audit function, such as forensic specialists and data-analytics experts. Other external assurance providers are enlisted as needed. In our more regulated businesses (like PayU), regulatory inspectors visit on a periodic, ongoing basis.

The audit committee recommends to the shareholders the appointment of the external auditor, reviews the auditor's independence annually and oversees the external audit. The committee makes recommendations to the board and assists the board in ensuring the integrity of external reports. The chief executive/chief financial officer's (CFO) annual sign-off process also covers financial reporting.

Notes

(1) *As identified in the Framework of the International Integrated Reporting Council: financial, human, intellectual, manufacturing, social and relationship, and natural capitals.*

(2) *The Institute of Directors in Southern Africa NPC (IoDSA) owns all copyright and trademarks for King IV.*



Group overview

We think global and act local …

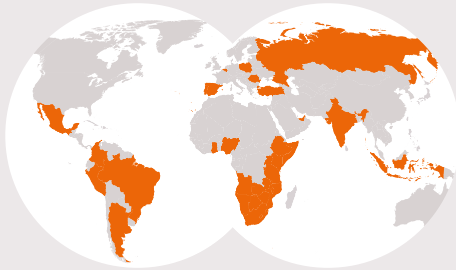
It's at the heart of how we create value by improving people's lives

Group overview

We focus on internet services, where we have investments in classifieds, payments and fintech, food delivery, etail and travel, as well as new ventures and social and internet platforms. We also have a media business.

Market leaders

We are market leaders in many of the businesses and markets where we operate. Our most significant markets are Africa, China, Russia, Central and Eastern Europe, North America, Latin America, India, Southeast Asia and the Middle East.



Global consumer internet portfolio (ecommerce)

Classifieds
OLX Group

REVENUE[1]

US$875m

up 39%

TRADING PROFIT[1]

US$2m

up >100%

EMPLOYEES

5 614

Our footprint spreads across 38 countries. Our companies OLX, Avito and letgo were ranked the number 1 mobile classifieds app in more than 22 countries.

Consumer brands

OLX, Avito, aasaanjobs, Selency, dubizzle, letgo, storia, FCG, STRADIA, AutoTrader, property24

Read more on page 33

Payments and Fintech

REVENUE[1]

US$360m

up 22%

TRADING LOSS[1]

US$43m

up 33%

EMPLOYEES

1 449

PayU is one of the largest online payment service platforms in the world, with operations in 18 markets across Africa and the Middle East, Central and Eastern Europe, India and Latin America. Included in this segment are the group's fintech and credit associates Remitly, PaySense and ZestMoney.

zest, PaySense, PayU, Remitly

Read more on page 35

Food Delivery

REVENUE[1]

US$377m

up >100%

TRADING LOSS[1]

US$171m

down >100%

This portfolio consists of food-delivery businesses that lead in 36 markets globally, including iFood, Delivery Hero and Swiggy.

ifood, SWIGGY, Delivery Hero

Read more on page 37

Etail

REVENUE[1]

US$1 847m

down 10%

TRADING LOSS[1]

US$150m

up 44%

EMPLOYEES

6 259

This comprises our etail subsidiaries, eMAG and Takealot, and, until its disposal, our associate Flipkart. Operations are spread across Central and Eastern Europe and South Africa.

eMAG, takealot.com

Read more on page 39

Travel[2]

REVENUE[1]

US$234m

up 11%

TRADING LOSS[1]

US$37m

up 39%

MakeMyTrip, listed on the NASDAQ, is a leading Indian online travel company. It provides online travel services, including flight tickets, domestic and international holiday packages, hotel reservations, and bus tickets.

make my trip

Read more on page 41

Ventures

REVENUE[1]

US$241m

up 8%

TRADING LOSS[1]

US$214m

down 23%

EMPLOYEES

2 802

Naspers Ventures partners with entrepreneurs to build leading technology companies, with the ambition to fuel the next wave of growth for Naspers.

movile, SimilarWeb, Udemy, JOYMODE, SOLOLEARN, codecademy, honor, dott, BRAINLY, BYJU'S

Read more on page 42

Social and internet platforms

We also hold investments in listed internet companies: Tencent (31.1%), China's largest and most-used internet-services platform, and Mail.ru Group (28.0%) is the leading internet company in Russian-speaking markets.

Tencent 腾讯, mail.ru group

Read more on page 43

Media

REVENUE[1]

US$326m

down 36%

TRADING LOSS[1]

US$14m

down >100%

EMPLOYEES

3 579

Media24 is Africa's leading media group with interests in digital media and services, newspapers, magazines, ecommerce, book publishing, print and distribution. It publishes some 30 magazines and 80 newspapers and reaches more than 16 million average daily unique browsers across its digital platforms.

careers24, news24, Jonathan Ball Publishers

Read more on page 44

Notes

(1) Results reported on an economic-interest basis.

(2) In April 2019, we announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, we will exchange our 43% effective interest in MakeMyTrip for an approximate 6% effective interest in Ctrip. This transaction is expected to close in the second half of 2019.

Chair's review

Naspers tries to create value by improving people's lives around the world. We do it by backing entrepreneurs and new technologies that address societal needs.

This year we made some significant changes in our business, notably unbundling our Video Entertainment business to create a standalone African entertainment powerhouse, MultiChoice Group, and announcing our intention to list our international internet assets on Euronext Amsterdam. We are now a pure global consumer internet company that is ready to further transform.

Creating sustainable value

At heart, we are entrepreneurs who want to have a positive impact on the world.

We aim to change people's lives for the better by backing people, technology and businesses that meet fundamental human needs. We focus on creating sustainable, all-round value for our different stakeholders. We measure and report on this value across the six capitals: financial, human, intellectual, manufacturing, social and relationship, and natural capital.

We also support the United Nations' Sustainable Development Goals (SDGs) and are working to identify and focus on the SDGs our business aligns with – the ones where we can make the biggest positive difference. Through this report we highlight examples of our impact against these SDGs.

Sharing a strong culture

Our commitment to creating sustainable value is reinforced by our culture. Across our wide-ranging businesses, we share the same entrepreneurial spirit and pride in performance. This culture reflects our purpose and is key to our employees' engagement, retention and productivity.

Investing in South Africa

Our ongoing commitment to South Africa was demonstrated this year in a number of ways.

Through Naspers Foundry, we have allocated R1.4bn to invest in South African startups over the next three years. This complements R3.2bn already committed to our existing South African businesses. In addition, through Naspers Labs, we are piloting an innovative programme designed to help address South Africa's youth unemployment crisis. We also contributed significantly in terms of tax. In total, Naspers group paid R6.9bn in taxes in South Africa during the year.

Working together to succeed

Our growth and success depends above all on the commitment and contributions of everyone in Naspers. On behalf of the board, I thank all our people.

Our executives, led by Bob van Dijk, continued to implement our strategy with energy and skill.

Board members provided valuable guidance and support during a year that demanded an unusual number of meetings.

We also recognise the contributions of our many partners and suppliers, as well as collaboration with governments and regulatory bodies in numerous countries.

Ensuring good governance

We are committed to good governance. As a multinational group, our risks differ depending on local jurisdictions, market dynamics, culture and opportunities. We try to manage all these risks rigorously. More information appears in our risk management section on page 52. We aim to conduct the group's business with integrity, applying appropriate corporate governance policies and principles around the world.

Where Naspers subsidiaries are governed by independent boards of directors, these apply suitable governance practices and their committees are mandated to comply with relevant requirements. Naspers has a legal compliance programme, detailed on page 52.

The board's audit and risk committees also monitor the group's compliance with the listings requirements of the JSE Limited (JSE), London Stock Exchange (LSE) and Irish Stock Exchange (ISE).

Koos Bekker
Chair

PROPOSED DIVIDEND

715 SA cents

715 SA cents (previously 650 SA cents) per listed N ordinary share, and 143 SA cents (previously 130 SA cents) per unlisted A ordinary share.

The board is informed of subsidiary activities via a disciplined reporting structure. Strategies and business plans for financial and non-financial elements of operations are regularly reviewed. Part of management's remuneration is based on performance against financial and operational targets as well as against individual and group objectives linked to strategic objectives.

We continually evaluate areas where governance can be improved. This is detailed in our application of King IV in the governance frameworks of Naspers and Media24 in the full online governance report.

"Throughout its long history, Naspers has kept changing. Change is a core characteristic of our entrepreneurial spirit and critical to our ongoing growth."

Chair's review *continued*

"This has been a landmark year of growth and transformation for Naspers."

Board changes
Having reached the age of 73 and after several years of valuable contributions to the Naspers board, Guijin Liu has stepped down from the board effective 25 February 2019. The board expressed its gratitude to Guijin Liu.

As a consequence of the listing of MultiChoice Group on the JSE in South Africa on 27 February 2019, and the subsequent unbundling of the Video Entertainment business to Naspers shareholders, Nolo Letele became a non-executive director.

Furthermore, we announced on 6 May 2019 that Manisha Girotra will be appointed as an independent non-executive director after the listing of Naspers's subsidiary Prosus on Euronext Amsterdam (with a secondary listing on the JSE), which is expected to be in September 2019. Manisha will also serve on the board of Prosus, and as a member of the Naspers and Prosus audit committees.

As per the company's memorandum of incorporation, one third of non-executive directors retire annually and reappointment is not automatic. Debra Meyer, Steve Pacak, Cobus Stofberg, Ben van der Ross and I retire by rotation at the annual general meeting but, being eligible, offer ourselves for re-election. At this meeting, shareholders will be asked to consider the re-election of these directors (see notice on page 94).

Don Eriksson, Ben van der Ross and Rachel Jafta are members of the audit committee. The board recommends to shareholders that they be reappointed to this committee. This is a demanding committee of any board.

In compliance with the Companies Act, shareholders will be asked to consider these proposals at the annual general meeting. Please see directors' curricula vitae on pages 56 and 57.

Dividend (in South African cents)
The board recommends that the annual gross dividend be increased by 10% to 715 cents (previously 650 cents) per listed N ordinary share, and 143 cents (previously 130 cents) per unlisted A ordinary share.

If confirmed by shareholders at the annual general meeting on 23 August 2019, dividends will be payable to shareholders recorded in the books on Friday 13 September 2019 and paid on Monday 16 September 2019.

The last date to trade cum dividend will be on Tuesday 10 September 2019 (shares trade ex-dividend from Wednesday 11 September 2019). Share certificates may not be dematerialised or rematerialised between Wednesday 11 September 2019 and Friday 13 September 2019, both dates inclusive.

The dividend will be declared from income reserves. It will be subject to the dividend tax rate of 20%, yielding a net dividend of 572 cents per listed N ordinary share and 114 cents per unlisted A ordinary share to those shareholders not exempt from paying dividend tax. Dividend tax will be 143 cents per listed N ordinary share and 29 cents per unlisted A ordinary share. The issued ordinary share capital as at 21 June 2019 was 438 656 059 N ordinary shares and 907 128 A ordinary shares. The company's income tax reference number is 9550138714.

Looking ahead
This has been a lively year of growth and evolution for Naspers. On behalf of the board, I thank everyone involved and look forward to our continued journey ahead as a pure consumer internet company.

Koos Bekker
Chair

21 June 2019

Focusing on sustainability
We are working on refining and evolving our sustainability strategy in line with the United Nations' Sustainable Development Goals (SDGs). As a responsible business committed to making a lasting positive difference in the world, we want to make sure we identify and focus on the goals where we can have the greatest impact.

The next steps for us on this journey will be to define our sustainability objectives; identify the key SDGs where we have the greatest impact; set key performance indicators; and measure our success and impact in relation to sustainability.

The global goals for sustainable development

Chief executive's review

Bob van Dijk
Chief executive

"This was a standout year for Naspers – a period of continued strong growth and performance across our businesses and a year of great transformation as we achieved our aim to become a 100% global consumer internet company."

Over recent years, we have been on a deliberate and disciplined journey to grow and excel in creating value by improving people's lives. It is a journey that has seen us pass through three key strategic phases. In 2014–2015, we reset the business – organising ourselves into global segments, establishing an excellent ecommerce team, and divesting of low-potential assets. Over 2016–2017, we accelerated ecommerce growth, consolidated for leadership, exited peak-value businesses, and executed quality growth investments. This in turn enabled us to focus over the past two years on growing ecommerce to profitability, developing core segments into US$5–10bn+ businesses and planting seeds for longer-term growth.

Transforming to excel

This year we achieved a landmark in our transformation – listing and unbundling our Video Entertainment business and completing our evolution into a global consumer internet company. This step unlocked considerable value for shareholders and allows the new MultiChoice Group to excel as Africa's leading entertainment business. It also enables us to focus with even greater intensity on fulfilling our purpose and ambitions as a pure global consumer internet company.

This is an exciting time to be part of the Naspers family. Collectively, we are now one of the world's top 10 internet companies by market capitalisation, with around a fifth of the people on the planet using the products and services of our companies and associates to improve their daily lives. We have now laid the foundation to take our growth and success to the next level.

Playing our part in South Africa's success

While transforming, we have stayed true to our South African roots and are committed to the continued growth and success of this amazing country. With the new MultiChoice Group, we were very pleased to be able to create further value for Phuthuma Nathi shareholders who, through MultiChoice South Africa (MCSA), have already participated in one of South Africa's most successful empowerment schemes. Phuthuma Nathi shareholders were allocated an additional 5% stake in the issued share capital of MCSA for no consideration. As a result, their indirect interest in MCSA has risen from 20% to 25%.

With Naspers Labs and Naspers Foundry, we are bringing our commitment to life through two initiatives focused on helping and investing in the next generation of South African talent and tech entrepreneurs.

Tackling youth unemployment

Naspers Labs is our flagship social impact project designed to transform and launch South Africa's unemployed youth into economic activity.

The programme has been designed to remove the unique barriers to entering the economy for impoverished South African youth. Our ambition is to be a driving force behind increasing access to economic opportunity for millions of young people living in low income peri-urban areas of South Africa.

Backing entrepreneurial talent

Naspers Foundry is our startup funding initiative focused on helping talented and ambitious South African tech entrepreneurs develop and grow businesses that improve peoples' lives. We have allocated R1.4bn to invest in South African tech startups over three years. This complements the R3.2bn already committed to developing the group's existing South African businesses.

Growing revenues and profitability

Alongside our transformation, and indeed helping to fuel it, we delivered another strong year of growth. Group revenue from continuing operations on an economic-interest basis was US$19bn, up 16% on last year (or 29% in local currency and adjusted for acquisitions and disposals).

Our core focus areas – Classifieds, Payments and Fintech, and Food Delivery – were key in delivering this growth. On the same basis, group trading profit from continuing operations rose 10% to US$3.3bn (or 22% in local currency and adjusted for acquisitions and disposals).

Core headline earnings from continuing operations was up 26% on last year at US$3bn.

Key events through the year

2018

May

Naspers invests US$35m in Honor, enabling the health innovator to grow its national network of home-care agencies.

OLX Group invests US$89m in Frontier Car Group to continue expanding and disrupting the used-car sector in high-growth markets.

Jun

OLX Group and Properati agree to join forces in Latin America, strengthening its presence in that real estate market.

July

Naspers further commits to Indian food-delivery business Swiggy, investing US$79m as part of a US$210m investment round.

US$79m

Movile announces a new round of investment, led by Naspers with participation by Brazilian investment fund, Innova Capital (Innova), with a combination of primary and secondary investment totalling US$124m.

PayU invests US$12m in PaySense. PaySense is a fintech startup based in Mumbai India. The company is focused on digital lending, serving short-duration microloans to Indian consumers.

Aug

PayU announces the acquisition of leading payments technology platform, Zooz, for US$60m. The deal supports PayU's ongoing expansion into high-growth markets and addresses the significant opportunity in cross-border payments.

letgo acquires the share capital held by non-controlling shareholders of letgo USA B.V. of US$189m.

Naspers disposes of its 12% stake in Indian ecommerce company, Flipkart, to US-based retailer Walmart for US$2.2bn, delivering a 29% internal rate of return on investment.

29%

internal rate of return on investment in Flipkart

Sept

Naspers announces its intention to separately list and unbundle its Video Entertainment business as MultiChoice Group on the JSE, creating an empowered, standalone Africa-wide entertainment business; unlocking value for Naspers shareholders; and increasing Phuthuma Nathi shareholding in MultiChoice South Africa to 25%.

Naspers invests US$5.6m in SoloLearn to enable the education innovator to fund product enhancement, global expansion and launch a career service for the community.

Chief executive's review *continued*

Strengthening our core
We have a range of excellent businesses in the group and we cover their performance in some detail later in this report, but I touch on a few key highlights here.

As a pure global consumer internet company, we are currently focusing on three core areas where we can work to create value by improving people's lives: Classifieds, Payments and Fintech, and Food Delivery. In all three areas, we had a strong year.

In Classifieds, OLX Group achieved its first year of profitability and annual revenues exceeded target. We continued to invest and expand, notably into car, real estate and convenience offers, while reorganising and streamlining, where necessary, to increase efficiency and customer focus.

In Payments and Fintech, the core payments business of PayU continued to grow and recorded its first profit on a standalone basis. We continued to build on core payments and moved progressively into broader fintech credit services, with additional investments in PaySense and ZestMoney.

"Across our chosen areas of focus, we want to take a much bigger space in the hearts and minds of internet consumers around the world. So we back excellent entrepreneurs building great business models with very strong local components."

In the fast-growing sector of Food Delivery, we increased our focus and investment. Along with Innova Capital we committed to invest additional capital of US$400m in iFood to enable iFood to accelerate growth by expanding coverage and investment in first-party delivery capabilities, speed up product development and innovation, and deliver personalised experiences to its customers. We also invested US$716m in Indian food-delivery leader, Swiggy. We believe technology will transform the way people eat, and we are investing in that.

While concentrating on the core, we also continued to identify, explore and build the next wave of growth for Naspers. Investments ranged from adding to our education portfolio with an investment in Indian educational company BYJU'S by investing US$383m, to taking an initial stake in healthcare innovator, Honor.

Our investments in social and internet platforms also performed well. Tencent continued to excel in China while Mail.ru consolidated its position as Russia's leading internet group.

US$716m
Investment in Indian food-delivery leader Swiggy

US$383m
Investment in Indian educational company BYJU'S

These businesses are leaders in two of the world's most dynamic high-growth markets.

Developing and encouraging our people
Another key asset for us is, of course, our outstanding people. They are at the heart of everything we do at Naspers. The experience we give our customers, the value we deliver to our shareholders, the success of the business – all these rest on the quality and commitment of our people. So we work hard to recruit, develop and retain the best people throughout the group.

One of the ways we are developing and encouraging all our people to be their best is through MyAcademy, our global learning and development platform. It operates as an online learning hub and is supplemented by classroom training and is open to all our people, including employees in our minority investments. We offer a range of experiences that allow our people to enhance their skills in areas such as leadership, technology, cybersecurity, machine learning, business and commercial skills, and foreign languages. MyAcademy is an engine and enabler of growth and change across the group. We use it to amplify and accelerate innovation and entrepreneurship and to ensure our people have the right knowledge to support our priorities and ambitions.

Making the most of machine learning
Across all our businesses, we are increasingly investing in and making the most of machine learning (ML).

From image recognition to the ability to interpret text, ML has advanced rapidly in recent years. As a data-rich business, we have the fundamental asset – the essential ingredient – to make the most of technology's strengths and potential. We are using ML to create value in different ways across the group, such as increasing the trust and safety of interactions between buyers and sellers, and making services simpler and more streamlined.

Looking ahead
Looking ahead, we have only just begun to capitalise on the added drive, focus, energy and opportunities that come from being a pure global consumer internet company.

Towards the end of our financial year, we announced the next major step in our ongoing journey – our intention to list our international internet assets on Euronext Amsterdam.

The new company, Prosus, will likely be the largest listed consumer internet group in Europe by asset value, comprising some of the world's leading and fastest-growing internet companies in some of the most interesting markets on the planet.

This is a significant step for Naspers, which will own at least 73% of Prosus. We believe that the listing will present an appealing new opportunity for global tech investors to have access to our unique portfolio of international internet assets. As well as opening up investment to a broader category of investors, the listing aims to reduce our weighting on the JSE, which we believe will help us maximise shareholder value over time.

I am pleased and proud to say that we have an even more exciting future ahead. A future in which more and more people can share – customers, investors, our teams, and our key stakeholders. I look forward to continuing to help shape this future.

Bob van Dijk
Chief executive

21 June 2019

Oct

Naspers boosts the South African technology sector with a R4.6bn commitment over the next three years: R1.4bn will be invested in startups through Naspers Foundry and R3.2bn in further developing the group's existing South African businesses.

R4.6bn

Naspers confirms it is piloting Naspers Labs – its holistic programme to address youth unemployment in South Africa.

Nov

Movile receives a new funding commitment from Naspers and Innova to invest an additional US$400m in iFood, to enable iFood to accelerate growth by expanding coverage and investment in first-party delivery capabilities, speed up product development and innovation and deliver personalised experiences to its customers.

US$400m

Dec

Naspers invests in dott to transform city mobility in Europe.

Naspers invests US$383m as part of a US$540m investment round in BYJU'S, one of the world's largest education companies. The funds will fuel international expansion and further personalise learning.

Naspers shares approved for inclusion in the list of qualifying equity securities to be traded on A2X from 27 December 2018.

Naspers invests US$637m as part of a US$1bn investment round in Swiggy, India's largest food-delivery platform.

2019

Jan

OLX Group invests US$1.16bn to acquire the share capital held by non-controlling shareholders of Avito, the leading online general classifieds and property platform in Russia, taking its effective interest to 100%.

Feb

MultiChoice Group lists on the JSE.

100%

Mar

Video Entertainment business unbundled.

Naspers announces its intention to list its international assets on Euronext Amsterdam.

We are on an exciting journey...

A journey to back entrepreneurs with differential ideas and businesses that change the world for the better – improving the lives of billions of people from Cape Town to Kolkata, São Paulo to Saint Petersburg, and beyond.

It is an ongoing journey that involves looking ahead and moving forward, spotting the best opportunities and investing in them in the long term. A journey that has seen us continue to grow and focus to become a pure global consumer internet company.

From food delivered fast to your door, to easier ways to pay for everyday things while you're out and about – we know that digital technology can transform people's lives for the better. We also know this transformation has only just begun. We are deeply committed to it, and we are in it for the long haul.

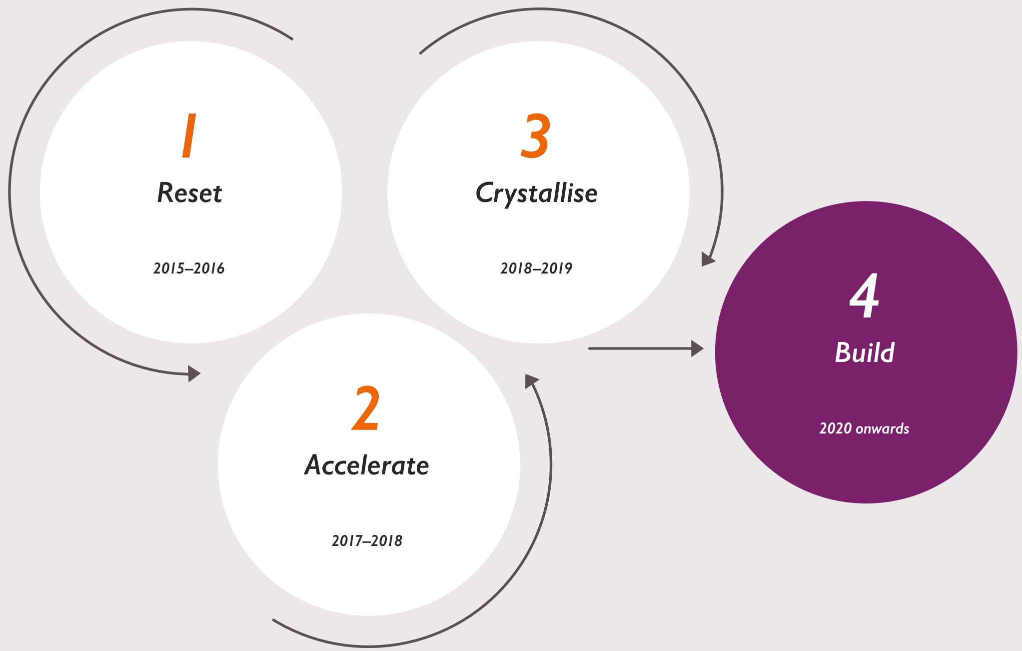
Our journey so far

1. Reset
- Organised in global segments
- Established an ecommerce team
- Divested low-potential assets

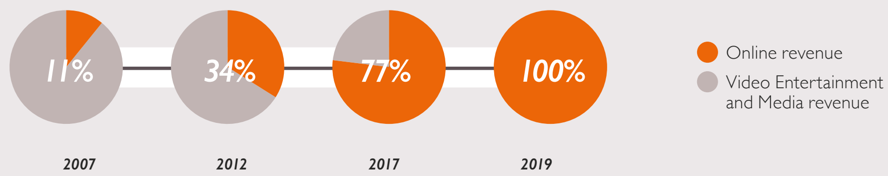
2. Accelerate
- Accelerated ecommerce growth
- Consolidated for leadership
- Exited peak-value businesses
- Executed quality growth investments

3. Crystallise
- Grow commerce and profitability
- Develop core segments into US$5–10bn+ businesses
- Plant seeds for longer-term growth

4. Build
- Continue to invest and grow in core areas
- Pioneer more improvements in people's lives



Our journey to online



...growing

the next wave...

We focus on where we can make the biggest, most positive long-term difference to people's lives around the world.

Making a big difference

We think global and act local – backing entrepreneurs and businesses using technologies to address big societal needs. This is at the heart of how we fulfil our purpose to create value by improving people's lives around the world.

Focusing on core needs

We're focused and disciplined about how we go about this. As a pure global consumer internet business, we have identified three core areas where we are going all-in to invest, operate, lead and transform people's lives for the better.

Aiming to be the best

These three core areas are Classifieds, Payments and Fintech, and Food Delivery. In each area, we have businesses that are growing fast and doing great things for consumers. Our ambition is to be the best option for our users, to go the furthest and do the most for people in these core areas so that we play a big part in improving their lives.

Global online food delivery market

US$ 65.91bn
Market value in 2017

US$ 161.74bn
Revenue expected in 2023

Source: Adroit Market Research

Our core businesses

OLX, Avito, STRADIA, FCG, ifood, SWIGGY, dubizzle, AutoTrader, property24, Delivery Hero, storia, letgo, PayU, Remitly, eMAG, takealot

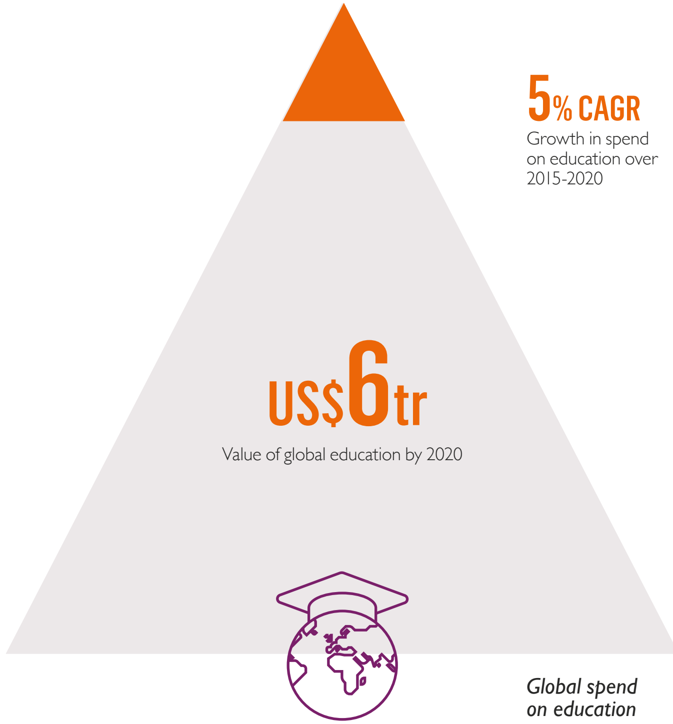
... and anticipating the next wave...

As well as focusing on our core segments, we also explore and back businesses in other key areas where consumer-focused technology can change people's lives for the better.

Always looking ahead
We keep looking ahead and anticipating the next wave for consumers.

We are, for example, exploring a number of newer areas such as education and health.

From making it easier for people to learn new skills to enabling the elderly to have great home care – as entrepreneurial investor-operators, we never stop searching for new opportunities to create value by improving people's lives around the world.



Our next-wave businesses

movile, SoloLearn, codecademy, BYJU'S, JOYMODE, Udemy, SimilarWeb, honor, dott, Brainly

Embracing our responsibilities
We are proud to make a positive difference around the world. We invest in and operate companies in some 80 markets and countries, with thousands of people building products and services used by hundreds of millions of consumers every day. As we go about our business, we take our responsibility to hold ourselves to the highest standards, seriously.

Having a real impact
The companies we back, the people we employ and the taxes we pay all create value, helping to build stronger economies in the countries we invest, work and live in. We support a range of corporate social initiatives that make a real difference to the people and communities who benefit from them.

Our governance structures, code of business ethics and conduct, and various policies provide the frameworks and guidance for our people to do the right thing.

Investing in the future
Launched in 2019, Naspers Foundry is a great example of our commitment to making a positive difference around the world. We have allocated R1.4bn to invest in helping talented and ambitious South African tech entrepreneurs develop and grow their startup businesses over the next three years. We are proud of our roots and committed to the continued growth and success of South Africa.

1/5

Naspers companies and associates help improve the lives of around one fifth of the world's population

...to make a positive difference around the world

Bringing it all to life in India

Smartphone penetration in India

350m smartphone penetration in 2019

700m smartphone penetration by 2023

75% of new users will access internet in vernacular languages by 2050

50% of new internet users will be rural

45% of new internet users will be over the age of 35 by 2050

The world's fastest-growing large economy, a vibrant democracy of over 1.3 billion people, home to some of the planet's most talented entrepreneurs – we love India.

We've been investing in India for more than a decade – over US$2bn, or around 20% of our worldwide investment in the last decade. This long-term commitment has seen us create considerable value by supporting home-grown businesses that are pioneering great change and improvements for people across the country.

We are growing fast in India in our core segments of Food Delivery, Payments and Fintech, and Classifieds. Our Ventures team is also forging ahead with the next wave, notably in education.

Investing in India's most-loved food-delivery brand

During the year, we invested an additional US$716m in Swiggy, India's most-loved food-delivery brand. Providing excellent service to consumers through over 85 000 restaurant partners and 170 000 delivery partners across more than 130 cities, Swiggy is an Indian success story we are proud to be part of.

Pioneering payments and fintech

PayU is focused on increasing its leadership in payments and fintech in India and launching innovative products and services, such as convenient credit options for consumers. We aim to keep building on our Payments and Fintech success through investments in startups such as ZestMoney and PaySense.

Revolutionising learning

In December 2018, we invested US$383m in Indian online tutorial startup BYJU'S. Valued at US$3.5bn, BYJU'S has grown rapidly and now has 2 million paid subscribers and over 30 million general users.

Our key businesses in India

Payments and Fintech

PayU PaySense zest

Food Delivery

SWIGGY

Classifieds

OLX
aasaanjobs

Ventures

BYJU'S

Creating value for our stakeholders

Our business model

In line with best practice for integrated reporting, we report on the six capitals that together provide a true picture of value across the group: financial capital, human capital, manufactured capital, intellectual capital, social and relationship capital, and natural capital.

We anticipate changes in the world around us...

Machine learning and artificial intelligence will soon become an integral part of everything we do.

Read more on page 48

...we take into account the views of our stakeholders...

Engaging with our stakeholders, understanding their perspectives and feedback.

Read more on pages 24 to 29

...and we align our value creation to the UN Sustainable Development Goals.

Read more on pages 58 to 66

THE GLOBAL GOALS

The resources we need

(Our six capitals)

Financial
The financial funds and assets across the group.

Human
The skills, development, opportunities and well-being of people, notably the thousands of people we employ around the world.

Social and relationships
The relationships we build with customers, communities, trade organisations and other groups we work with and contribute to.

Manufactured
Our investments in the facilities and technologies across the group.

Intellectual property
The ideas, information, inventions, procedures, source code, domains, know-how and knowledge we create, own and protect through, for example, patents, copyrights and trademarks.

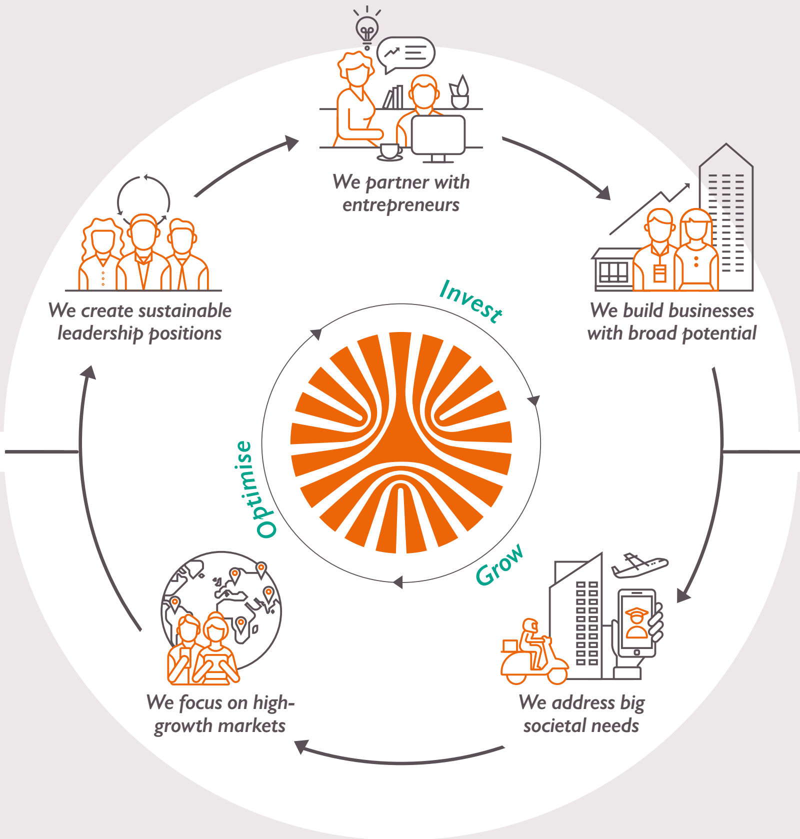
Natural resources
The natural resources we have an impact on, for example, the energy we use and the water we conserve.

Read more on page 18

How we add value

We pursue growth by building leading companies that empower people and enrich communities.

What we do:



Underpinned by our active capital allocation and strategy.

We ensure we optimise our portfolio for growth and competitiveness.

Read more on page 30

For all our stakeholders

Customers
Provide exciting and innovative products and services to improve our customers' lives.

Employees
Create a compelling place to work where our people are engaged and motivated to achieve their full potential.

Shareholders and investors
Deliver long-term shareholder value through disciplined capital allocation, differentiated execution and strong financial performance.

Suppliers and partners
Treat our suppliers fairly and drive high social, ethical and environmental standards in the products and services we buy.

Local communities
Invest in improving the communities we operate, live and work in.

Read more on page 28

Industry
Use our global scale to ensure industry development considers and benefits stakeholders.

Regulators
Engage in developing dialogue and policy that support vibrant industries and benefit stakeholders.

We create value for key stakeholders across all our businesses.

Read more on pages 24 to 29

Creating value for our stakeholders

Value creation this year

We create value for key stakeholders through our business model, drawing on our pool of six capitals and in line with the UN Sustainable Development Goals (SDGs). In this section we highlight the value we created this year for our different stakeholders.

For more information on our sustainability journey, see pages 16 to 18
For more information on risks and opportunities, see pages 52 to 54

Taxes paid

As a global company, we recognise that the tax we pay is an important element of our broader economic and social contribution to the countries where we operate.

US$23.4bn

direct, indirect and induced taxes paid

Read more on pages 49 and 50

Governments and indirectly local communities

Financial returns for shareholders

We manage our finances rigorously to maximise performance. In 2019 we performed strongly, with significant growth in core headline earnings. All figures are from continuing operations, ie excluding the Video Entertainment segment.

Read more on page 51

26%

growth in core headline earnings

10%

growth in proposed annual dividend (growth in SA rand terms)

	2019	2018
Revenue (US$'m)[1]	18 990	16 352
Trading profit (US$'m)[1]	3 304	2 994
Core EPS (US cents)[1]	6.94	5.53

Note
[1] Presented on an economic-interest basis and from continuing operations.

Shareholders and investors

Two of the 2018 Innovation Award winners.

Innovation and product development

We look for and back innovation across the group, making sure we protect the resulting intellectual property and make the best use of it. In 2019, we continued to encourage, invest in and protect innovation.

INVESTING IN MACHINE LEARNING

From image recognition to the ability to interpret text, machine learning (ML) technology has advanced rapidly in recent years. As a data-rich business we have the fundamental asset, the essential ingredient, to really make the most of this technology's strengths and potential. We use ML to create value in different ways across the group. For example, to increase the trust and safety of interactions between buyers and sellers and to make services simpler and more streamlined.

Read more on page 48

Customers and industry

80%

customer satisfaction score (NPS or Net Promoter Score)

Economic contribution

We aim to make a positive, lasting economic contribution to the countries we live and work in around the world.

PLAYING OUR PART IN INDIA'S GREAT GROWTH

India is the world's fastest-growing large economy, a vibrant democracy of over 1.3 billion people and home to some of the planet's most talented entrepreneurs. We've been investing in India for over a decade – over US$2bn, around 20% of our worldwide investment in the last decade. This long-term commitment has seen us create considerable value by supporting home-grown businesses that are pioneering great change and improvements for people across the country. We're growing fast in India in our core segments of Food Delivery, Payments and Fintech, and Classifieds. And we're also investing in the next wave, notably in education.

Read more on page 15

Industry, employees and local communities

Creating value for our stakeholders continued
Value creation this year continued

Unbundling of MultiChoice Group

This year we took the landmark decision to separately list and unbundle our Video Entertainment business. This exciting step unlocked considerable value for shareholders and allows the newly named MultiChoice Group to excel as Africa's leading entertainment business. It also enables us to focus even more intensely on fulfilling our purpose and ambitions as a pure global consumer internet company.

Read more on page 19

Shareholders, employees and local communities

Reinvesting in our South African roots

We are proud of our South African roots and remain committed to invest in the success of the country. Through Naspers Foundry, we have allocated R1.4bn to South African startups over the next three years, and through Naspers Labs we are pioneering an innovative social impact initiative to tackle South Africa's youth unemployment crisis.

R4.6bn

In total, we have committed to investing R4.6bn in South African businesses over the next three years.

Read more on pages 20 and 21

Industry, employees and local communities

Natural resources

Across the group, we endeavour to minimise the impact on the environment.

ENVIRONMENT

All emissions (scope 1 and scope 2) totalled some 363 485.22 (2018: 87 022.47) tonnes of CO_2e with electricity the highest contributor of total measured emissions at 93%. MultiChoice Group being the largest contributor within the scoped entities, representing 59% of the total emissions. The carbon footprint excluded MultiChoice Group for March 2019 as the listing and unbundling of MultiChoice Group took place on 27 February and 4 March 2019 respectively.

REDUCING ENVIRONMENTAL IMPACT

Businesses across the group are reducing their environmental impact in different ways. For example, Takealot has introduced 100% recyclable packaging for its deliveries, including the voids that protect products inside the packaging. It has also updated its transport fleet to newer, larger and more energy-efficient vehicles. In addition, more energy-efficient LED lighting is being introduced in the distribution centres. And, where possible, Takealot is using seafreight rather than airfreight – more cost efficient and more environmentally friendly.

Industry and local communities

Meaningful careers for our employees

We are committed to supporting and encouraging all our people to develop their skills and capabilities to the full. In 2019, we delivered on this commitment in a number of ways – from further enhancing our global online learning platform and delivering classroom training under the MyAcademy banner to talent development efforts at the individual level through personal development plans.

Number of employees[1]

2019	20 196
2018	17 823

Read more on page 45

US$995m
in salaries, wages and employee benefits

>25 000
people accessed content on MyAcademy online

US$10m
investment in employee training

>180 000
hours of online lectures watched by active learners

Employees

Note
[1] *Excludes the Video Entertainment segment.*

Manufactured capital

We invest heavily in technology, notably in machine learning (ML) across our businesses, to improve products and services, enhance the customer experience and increase operational efficiencies.

Investment in CAPEX (US$'m)

2019	152
2018	138

Industry, employees and local communities

Spotlight on MultiChoice Group

"Unbundling our Video Entertainment business and listing it separately as MultiChoice Group marks a significant step forward for Naspers as we complete our evolution into a global consumer internet company."

Bob van Dijk
Chief executive

Industry, employees and local communities

A great step forward

This year, we took the landmark decision to separately list and unbundle our Video Entertainment business. This step unlocked considerable value for shareholders and allows MultiChoice Group to excel as Africa's leading entertainment business. It also enables us to focus even more intensely on fulfilling our purpose and ambitions as a pure global consumer internet company.

A new era

On 27 February 2019, MultiChoice Group was successfully listed on the JSE Limited in South Africa, to the traditional sound of the kudu horn. This marked the beginning of a new era for MultiChoice Group, our former Video Entertainment business, and for Naspers.

As part of Naspers, the business grew to become Africa's video-entertainment leader with around 14 million subscribers across the continent. A profitable cash-generative business offering an unmatched selection of local and original content as well as world-class sport coverage. It is a classic example of our approach in action – building leading companies that improve the daily lives of the millions of people who use their products and services.

Looking ahead

As a standalone company, MultiChoice Group is now well positioned to capture the significant growth opportunities offered by Africa's ascendance.

Unlocking considerable value

The unbundling unlocks the value we have created in MultiChoice Group for our shareholders. We were also very pleased to be able to create further value for Phuthuma Nathi (PN) shareholders who, through MultiChoice South Africa (MCSA), had already participated in one of South Africa's most successful empowerment schemes. PN shareholders were allocated an additional 5% stake in the issued share capital of MCSA for no consideration. As a result, PN shareholders' indirect interest in MCSA has increased from 20% to 25%, which will increase their share of dividend flows by 25%.

Focusing wholeheartedly

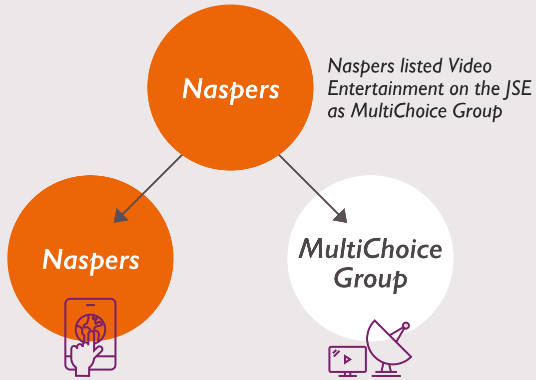
The unbundling completed the transformation of Naspers to a pure global consumer internet company, with effectively 100% of our revenues and profits now coming from online.

Now we can focus our energy and experience, our talent and resources, our hearts and minds on building leading technology companies and identifying new waves of growth to create value by improving people's lives around the world.

Not just for our shareholders, but for everyone who works in our companies, the many millions of people who use our products and services, their communities and society at large.

THREE KEY BENEFITS

- ***Completes Naspers's transformation into a pure global consumer internet company*** – one of the leading players in the world of tech, transforming people's lives for the better.
- Allows ***MultiChoice Group to continue growing*** as Africa's leading entertainment business.
- Creates considerable ***value for shareholders***.



From 80% to 100%
of Naspers revenues generated by internet segment after Video Entertainment was unbundled

R47.1bn
revenues

>90 000
Phuthuma Nathi shareholders

Spotlight on South Africa

Industry, employees and local communities

"Our gravest and most pressing challenge is youth unemployment. It is therefore a matter of great urgency that we draw young people in far greater numbers into productive economic activity."

President Cyril Ramaphosa
March 2019

Investing in the next generation of South African talent

We are proud of our South African roots and are committed to the continued growth and success of this country. With Naspers Labs and Naspers Foundry, we are bringing this commitment to life through two initiatives focused on helping and investing in the next generation of South African talent.

Investing in the future

At Naspers, we aim to create value by improving lives. We don't just do this by investing in technologies, entrepreneurs and businesses that address big societal needs.

We also seek to improve lives through social investment that makes a real difference to the communities we live and work in around the world.

For us, investing in local entrepreneurs and investing in local communities are two sides of the same core story of improvement.

In South Africa, we are pioneering Naspers Labs and Naspers Foundry – two complementary initiatives that together are focused on helping current and future generations of young South African talent achieve their true potential and, in so doing, transform the country for the better.

Naspers Labs

Empowering the young people of South Africa

Through Naspers Labs we are zeroing in on youth unemployment, a systemic and growing challenge that we are determined to help address.

Building on our expertise and experience in technology-enabled learning and development businesses such as Udemy and Brainly, and partnering with local expertise in the youth development sector, our ambition is to tackle the problem at scale and be a driving force behind transforming the lives of millions of unemployed young South Africans.

The three pillars of Naspers Labs that trigger this youth transformation are firstly, personalised learning through an adaptive online learning and development platform that includes hard and soft skills.

27%

over 6 million of South African 18 to 24-year-olds are unemployed

"With Naspers Labs, young people can come and learn skills that they didn't think they would learn. They should be learning about virtual reality, they should be learning to code – they should literally be designing the future. They innovate out of necessity, so if they go into the workforce with the same determination and the same ability to innovate – imagine what they'll do."

Allan van der Muelen
Naspers Labs

TWO COMPLEMENTARY INITIATIVES

NASPERS Labs

Developing the next generation of South African talent

Naspers Labs is our long-term investment strategy in human capital development. Our flagship social impact project blends physical space and a bespoke online platform that strikes at the heart of communities most affected by unemployment and poverty.

- An innovative project with a mission to be a driving force behind increasing access to economic opportunity.
- Ambition to help millions of young South Africans living in low-income peri-urban areas of South Africa into meaningful opportunities.

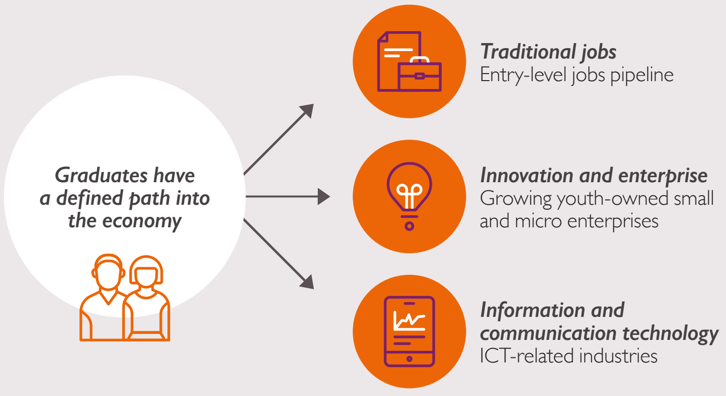
NASPERS FOUNDRY

Developing the next generation of South African businesses

Our startup initiative focuses on helping talented and ambitious South African tech entrepreneurs develop and grow businesses that improve people's lives.

Spotlight on South Africa *continued*

NASPERS LABS



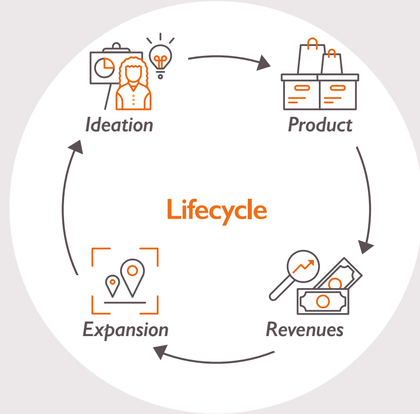
"Technology innovation is transforming the world. The Naspers Foundry aims to encourage and back South African entrepreneurs to create businesses that ensure South Africa benefits from this technology innovation. The Naspers group started in South Africa and we understand the innovative and entrepreneurial spirit of South Africans.

We believe the best ideas often start locally, with passionate entrepreneurs starting businesses that meet the needs of the communities they know best. And when those needs are universal across the markets we know well, with the right backing, there is the potential for their businesses to grow beyond their home markets."

Bob van Dijk
Chief executive

NASPERS FOUNDRY

- Encouraging the South African startup ecosystem
- Supporting tech startups that address big societal needs
- Building the tech businesses of the future
- Stimulating local economics
- Creating jobs and opportunities for South Africans



Secondly, is peer-to-peer youth cafés using the unique locally developed socio-economic model that has been tried and tested by social enterprise and project partner RLabs.

And thirdly, our project unlocks the potential of township economies by supporting and incubating new micro- and small businesses to absorb young people into dignified employment.

With Naspers Labs, young people go on a structured three-stage journey. It starts with enabling them to believe in their potential, unlocking their hopes and dreams.

This is the essential foundation for them focusing on personalised training and learning modules to create the future they want. This in turn leads to the third stage where we prepare them for the world of work and secure their first work opportunity.

Their first job is the first step for Naspers Labs graduates who are motivated and stay in the programme to keep learning so they may achieve their goals.

Vitally, Naspers Labs cafés are in communities where unemployed young people live – spaces where dedicated Naspers Labs ambassadors help them make the most of the programme and digital platform. It is this unique blend of the best of technology with the best of human potential that unlocks the full potential of young people.

This year we piloted the project in two impoverished communities, with encouraging results.

Next year we are testing two further labs. Subject to the results of the pilot labs, our aspiration is to roll out the project to low-income peri-urban areas of South Africa, starting in priority provinces.

Sustainability
As part of our commitment to improving lives and aligning to the United Nations' Sustainable Development Goals (SDGs), we are proud that 65% of Labs attendees were female and the programme launched almost 600 graduates into the economy. This is a great example of our support for the SDGs, in particular SDG 5 and SDG 8

Naspers Foundry

Backing talented and ambitious South African tech entrepreneurs

Over the next three years, Naspers Foundry will invest R1.4bn to help talented and ambitious South African tech entrepreneurs develop and grow their startup businesses.

Naspers Foundry will strengthen and encourage the South African tech ecosystem and will seek to invest in tech startups, focussing on those that address big societal needs: unemployment, education, safety and security, and economic resilience, among others.

Naspers Foundry fully aligns with our groupwide approach to backing and growing great entrepreneurs and businesses around the world. So we are looking to back South African entrepreneurs with unique insights into their local communities.

At Naspers we believe that when we invest in an entrepreneur, we are able to bring much more to the table than funding. Through the Naspers group network, international expertise will be on hand to help startups accelerate their growth. The aim is to provide long-term help and support to encourage and nurture the future stars of the South African tech ecosystem.

We are focusing on creating businesses that have a positive impact on the communities they serve, the local economy and, ultimately, South Africa at large, prioritising broad-based black economic empowerment (BBBEE).

We aim to bring the scale and expertise of Naspers to bear on the businesses we back, helping them grow and expand beyond their local market, across Africa and beyond.

R1.4bn
allocated to South African startups over three years

R3.2bn
already committed to developing the group's existing South African businesses

In June 2019, Naspers Foundry announced its first investment, investing R30m into SweepSouth, an innovative new business co-founded by Aisha Pandor and Alen Ribic.

All the workers, predominantly single mothers with dependants, are interviewed by SweepSouth before they start using the platform. SweepSouth aims to launch similar services in Kenya, Botswana, Nigeria and Ghana. It's a great Naspers Foundry-backed success story in the making.

The world around us

Key trends are profoundly changing the world around us. We believe these trends play to our purpose and strengths as a global consumer internet company focused on addressing big societal needs to improve people's daily lives in high-growth markets.

Key trends

1. *On core measures – such as levels of poverty and life expectancy – the world is improving.*
2. *Global economic energy is shifting east.*
3. *The internet continues to transform people's lives – and there is much more to come.*
4. *Machine learning is at the heart of the new wave of improvements.*
5. *Innovation, responsibility and customer focus are pivotal for success.*
6. *The global shortage of digital talent continues.*

Macroeconomic trends

Changing for the better
From the rise of China and India to the rapid spread of digital technologies – the world is changing fast. And in many key ways, it is changing for the better, with major improvements in the levels of poverty, child mortality, youth illiteracy and life expectancy.

The growth of the global middle class
Half of the world's population can now be considered middle class. This key group drives 90% of gross domestic product (GDP) growth.

The shift east
The centre of economic gravity is shifting from west and north to east and south. Developing economies have accounted for almost two thirds of global GDP growth and more than half of new consumption in the past 15 years.


Gurgaon, India

The best decade in human history

EXTREME POVERTY	(%)
2018	8.6
2008	18.1

CHILD MORTALITY	(%)
2018	3.9
2008	5.8

YOUTH ILLITERACY	(%)
2018	8.6
2008	11.3

LIFE EXPECTANCY	(YEARS)
2018	72.2
2008	69.8

MACROECONOMIC TRENDS

91%
of global consumption growth is generated by middle-class people (2015–2030)

½
A global tipping point: Half the world is now middle class or wealthier

Technology trends

The accelerating pace and impact of technology
Technology continues to transform people's lives around the world. There are, for example, now 3.5 billion active smartphones. By 2025, 71% of the global population will have a smartphone. And people are spending more time, more frequently, online, and doing more while they're online. We're heading towards an 'everyone always on' world.

Industries are increasingly digital
From music to retail – the internet is shifting whole industries to digital, transforming the way things are done, the products and services offered, the experiences customers can have and the winners and losers across different sectors. It is a great time for entrepreneurs with new ideas and business models.

There are still big changes to come
The use of the internet is only just beginning. On average, industries are less than 40% digitised. But the impact is increasingly revolutionary, with the emergence of a next generation of global platforms that are pushing boundaries to create more seamless experiences for consumers.

We may well be on the verge of a second internet revolution – one that deals with the digitisation of the 'real' offline world.

The rise of machine learning
ML has moved out of the labs to power application platforms and consumer services across many aspects of life. ML is on a path to transform economies and societies, just as other revolutionary general-purpose technologies – such as electricity and the internet – have done in the past. ML's impact has already been massive and, by 2030, it could add as much as US$13tr to global output.

TECHNOLOGY TRENDS

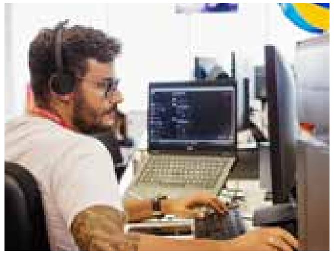
3.5bn
active smartphones globally

71%
of the global population will have a smartphone by 2025

<40%
of industries on average are digitised

Source: World Bank, UN, UNESCO

The world around us
continued



Market trends

An age of big winners
In the internet age, we have seen the emergence of a few big winners – 2018 marked the first trillion-dollar companies. But continued leadership is not guaranteed; to stay ahead, one has to keep investing, innovating and taking care of one's customers. In China, for example, a next generation of players has already popped up – born in the mobile age and focused on the newest iteration of online services, fuelled by ML and sharing.

Leveraging tech to improve lives
As the power and impact of technology grows, there is increasing pressure to demonstrate good governance and ethical business practices. Now, more than ever, being a tech business that aims to act responsibly is critical.

Constant improvement is key
Continually delivering technology-driven customer-centric improvements at scale makes all the difference.

Regulatory trends

There are increasingly assertive moves by governments across the globe to regulate internet businesses and their impact on the economy and society. This is particularly true for larger internet businesses where governments are intensely focused on data privacy, market dominance, platform regulation, and appropriate taxation. Some of the public policies and regulations that may result from these developments could have an impact on the sustainable long-term prospects of different internet business models.

It is therefore necessary that we work with policy-makers and other stakeholders to help to shape regulation that benefits our customers, our shareholders, and the communities in which we operate. We aim to act responsibly and with accountability in a transparent manner – a trusted thought leader for policy-makers. Our 'third way' as an investor in high-growth markets, a global partner empowering local entrepreneurship, having genuine local impact and value creation – including employment, innovation and fiscal contribution – sets us apart.

We believe that innovative local entrepreneurs are the heart of a vibrant, inclusive society. We therefore support policies that:

- Encourage entrepreneurs. Entrepreneurs take the lead in transforming society through their ideas, vision and determination. Successful entrepreneurs can have a positive impact on the world and bring many benefits to their communities.
- Embrace the power of technology. Technological progress can create significant value. We highlight the ways in which our businesses have used technological innovation to improve and even transform people's everyday lives.

- Promote global trade and investment. But doing so in a way that is respectful of our stakeholders' interests and the communities in which we operate. More than what we do, it's who we are: we create value and improve lives.

Talent trends

There is a global shortage of digital skills, and the best people have real choices about where to deploy their talents.

Regardless of where in the world we are operating, the competition for software developers, product designers, machine learning specialists, data scientists, digital marketers and digital content creators, to name just a few skillsets, is fierce.

Global competition
This competition is increasingly global, with talented people being courted by global players and having the opportunity to work outside their home country if they choose to do so.

Additionally, the structure of work is changing, and individuals no longer strive for the relative security of a big organisation, often preferring to be self-employed in the 'gig economy' or having the confidence to start their own business straight out of university.

Change of employer
In this environment, employees are likely to change employers much more frequently than in the mid-to-late 20th century, and expect an employer with a clear societal purpose and a compelling proposition for them: a place where they can do meaningful work and where they can learn and grow within a relatively flexible structure.

To be successful, digital companies must be effective at competing for and retaining talented people.

A diverse and inclusive workplace
The challenge of creating a diverse and inclusive workplace is one shared by employers across many industries. Prospective and existing employees will consider the approach to diversity and inclusion as they evaluate employers. Gender diversity is a particular challenge across the consumer internet sector globally, and the representation of women in senior executive and technical roles and their experience in the workplace, has received much media attention recently.

WHAT THIS MEANS FOR NASPERS

	Key themes	*Strategic implications*
Growth	• Centre of gravity shifting to global growth markets	• Focus on India and other top-growth markets • Continue to address big societal needs in core areas
Technology	• ML supercharging companies and society	• Accelerate deployment of ML
Market	• Ongoing investment in innovation is critical	• Ramp up investment in innovative customer-centric products and services
Regulation	• Role and power of platforms, globally and locally	• Aspire to act responsibly and with accountability • Transparent, trusted thought leader for policy-makers
Talent	• Global shortage of digital talent	• Focus on attracting, developing and retaining the best people • Emphasis on a diverse and inclusive workplace

Engaging our stakeholders

We aim to build constructive relationships with our key stakeholders. This is critical to our business. We are focused on long-term success and making a lasting difference around the world. It is about creating sustainable value in the broad sense – one that plays out across the six capitals and considers, engages and involves all our stakeholders. We have identified seven distinct groups:

Our key stakeholders and why they matter to us

Customers and users

Our products and services are enjoyed by millions of customers around the world – from individuals to businesses. We want to delight them.

Employees

Our employees are at the heart of our success – their commitment and entrepreneurial drive make all the difference.

Government and regulators

We recognise how important it is to work with governments and regulators, particularly given that many of our businesses have such a big impact on people's lives.

Investors and shareholders

We want to be an industry leader that works closely with partners across the group.

Industry bodies

We want to be an industry leader that works closely with partners across the group.

Society

We are committed to making a lasting positive impact. We want to make a difference for society, the world we live in.

Media

As part of the media we know the responsibility, we have to report honestly and transparently to those who wish to engage with us. We want to be a partner of choice for other members of the sector.

Stakeholder relationships

Representatives of our businesses manage various external and internal stakeholder relationships. Our businesses manage their stakeholder relationships based on a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the businesses.

To support the board in fulfilling its governance role, the Naspers social and ethics committee receives reports on stakeholder management across the group – refer to the social and ethics committee's report in the 2019 governance report.

An overview of our stakeholders and stakeholder engagement is provided on page 25.

Engaging our stakeholders *continued*

The issues that matter most

Reputation
We focus on managing reputational risks, notably the risks of a misalignment of our values or deviation from our desired business culture across our diverse, geographically dispersed group.

Read more on page 54

Operations
Throughout our group, we build trust with our customers, colleagues and communities by behaving openly and actively tackling key threats such as online fraud.

Read more on pages 32 to 44

Financial sustainability
We closely manage our assets and capital allocation to deliver strong returns on investment.

Read more on page 51

Contribution to society
We aim to take a responsible approach to tax, making sure we pay full and fair taxes in local jurisdictions around the world to contribute to communities in which we operate.

Read more on pages 49 and 50

Privacy and cybersecurity
We focus a great deal of expertise and resources on ensuring privacy and cybersecurity for our customers and across our group.

Read more on pages 64 to 66

ENSURING DATA PRIVACY

We have a groupwide policy on data-privacy governance that sets out the responsibilities, principles and programmes for ensuring data privacy. It is designed to define and document how data privacy is managed in the group; to promote best practice; to accommodate the different business models, resources, culture and legal requirements across the group; and to support trust in our businesses' products and services.

The critical foundation is to give clear accountability to individual businesses. Each business is directly responsible for managing data privacy within its organisation. This approach resonates with Naspers's model of decentralised governance and broader belief in encouraging great leaders and businesses to excel. We believe setting the right shared principles and giving businesses the direct responsibility to enact them is the best way to have a greater long-term positive impact. More broadly, we are fostering a culture of data privacy and looking to businesses to ensure privacy by design, where privacy becomes part of the fabric of day-to-day work.

User experience
Our businesses focus on making their products and services as easy, enjoyable and useful as possible for our millions of customers around the world.

MAKING SELLING SIMPLE

Our fast-growing Classifieds business has released several machine learning tools to automate and streamline the selling experience. With OLX's deep learning image processing, for instance, images of items on sale are optimised for quality and automatically categorised and labelled. This makes selling simpler and it makes the items easier to find for prospective buyers.

Read more on pages 33 and 34

Customer satisfaction
Across our group, we focus a great deal on understanding and meeting the needs of our customers.

Read more on pages 24 to 29

Competing fairly
We seek to compete successfully and fairly around the world, complying with international and local competition law.

Read more on pages 64 to 66

Our employee value proposition
We aim to provide our people with meaningful jobs with line of sight to business outcomes and the opportunity to learn and grow professionally, in a purpose-driven environment that they enjoy; where they are recognised for a job well done and are paid fairly in line with personal and company performance.

US$10m
invested in learning and development

Read more on pages 67 to 71
Read more about remuneration in the 2019 remuneration report

Social mobility and financial inclusion
We support social mobility and financial inclusion across the group.

CREDIT TO THE UNBANKED[1]

PayU specialises in innovative products and services that improve access to credit in high-growth markets across the globe. These include India, Africa and Brazil, and have typically lacked widespread access to credit, and in turn to opportunity and economic growth.

PayU is dedicated to removing risks to merchants and allowing customers to use credit in ways that suit them. This dedication connects customers to businesses and enables finance access to a great number of previously underserved citizens and small businesses.

Note
[1] Source: https://corporate.payu.com/credit.

Engaging our stakeholders continued

MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

Customers and users

Our products and services are enjoyed by millions of customers around the world – from individuals to businesses. We want to delight them.

HOW DO WE ENGAGE WITH THEM?

- Call centres, showrooms and client relationship managers (CRMs)
- Electronic communication (email, SMS, apps, web and social media platforms)
- Surveys and market research

MAIN ISSUES

- Good customer/user service and experience (fast delivery, return, feedback)
- Competitive pricing and range of products
- Content preference
- Trust
- Product safety
- Data privacy

OUR RESPONSE AND IMPACT

We work to continuously improve our range of products, customer experience and ensure that we fairly price our offerings.

- Products/services and experience
  Listening to our customers – we have engaged in several ways:
  - Call listening sessions are done every week between team leaders and agents to assess customer service.
  - Specialised employees assist with email queries, ensuring a 24-hour turnaround.
  - eMAG – we have expanded the team, offering a permanent call-centre service (24/7) with improved client waiting times. We have also introduced a dedicated team for social media channel support on order tracking.
  - Movile – responded to 100% of complaints and 70% of customers believed the problem had been solved; 70% of all clients who had issues would do business with Movile apps and platforms again.
  - Takealot – promotional email and push notifications are unidirectional and intended only to keep customers informed of promotions that may interest them.
  - Media24 – we continue to invest in improving user experience and content to ensure our products remain relevant to our audiences. Where we received reader feedback the editors, at their discretion, engage with readers by publishing their letters in the newspapers or magazines or respond via social media platforms or on our websites.
  - PayU – we are pioneering credit for underbanked people in India, where millions of people have not had access to credit, by investing in PaySense, which focuses on digital lending serving short-duration microloans to customers in India.
- Trust and safety
  - OLX – we have planned to revamp the trust and safety initiative within OLX Group in the 2020 financial year and all trust and safety initiatives now sit with our chief product officer.
  - Naspers has a data-privacy programme led by the global head of data privacy, and adopted a group cybersecurity policy and a data-privacy governance policy.

MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

Employees

Our employees are at the heart of our success – their commitment and entrepreneurial drive make all the difference.

HOW DO WE ENGAGE WITH THEM?

- In person through managers, executives, employee forums, onboarding sessions, employee networks and training
- Online via intranets, apps, surveys and remote training and development
- Where appropriate, we also engage formally through employment equity forums (South Africa) and workplace forums

MAIN ISSUES

- Talent – recruitment, retention and development
- Impact of business restructuring
- Culture – including diversity, employee wellbeing

OUR RESPONSE AND IMPACT

- Investing in talent
  Offering fair and competitive pay practices. Employee engagement surveys and related plans to improve employee confidence. Continuous conversations between people and their managers on performance, career development plans and recognition. Development programmes delivered through our ML programme, MyAcademy, graduate programmes and local programmes on high performance.
  - eMAG – monthly tech talks, annual 24-hour coding hackathon, tech blog, eMAG culture book launch and warehouse quarterly print magazine.
- Transparency
  Ensuring clear and regular communication on business performance and strategy by leadership.
  - PayU – executive team site visits used to update employees in person. This is based on the company strategy which is cascaded internally.
- Diverse and inclusive cultures – diversity awareness programmes
  - CEO sponsorship of gender-diversity efforts – see page 47.
  - Takealot – rolled out wellness initiatives based on company needs' assessment.
  - Media24 – employment equity plan has identified barriers to transformation and action plans to address these.
  - OLX – diversity and inclusion team established, with a subject specialist running a number of programmes such as unconscious bias training and iFood Pólen, a broad-based diversity committee.

Engaging our stakeholders *continued*

MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

Investors and shareholders

We are a for-profit organisation committed to growing and increasing value for our investors.

HOW DO WE ENGAGE WITH THEM?

- Financial results calendar: including annual financial statements, interim and provisional reports and financial results presentations
- Integrated annual report, annual financial statements, interim and provisional reports
- Corporate website and corporate documents (including factsheet)
- Investor days, results presentations, business visits and meetings (face-to-face and teleconferences)
- Press and SENS announcements
- Dedicated email communications (Investorrelations@Naspers.com)
- Directors are available at the annual general meeting to respond to queries

MAIN ISSUES

- Strategy to sustain good returns over the long term
- Holding company discount
- Remuneration policy and disclosure
- Control structure
- Investment and development spend
- Strategy for online food delivery

OUR RESPONSE AND IMPACT

- Openly exploring and acting on measures to reduce discount.
- Unbundled MultiChoice Group and sold stake in Flipkart.
- Have management on the road with greater frequency, including a remuneration road show with the chief people officer.
- Continue to improve disclosure in annual and interim results.
- Focused messaging on the segments' profit strategy and future potential of online food delivery.
- Update internal rate of return data (for total portfolio and ecommerce) biannually.
- An expanded investor relations team is in place.

MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

Governments and regulators

We recognise how important it is to work with governments and regulators, particularly given that many of our businesses have such a big impact on people's lives.

HOW DO WE ENGAGE WITH THEM?

- Participate in advisory committees, meetings and public consultations
- Formal one-on-one meetings and round tables
- Response to sector and company-specific enquiries
- Participating in sector and industry associations and international forums
- Site visits (host official delegations)
- Integrated annual report

MAIN ISSUES

- Global group topics:
  - Competition policy, mergers and acquisitions (M&A)
  - Taxation
  - Foreign direct investments and international trade
  - Data protection
  - AI and ML
  - Copyright and intellectual property
  - Privacy
  - Technology policy (including ecommerce, gig-economy)
  - Societal contribution, including employment, social policy and broad-based black economic empowerment (South Africa)
- Segments/Companies:
  - Intermediary liability
  - Financial services legislation

OUR RESPONSE AND IMPACT

- Provide transparency on our legal programme to ensure compliance with all applicable laws and regulations.
- Formal representations and written submissions to express views.
- When invited or relevant, provide information to policy-makers in the form of expert advice, based on experience globally or tech and sector expertise.
- Express views through media engagement and public speeches.
- Invest in group and segment specific capability and capacity to respond to enquiries and requests to share views on legislation and issues affecting industry.
- Media24 initiated data-privacy and cybersecurity training and awareness campaigns for all employees, not only those who handle data. Media24 formulated a new strategy to ensure the Protection of Personal Information (PoPI) compliance, which will be initiated in the 2020 financial year.

Engaging our stakeholders continued

MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

Media

As part of the media we know the responsibility we have to report honestly and transparently to those who wish to engage with us. We want to be a partner of choice for other members of the sector.

HOW DO WE ENGAGE WITH THEM?

- Interviews, particularly around key announcements (eg, results and significant transactions), and events (eg, the annual general meeting and investor days)
- Providing timely comment and information in response to media enquiries to our press office
- Press releases, editorials and articles on the activities of Naspers and its companies
- Providing reporting, news and thought leadership through the company website and Naspers channels, on Medium and LinkedIn
- Background and contextual conversations, use of right-of-reply and, where necessary, correcting inaccurate reporting

MAIN ISSUES

- Naspers financial performance and holding company discount weighting on JSE
- Strategic focus – investments, M&A and divestiture activity
- Activities of our companies and associates
- Remuneration policy and disclosures

OUR RESPONSE AND IMPACT

- Consolidate our corporate media offering, ensuring timely responses to inbound media enquiries.
- Proactive media schedules providing access to key management, supporting communication of context, background information and strategic updates (eg, results and engagement on significant transactions).
- Reactive engagement, responding to requests for comment and correcting inaccurate reporting.
- Thought leadership – participating in events and publishing commentary on topics of interest.

MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

Society

We are committed to making a lasting positive impact. We want to make a difference to society, the world we live in.

HOW DO WE ENGAGE WITH THEM?

- Corporate social investment (CSI) programmes
- Employment offering and service providers
- Website content and public announcements on material issues

MAIN ISSUES

- Corporate investment to support meaningful impact
- Sound business operations to improve quality of life while minimising our environmental impact
- Local employment and value creation, including supporting local businesses
- Adherence to local laws and paying taxes due

OUR RESPONSE AND IMPACT

- Corporate social responsibility programmes in the group such as our strategic programmes, Naspers Labs (refer to page 20) and Naspers Foundry (refer to page 21) and the contribution we make in local communities such as: Media24's flagship corporate social responsibility project, WeCan24, offering digital journalism training to high school learners and teachers; eMAG Foundation, which supports education and programmes that facilitate access to education for pupils and students, and others.
- Developing products/services to meet societal needs, for example food delivery (iFood and Swiggy) and education (BYJU's, Codecademy and Brainly). Trading through online platform OLX to purchase secondhand products lowers carbon emissions.
- Focus on hiring local employees and growing local talent, including investment in local businesses.
- Movile – increasing engagement with colleges and universities to increase job offers and a supplier policy introduced to prioritise local businesses.
- The Naspers groupwide legal compliance programme is adopted by group businesses, tailored to unique risks and local laws (refer to pages 64 to 66).
- Board-approved group tax policy and tax disclosure in the integrated annual report (refer to pages 49 and 50).

Engaging our stakeholders *continued*

MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

Business partners

We want to be an industry leader that works closely with partners across the group.

HOW DO WE ENGAGE WITH THEM?

- Structured – meetings, calls and electronic communication

MAIN ISSUES

- Ensuring awareness on relevant developments in the business
- Understanding and recognising our partners' rights, specifically on changing procurement processes, pricing, content, platform use, privacy and security

OUR RESPONSE AND IMPACT

- Active engagement and timely responses when ad hoc engagement is needed.
- Strong relationship management systems in place to ensure regular communication between key management and business representatives.
- Structured grievance processes to ensure that, in the event of a dispute, there is timely action to find a resolution.
- Active negotiations to ensure mandates lay out relationship and agreement terms and requirements.
- Ensuring business approaches are reviewed timeously to ensure alignment with international norms.

MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

Industry bodies

We want to be an industry leader that works closely with partners across the group.

HOW DO WE ENGAGE WITH THEM?

- Membership of selected and appropriate bodies
- Cooperating with selected partners on projects addressing legislative initiatives

MAIN ISSUES

- Clear communication of material issues
- Engagement around increasing meaningful and positive impact
- How to ensure a positive sector experience, eg regulation and culture of the sectors

OUR RESPONSE AND IMPACT

- Responding to industry consultations on proposed regulations and legislation.
- Sharing our approach and examples of action on specific topics such as how we aligned to changing legislation.
- Position papers on material issues.

Capital allocation strategy

To support our continued growth and success as a global consumer internet company, we have a systematic approach to how and where we allocate our capital.

Our ambition

More than ever before, technology has the power to transform and improve lives at scale, particularly in the high-growth markets that we focus on. Around a fifth of the world's population already improve their daily lives using the products and services of our companies and associates. We believe we can achieve more. We are doing this in a highly disciplined way, building on our proven approach and entrepreneurial spirit. It's our way of creating greater long-term value for our stakeholders.

Our systematic approach:

1 Focus for maximum impact

- We focus on opportunities that address big societal needs – from giving people better ways to pay for things to offering more options for their meals, providing quality food, delivered faster and cheaper.
- We concentrate on high-growth markets – from India to Brazil.
- We look for opportunities with a strong local component.

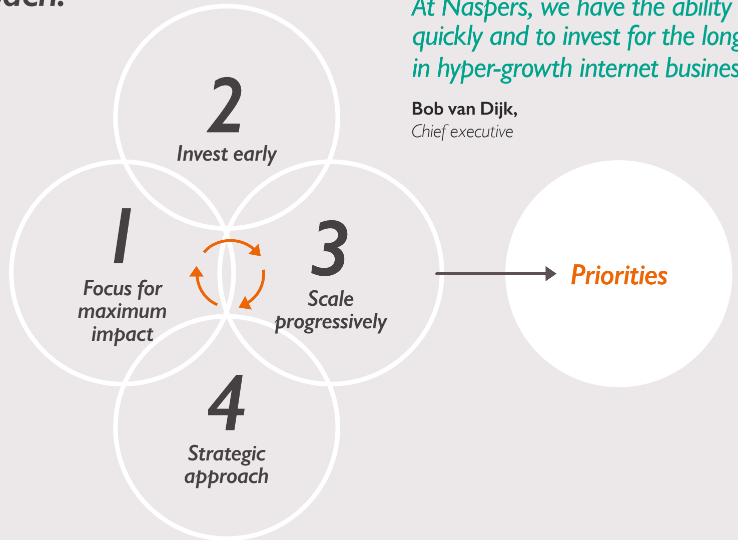
2 Invest early

- We typically invest in new businesses early on.
- We take care to find great entrepreneurs and businesses, and are quick to back them.
- While accelerating our core segments to scale, we look for the next wave of growth.

Our systematic approach:

"You can't build a great internet business without investing some money first. At Naspers, we have the ability to move quickly and to invest for the long term in hyper-growth internet businesses."

Bob van Dijk,
Chief executive



3 Scale progressively

- We scale progressively – building lasting, leading businesses in our chosen focus areas.
- Once we have evidence of good traction and sustained growth, we step up our investment, helping them build scale and market leadership.
- Once we are comfortable about a compelling proposition, we go all-in, driving these businesses to profitability and cash generation.

4 Strategic approach

- Thesis driven – all our investment decisions are guided by a clear vision on the disruptive impact of new technologies on a particular sector.
- Global perspective – we build deep industry expertise by focusing on a few core sectors globally, while understanding local nuances.
- Going beyond money – we don't just provide funding, we provide active support to help founders solve the big challenges they face – whether that's providing strong business strategy expertise, operating experience or access to on-the-ground resources in key expansion markets.

Our portfolio priorities

Our priorities for the next few years are to:

- continue driving our path to profitability
- accelerate our core segments to scale
- consolidate key leadership positions
- selectively invest in new opportunities, and
- optimise near-term value creation for non-core assets.

A focused strategy to win

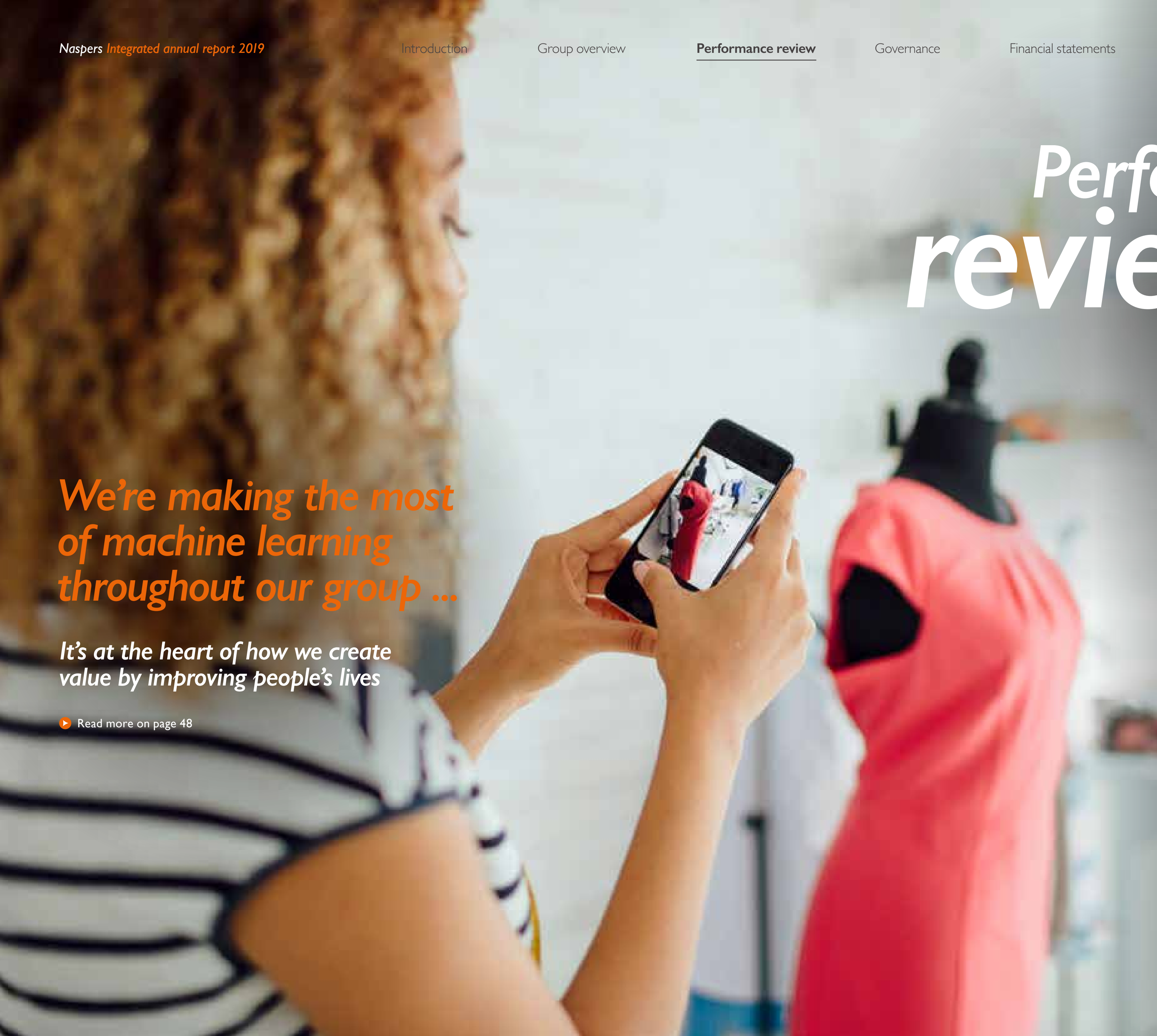
Across our portfolio, we have a range of businesses at varying stages of development. They inevitably have different dynamics but we aim to accelerate all our core segments to full potential by doing the following:

We are building more integrated ecosystems to deliver superior consumer value
To become even more relevant, our platforms are following the customer into offline adjacencies. To illustrate: last year our Classifieds leader, OLX, started investing in convenient transactions beyond online listings through offline partnerships by offering customers instant cash for their trade-in cars.

We are reinforcing our machine learning capabilities
We are implementing ML across all segments. Thanks to our large and data-intense platforms, we have a strong foundation to implement ML at scale to improve the products and services we offer, give people an ever-better experience, and increase the efficiency of all our operations. ML is a key tool for us and we intend to accelerate, scale and embed ML-by-design across Naspers to drive our growth and success.

We take responsibility for our user's wellbeing
We recognise the increasing role we play in the lives of our customers and hold ourselves accountable for the impact we are having. We will also seek to work closely with relevant stakeholders and regulatory bodies to help design the much-required user-oriented legal frameworks for the digital age.

We are promoting inclusiveness and diversity
To truly understand our diverse customers and build solutions targeted to them, we are committed to reflecting our core audience groups inside our teams. While our teams are diverse in culture and nationality, we have fallen short of attracting a balanced gender mix at senior levels. We are therefore focused on improving gender diversity across the group.



Performance review

We're making the most of machine learning throughout our group ...

It's at the heart of how we create value by improving people's lives

Read more on page 48

Performance

From Classifieds to Payments and Fintech, to Food Delivery – we focus on high-growth consumer internet businesses in areas where we can make a lasting positive difference to people around the world. This year we delivered a strong performance across our segments, characterised by continued growth, breakthroughs in profitability and ever-greater customer focus.

Highlights of the year

Global consumer internet portfolio

Classifieds

OLX Group achieved its first year of profitability, and annual revenues exceeded target. We continued to invest and expand, notably into car and real estate convenience offers, while reorganising and streamlining, where necessary, to increase efficiency and customer focus.

Consumer brands

OLX, Avito, dubizzle, aasaanjobs, Selency, letgo, storia, STRADIA, FCG Frontier Car Group

Read more on page 33

Payments and Fintech

PayU continued to grow fast and the core payments service provider business moved into profit for the first time. We continued to build on core payments and moved progressively into broader fintech, notably credit services.

zest, PaySense, PayU, Remitly

Read more on page 35

Food Delivery

We increased our focus and investment in the fast-growing world of food delivery. We committed to, along with Innova, invest an additional US$400m in iFood. We also invested a further US$716m in Indian food-delivery leader, Swiggy.

ifood, SWIGGY, Delivery Hero

Read more on page 37

Etail

eMAG delivered another year of strong growth, with its Romanian business increasing profits year on year. In South Africa, all three Takealot businesses grew and improved unit economics extensively through scale and cost efficiencies.

eMAG, takealot.com

Read more on page 39

Travel

MakeMyTrip extended its position as India's number 1 online travel agency (OTA). In April 2019, we announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, Naspers will exchange its 43% effective interest in MakeMyTrip for an approximate 6% effective interest in Ctrip. This transaction is expected to close in the second half of the 2019 calendar year.

makemytrip

Read more on page 41

Ventures

We continued to identify, explore and build the next wave of growth for Naspers. Investments ranged from adding to our education portfolio through a US$35m investment for an initial stake in healthcare innovator Honor to a US$383m investment in Indian educational company BYJU'S.

movile, SimilarWeb, Udemy, JOYMODE, SOLOLEARN, codecademy, honor, dott, BRAINLY, BYJU'S

Read more on page 42

Social and internet platforms

Tencent continued to excel in China, providing digital content to its users across online media platforms.

Mail.ru consolidated its position as Russia's leading internet group. International revenue now accounts for over 63% of Mail.ru's online games revenue.

Tencent 腾讯, mail.ru group

Read more on page 43

Media

Media24 focused on growing its digital media and ecommerce operations while maximising profitability in print media.

careers24, news24, Jonathan Ball Publishers

Read more on page 44

Classifieds

REVENUE[(1)] (US$'m)

2019	875
2018	628

IFRS: ▲39% LC: ▲37%

TRADING PROFIT/LOSS[(1)] (US$'m)

2019	2
2018	(114)

IFRS: ▲>100% LC: ▲>100%

PERFORMANCE HIGHLIGHTS

Our Classifieds business had a standout year. OLX Group achieved its first year of profitability, with revenue up 39% (37%) to US$875m. The segment was profitable overall (including letgo) with trading profit of US$2m which was a US$116m improvement from the US$114m trading loss in the the previous year. We continued to invest and expand, notably into car and real estate convenience offers, while reorganising and streamlining, where necessary, to increase efficiency and customer focus. OLX is on track to become one of the world's most successful classifieds companies.

Notes
[(1)] *Presented on an economic-interest basis.*
LC = local currency.

"Our vision is to deliver superior value for over a billion people. We want to make it easy for anyone to buy and sell almost anything – from household goods to phones, cars and houses. Convenience is the future of classifieds and we are driving it."

Martin Scheepbouwer
CEO: OLX Group

Becoming even more customer centric

Throughout the year, we focused on increasing efficiency and scalability, taking every opportunity to become more customer centric. Accordingly, we simplified our organisation into four business units: OLX Markets, Avito, letgo and OLX Ventures.

We reorganised OLX Markets into a global unit with one management team and a coordinated focus on product and technology, allowing us to innovate faster for customers at lower costs. We continued to roll out our global product platform, successfully launching it in two new markets, Pakistan and India. We also consolidated our teams and now have seven technology hubs in: Berlin, Lisbon, Buenos Aires, Delhi, Poznan, Moscow and Barcelona.

This opens the way for us to work together, share ideas, apply technology and develop products and services for customers far more quickly and effectively.

Growing letgo in the US

letgo is a hyperlocal mobile classifieds marketplace app mostly used in the US and Turkey. During the year, monthly unique listers increased by 34% while monthly unique buyers increased by 29%. In August 2018, we announced that letgo acquired the share capital held by non-controlling shareholders of Letgo USA B.V. for US$189m. With over 100 million downloads and 400 million listings, letgo is the biggest and fastest-growing app for buying and selling locally. The new funding will help letgo accelerate its growth through product evolution, expansion into new verticals and monetisation.

From electronics to cars to clothing and collectibles, the free letgo app makes it easy to list what you no longer need and find great deals nearby on anything you do need. It is known for its innovative, easy-to-use features such as video listings.

LETGO

82%
total brand awareness for letgo

34%
increase in monthly unique listers

29%
more monthly unique buyers

"We are extraordinarily fortunate to have investors who believe so strongly in our vision and team. We are fuelling unprecedented growth in the secondhand economy through meaningful innovation. Our app makes it simple for tens of millions of buyers and sellers to connect in their own neighbourhoods so they can put more money in their pockets, declutter their lives and put their space to better use."

Alex Oxenford
Co-founder: letgo

The team has applied artificial intelligence (AI) and machine learning (ML) to develop letgo Reveal – an innovative feature that allows you to scan an object with your mobile camera, operated through the app, which then automatically suggests a price, time to sell and description. You simply need to decide whether or not you want to sell the item.

OLX Markets

Through OLX Markets, we operate online classifieds marketplaces in about 38 countries across Eastern Europe, Portugal, Southeast Asia, Latin America, Africa and the Middle East.

Consolidating our position in Russia

In January 2019, OLX invested a further US$1.16bn in Avito, bringing its effective ownership of Russia's leading online classifieds player to 100%. We first invested in Avito in 2013 and it has since continued to grow fast in five key categories: goods, autos, real estate, jobs and services.

TOTAL ADDRESSABLE MARKET IN THE US (US$BN)

Goods	1.2
Jobs and services	3.6
Real estate	4.0
Cars	3.0

Source: 10-year market size US (Source: market sizing exercise conducted with OLX and Naspers M&A team).

OLX

340m
monthly active users worldwide on our classifieds apps and platforms

71m
net new listings and 17 million items are bought and sold every month on average

38
countries across Eastern Europe, Portugal, Southeast Asia, LatAm, Africa and the Middle East

US$2m
trading profits achieved by OLX Group during its first year of profitability

Classifieds *continued*

Avito now attracts a large portion of the Russian internet population every day. It has made substantial improvements in monetisation, driving more sales efficiency and increasing paying users. Our investment demonstrates our continued belief in the long-term growth prospects of this great business and the Russian internet market.

Offering customers greater convenience

We made a number of significant investments in convenient transactions to expand our ecosystem with deeper and broader offers to meet our customers' needs. Increasingly, we are expanding our dedicated automotive and real estate vertical businesses, where the opportunities to scale and monetise are high. We facilitate over 70% of all used-car transactions in India, and 57% of OLX Group revenues currently come from vehicles and real estate.

AVITO

#1

Avito is the leading online classifieds marketplace in Russia, and Dubizzle is a leading online classifieds marketplace in the Middle East and North Africa

The Voice Notes Fraud Detection application applies ML models to voice notes to catch potential scammers. The OLX app facilitates a chat function between buyer and seller that permits leaving voice notes. These voice notes can be transcribed to standard text format.

In order to catch potential fraudulent activities, the invention uses ML models to analyse the transcribed text through a fraud detection service. If some fraud is detected, the offending party may be banned automatically.

Looking ahead

Our focus will be on building the world's best ecosystem of classifieds for customers. In many ways, this is a continuation and acceleration of what we have achieved this year. We will concentrate on increasing ease of use, convenience, trust and safety for customers and making the most of ML to solve customers' pain points. Our aim is to give hundreds of millions of people around the world the very best classifieds experience.

OFFERING CUSTOMERS GREATER CONVENIENCE – BREAKDOWN OF CONVENIENT TRANSACTIONS

	%
Vehicles	40
Real estate	17
Jobs/Services	18
Goods	12
Others	12

Making it easier to buy and sell cars

In May 2018, we invested US$89m in Frontier Car Group (FCG). A fast-growing online and offline car marketplace, FCG currently operates in Nigeria, Mexico, Chile, Turkey, Pakistan and Indonesia. Private car buyers and sellers and dealers all benefit from the combination of FCG's instant cash services and OLX Group's proprietary classifieds technology, increasing the speed and convenience of buying and selling.

Boosting our presence in online real estate

In line with our growing focus on real estate, in Latin America we joined forces with Properati, the leading real-estate platform in Argentina. The deal covers Argentina and 13 other countries. It also includes full ownership of Crediratí, a platform that streamlines mortgage-loan acquisitions.

Capitalising on ML

We continue to capitalise on advances in technology, in particular ML and we are focusing on identifying how AI can help us even more in our businesses.

We currently have around 200 ML specialists working on some 80 different use cases. As ever, the emphasis is on improving things for customers – making products easier to use, smarter, more personalised and improving levels of trust and safety.

We registered three new patents this year – letgo's Reveal product, Dynamic Determination of Smart Meetup application, and Voice Notes Fraud Detection application.

The Determination of Smart Meetup application is a feature which allows, in any chat conversation within an OLX app, a buyer and a seller to request safe meetup suggestions to complete a transaction. The meetup suggestions screen will dynamically take into account both the buyer and seller's current location and suggest a list of meetup points based on the customer's preferences and/or known safe locations. Both buyer and seller can then select a meetup location, and the OLX app will give them directions and travel times.

FUTURE FOCUS – BUILD AN ECOSYSTEM OF CLASSIFIEDS AROUND CUSTOMER NEEDS

1 *Focus on key user needs ...* → **2** *... in the right markets* → **3** *... with the right enablers*

1. Focus on key user needs ...
   - Easy and liquid
   - Smart and personalised
   - Safe and trustworthy
   - Convenient
2. ... in the right markets
   - Deploy in value-driving markets
3. ... with the right enablers
   - Build with a talented and diverse team
   - Support via M&A

Payments and Fintech

REVENUE[1] (US$'m)

2019	360
2018	294

IFRS: ▲22% LC: ▲28%

TRADING LOSS[1] (US$'m)

2019	43
2018	64

IFRS: ▲33% LC: ▲67%

PERFORMANCE HIGHLIGHTS

Growing fast and generating profit from its core Payments business for the first time, PayU forged ahead on its mission to build a world without financial borders. For both core payments and newer credit services, India is proving a highly dynamic and significant market for us. We processed close to 500 million transactions with a total value of US$15bn in India and currently handle over 1 million consumer loans per month.

Notes
[1] *Presented on an economic-interest basis.*
LC = local currency.

"PayU is a significantly different business today to three years ago. We have transformed it from a local-payments-only company into a broader financial services firm across high-growth markets. Our ambition is to build a world without financial borders"

Laurent Le Moal
CEO: PayU

Moving into profit

We delivered on our three-year goal to bring the core Payments business to profitability on an operational basis. This business reported a 4% trading profit margin this year, compared to a 7% trading loss margin last year.

Growing well

We more than doubled the size of our Payments and Fintech business over the past three years. This year we processed 920 million transactions, up 41% on last year's more than 650 million. Total payment volume was US$30bn, up 29% in local currency.

Continuing to expand into fintech

We made key investments to extend our scope beyond pure payments, thereby becoming a broader fintech business.

This included remittances (Remitly) while consolidating our Payments and Fintech business through the acquisition of Citrus, and making a foray into credit with further investments in PaySense and ZestMoney, and building our own credit product, LazyPay.

This year we expanded further, notably in credit. In India, we now have over 1 million credit transactions per month.

Significant growth in India

India is a great growth story for us. It is our largest and fastest-growing market. We are the leader in ecommerce payments in India and it is the major driver of our growing payment transaction volumes. India is also key to our success in credit, where we have rapidly grown to more than 1 million credit transactions per month. We are looking at growing our franchise and evolving into a digital financial services platform from a pure play online merchants payments service provider.

Opening up a world of credit to people

In line with PayU's mission to build a world without financial borders, we are pioneering credit for underbanked people in India. Until now, millions of people have not had access to credit, and have been prevented from benefiting fully from the ecommerce revolution. By combining our experience and access to data with smart technology, particularly ML, we have developed state-of-the-art credit underwriting and data-driven credit-decision models that enable us to make credit available where previously it was not.

Our aim is to build the leading credit platform for India – an easy-to-use trusted platform for customers and merchants alike.

PAYU

18

PayU operates in 18 high-growth markets, five of which are among the ten fastest-growing markets globally: India, Turkey, Russia, South Africa and Mexico

PAYMENTS AND FINTECH

41%

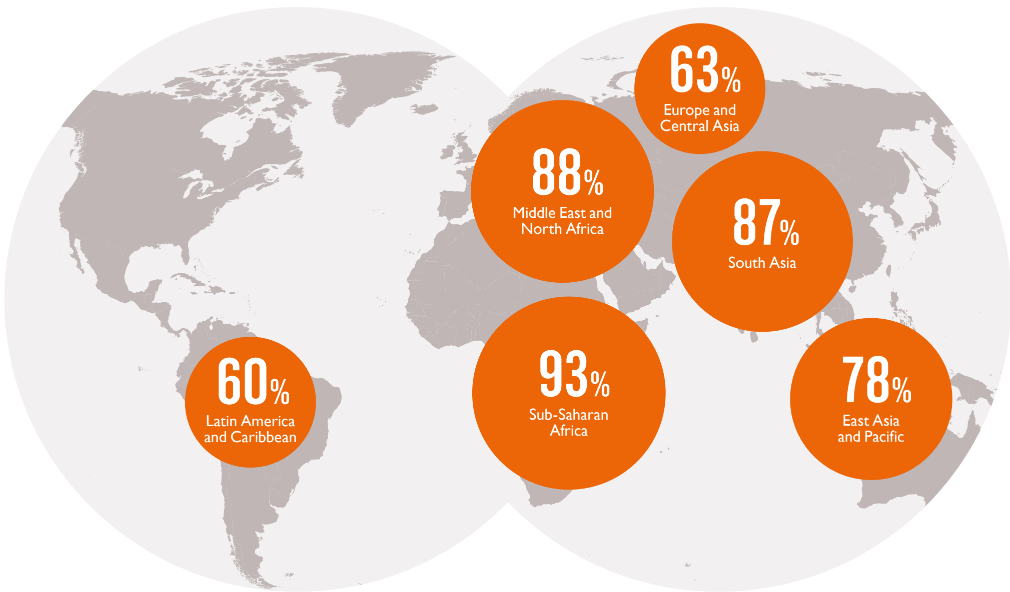
This year we processed 920 million transactions, up 41% on last year's more than 650 million

29%

Total payment volume was US$30bn, 29% above last year in local currency

AN UNDERBANKED WORLD

2 billion adults without credit bureau coverage – regional % of population




Mumbai, India.

Spotlight on India – a world of opportunity for payments and fintech

In India, digital transactions are forecast to overtake cash payments by 2022.

Around 50% of India's 1.3 billion people are under 30. Over the next decade, over 100 million young digitally savvy Indians will join the country's workforce and consumer pool. Smartphone penetration will more than double to around 700 million in 2020.

The size of India's digital payments industry is estimated at US$200bn – US$110bn online and US$90bn offline via card transactions at point of sale. The online portion comprises US$30bn in ecommerce-related payments and some US$80bn in utility bills and recurring payments.

INDIA

500m

In India, we process close to 500 million transactions with a total US$15bn in value

Payments and Fintech *continued*

"Our mission at PayU is to democratise credit across all markets. Companies like PaySense encompass everything we're looking for: a great product, an outstanding team and an extensive market opportunity."

Fady Abdel-Nour
Global head M&A and investments: PayU

Investing for success

During the year, we made a number of key investments to strengthen our core Payments business and our growing Fintech offering. We invested US$12m in PaySense, the Indian online credit provider for customers currently underserved by traditional sources of credit. In the past year, PaySense and ZestMoney combined have disbursed loans to the value of over US$140m to customers across India.

Creating a global payments hub

We acquired leading payments technology platform, Zooz for US$60m in August 2018. This strengthens our ability to provide a single global PayU payments hub covering a population of 2.3 billion across high-growth markets.

With a global platform, we make it easier for merchants to grow their businesses, provide a better customer experience and gain efficiencies from streamlining our operations, so everybody wins. We will optimise the PayU hub in the coming year. It is a key part of our aim to remove financial borders so we can make the lives of merchants and consumers as easy as possible and, in turn, create value for everyone involved.

*Source: Accenture.

GLOBAL PAYMENTS*

60%

of absolute revenue growth coming from developing markets by 2022

Making the most of ML

In November 2018, we rolled out a fraud-monitoring solution using ML in Europe. As a result, we were able to maintain the level of fraud management while reducing the manual workload by 80% – increasing efficiency and the scope to scale. This service is currently at the forefront of its industry and demonstrates what we can do by applying ML to make improvements for merchants and customers.

MACHINE LEARNING

80%

reduction in the manual workload while maintaining the level of fraud management

Looking ahead

We expect our strong growth in Payments and Fintech to continue. Our aim is to again double our Payments and Fintech business over the next three years and to have digital financial services and credit platforms. We will continue to look for good growth and opportunities to extend our fintech offering, including through M&A. We have, for example, made exploratory investments in blockchain and cryptocurrency.

Food Delivery

REVENUE[1] (US$'m)

2019	377
2018	166

IFRS: ▲>100% LC: ▲57%

TRADING LOSS[1] (US$'m)

2019	171
2018	30

IFRS: ▲>100% LC: ▲>100%

PERFORMANCE HIGHLIGHTS

This year we increased our focus and investment in the fast-growing world of food delivery. It is now one of our three core segments, alongside Classifieds, and Payments and Fintech. During the year, we committed, along with Innova, to invest an additional US$400m in iFood to enable the business to accelerate growth by expanding coverage and investment in first-party delivery capabilities, speed up product development and innovation and deliver personalised experiences to customers. We also invested a total of US$716m in Indian food-delivery leader, Swiggy, during the year. iFood remains the clear leader in Brazil and holds competitive positions in Mexico and Colombia. Swiggy's annualised GMV increased 265% and annualised order volumes increased by 320%. Delivery Hero reported €4.5bn in GMV and €665m revenue from continuing operations for its year ended 31 December 2018.

Notes
[1] Presented on an economic-interest basis.
[2] Interest following the US$637m investment in January 2019.
LC = local currency.

"We're thrilled to have grown the online food-delivery market in India at an exponential rate by always considering our customers. Swiggy has been at the forefront of elevating the potential of Indian food delivery with its industry-changing innovations and focus on delivering the best consumer experience to millions of Indians."

Sriharsha Majety
CEO: Swiggy

Making the most of the food-delivery opportunity

The world of food delivery is a great example of using smart technology to give us the things we love more quickly, easily and enjoyably. In tandem, shifting global trends such as the rise in urban populations, smartphone use, middle-class spending, a growing youth population and mobile payments are fuelling growth. It is therefore no surprise that the food-delivery market is expanding rapidly across the globe. Globally delivered food is a US$300bn market, growing at two to three times the rate of the overall food market, while online food delivery is growing at 30% per year and is already a US$75bn+ global market.

GLOBAL FOOD DELIVERY

US$300bn

Globally, delivered food is a US$300bn market, growing at about four times the rate of the overall food market

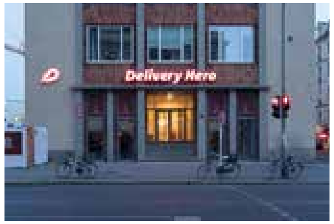
US$75bn

Online food delivery is growing at 30% per year and is already a US$75bn+ global market

It is changing fast, too – with the development of new offline elements such as kitchens designed only for food delivery (independent kitchens producing food usually under an online-only brand) fuelling the drive to give people greater choice, quality and speed of delivery, and restaurants' new ways to sell more food.

Building on our strong presence

We continue to build on our strong presence in food delivery, where we currently have leadership positions in 36 markets.



Delivery Hero

We have a 22% stake in Delivery Hero, which operates in 41 countries around the world and leads in 33. Delivery Hero is predominantly a third-party (3P) marketplace model, where its platforms arrange for restaurants to deliver food to users. But it also has a first-party (1P) marketplace model, where it provides the delivery services as well. Delivery Hero fulfilled 369 million orders over its financial year ended 31 December 2018.

Swiggy

We have a 39%[2] stake in Swiggy and invested an additional US$716m in this business during the year. Since our first investment in June 2017, Swiggy has grown its monthly orders tenfold. It is the most-loved food delivery brand in India, providing the best service to consumers through over 85 000 restaurant partners and 170 000 delivery partners across more than 130 cities. Swiggy is an Indian success story we are proud to be part of.

SWIGGY

85 000

Swiggy restaurant partners spread across 130 cities

US$716m

invested in Swiggy, India's largest food-delivery platform

Food Delivery *continued*

iFOOD

558 000

orders handled by iFood per day in Brazil, 17 times more than its nearest competitor in terms of daily unique users

66 000

iFood's 66 000 restaurant partners and 120 000 couriers offer customers the best choice and quality of food, delivered fast, using iFood's innovative technology platform

US$360m

invested in iFood over the years

iFood

We also back Movile subsidiary iFood, a leading online food-delivery platform in Latin America. iFood is Brazil's favourite food-delivery option and also operates in Mexico and Colombia. It is one of the fastest-growing large-scale food-delivery companies in the world. Naspers and Innova's US$400m additional funding commitment enables iFood to accelerate growth by expanding coverage and investment in first-party delivery capabilities, speed up product development and innovation, and deliver personalised experiences to its customers – the largest tech-funding commitment in Latin America at the time of the announcement.

During the year, iFood focused on increasing brand awareness, offering a much more reliable, quicker delivery service for customers, and a greater range of more affordable food options. For example, we pioneered affordable lunch offers, where customers can get lunch delivered for around US$4 per order.

The number of restaurants and couriers increased more than 100% in Brazil, iFood's main market. There are currently 120 000 couriers connected to iFood and 66 000 restaurants in 500 cities.

iFood works closely with restaurants to help them build their businesses via the platform, for example by helping them advertise and by providing tools to help with order management. Similarly, the team works with its network of delivery partners.

"We want our consumers to have an amazing delivery experience from the moment they order their food to the moment it arrives, and our partners – the restaurants and delivery fleet – make that happen by living our purpose of improving people's lives using our services."

Carlos Moyses
CEO: iFood

The platform is there for all to gain from great food delivery, from a restaurant looking to expand its orders, to a courier keen to earn more money or a customer wanting great food, fast.

iFood aims to build the largest, most-loved food-delivery company in Latin America. To support that goal, ongoing investment in technology, notably ML, is increasingly important in key areas such as pricing, demand prediction and order management, offering more relevant options to customers and orchestrating quick, reliable deliveries. Technology is at the core of improving the experience for customers, restaurants and couriers alike.

MR D

Mr D Food

Through Takealot, we own Mr D Food, the leading online food-delivery business in South Africa. Mr D Food is reported as part of the Etail segment as its logistics are closely integrated with that of Takealot.

iFOOD

17.4m

orders processed by iFood in March in Brazil, representing growth of almost 130% compared to 7.6 million orders in the same month last year

12.6m

unique customers in more than 500 cities

Etail

REVENUE[1] (US$'m)

2019	1 847
2018	2 060

IFRS: ▼ 10% LC: ▲ 20%

TRADING LOSS[1] (US$'m)

2019	150
2018	270

IFRS: ▲ 44% LC: ▲ 14%

PERFORMANCE HIGHLIGHTS

eMAG

eMAG's Romanian business continued to grow above the market rate and generated higher profits year on year. Its other businesses also grew and eMAG increased operational efficiency. To become Central and Eastern Europe's leading online retailer, the focus is on improving profitability, adding more value and increasing customer satisfaction and loyalty.

Takealot

Building on its position as South Africa's leading etailer, Takealot had another good year across its three core businesses: Takealot.com, Superbalist and Mr D Food. All three businesses grew and improved unit economics through scale and cost efficiencies. Group gross merchandise volume (GMV) grew 53% and group gross margin after delivery costs improved by 2%.

Notes

[1] Presented on an economic-interest basis.
LC = local currency.

eMAG

Optimising marketplaces

Through its dedicated team, eMAG optimises 3P marketplaces – looking after the interests of customers, protecting and building the eMAG business and brand, and helping third parties improve their businesses.

Diversifying to grow

eMAG is diversifying its sales through a mix of 1P and 3P models and product categories.

Growing well in Central and Eastern Europe

eMAG delivered another year of strong growth. The Romanian business achieved 25% gross merchandise volume (GMV) and 11% year-on-year revenue growth. Performance was particularly pleasing across the 3P marketplace, which grew 50%.

eMAG's Bulgarian and Hungarian businesses improved and the Fashion Days brand also performed well.

Getting together to generate great new ideas

eMAG holds annual hackathons – coders get together for 24 hours to code something amazing, winning great prizes. Now in their fifth year, the hackathons have become bigger and better each year.

They led to a great new product idea, now being offered to eMAG customers. During the 2017 hackathon, a team came up with the idea of adding a self-service barcode interface to eMAG lockers – enabling customers to save time when collecting their purchases. EasyBOX launched in Bucharest, giving customers the option to quickly, easily and securely pick up orders 24/7.

EMAG

25%
gross merchandise volume (GMV)

21%
year-on-year revenue growth

50%
increase in performance across the 3P marketplace

"Entrepreneurship is like magic: you put in the work, you put in the capital, and what comes out of it does good things both for the community and for the company."

Iulian Stanciu
CEO: eMAG

This is a good demonstration of the quality and teamwork of our people, of learning and developing together and applying technology in smart ways to improve the experience of customers.

Dedicated to quality

To continuously increase the quality of eMAG's 3P marketplaces, a dedicated team focuses on monitoring and helping 3P sellers. The team's work ranges from providing advice and training, to blocking fraudulent activity.

This marketplace optimisation safeguards and improves the customer experience while protecting eMAG's brand and reputation. It also helps third parties develop their businesses and sell more.

Improving operations

A new warehouse was built and opened on time and ahead of budget. It uses LED panels for energy-efficient lighting and eMAG is considering solar panels in warehouses.

The investment in the new warehouse is part of eMAG's focus on improving operational efficiencies and driving down costs, understanding that everyday improvements can have a major impact.

For example, eMAG's internal audit team has identified a way to improve the speed and efficiency of stocktaking by adapting the algorithm for scanning stock to the different sizes and set-ups of warehouses across eMAG's network of businesses.

eMAG continues to capitalise on ML, with inhouse technology teams developing new tools and ways to give the business more predictability and enable it to react faster, as well as building customer-friendly improvements such as helpful recommendations on what to buy.

Merging in Hungary

Towards the end of the year, eMAG announced the planned merger of its Hungarian business with local player, Extreme Digital, which is subject to regulatory approval. This will create one of the leading ecommerce businesses in Central and Eastern Europe, with a combined turnover of €220m and a goal of tripling sales in five years.

Etail *continued*

"The growth in our businesses is really the result of executing well – providing good customer service and value and convenience to consumers. But we've also got the wind behind us, with great room for more ecommerce growth in South Africa."

Kim Reid
Founder and CEO: Takealot

Takealot

Performance highlights

Building on its position as South Africa's leading etailer, Takealot had another good year across its three core businesses: Takealot.com, Superbalist and Mr D Food. All three businesses grew and improved unit economics through scale and cost efficiencies. GMV grew 53% and group gross margin after delivery costs improved by 2%.

Leading in South African etail

Takealot.com, South Africa's leading online store, grew revenue 31% in local currency year on year. The 3P marketplace is a major part of this success: from 24% last year, 3P accounted for 30% of GMV this year. The goal is to have 50% of GMV generated through the 3P marketplace, benefiting consumer selection and choice, pricing and profitability.

Fashion forward

Online fashion site Superbalist grew 80%, including sales from Spree, with which it merged in October 2018. The merger created a stronger fashion business with greater scale and cost efficiencies. It was executed successfully in time for peak season. The combined business is fully operational on the Superbalist platform under that brand.

Number 1 for food delivery

South Africa's leading food-delivery business, Mr D Food, continued its rapid expansion, growing revenue 147% year on year. Its success is based on offering superior service, greater geographic coverage, better restaurant selection and competitive pricing, which benefits customers and restaurants alike. Its business is predominantly mobile based – a key growth characteristic.

TAKEALOT

31%

Takealot.com, South Africa's leading online store, grew revenue 31% year on year

100%

of Takealot's packaging is recyclable

R3.8m

has up to date been donated to Beautiful Gate, an organisation dedicated to supporting family welfare in Cape Town

Room for growth

There is still significant room for growth in the South African ecommerce market. Current ecommerce penetration is 1.3% compared to 11–19% in the US, China and the UK. This is forecast to grow to 3% by 2020. So Takealot is in the right market at the right time, but continued growth and success is above all the result of executing well – providing good customer service and value.

The end-to-end delivery advantage

A key advantage for Takealot is its own established end-to-end delivery system. This enables Takealot to push technology into the business and provide a better customer experience – with notable benefits such as same-day delivery, weekend deliveries, pick-up points and more predictable delivery cycles.

Takealot is now arguably the largest direct-to-home delivery business in the country – making as many as 1.3 million deliveries a month.

Investing in top talent

As Takealot continues to grow, the challenge is to keep recruiting and retaining the very best talent.

A graduate recruitment programme and the establishment of development offices in Stellenbosch and Johannesburg have helped attract further engineering talent. Takealot is determined to keep the quality of recruits high even as pressure to increase the quantity grows. Accordingly, a rigorous, groupwide recruitment programme, Extraordinary Minds, ensures the right people are hired.

Going greener

Last year, Takealot made 100% of its packaging recyclable. This year, it took a further green step by replacing plastic voids with paper voids, so that the material used to protect products inside the packaging not only keeps customers' purchases safe but also goes some way to caring for the planet.

Takealot has also updated its transport fleet to newer, larger, more energy-efficient vehicles. This saves money and is better for the environment. More energy-efficient LED lighting is also being introduced in the distribution centres.

In addition, where possible, Takealot is using seafreight rather than airfreight, which again is more cost efficient and environmentally friendly.

Giving back to local communities

Takealot has formed a partnership with Uturn, which focuses on supporting the homeless in Cape Town.

It also has a longstanding link with Beautiful Gate, an organisation dedicated to supporting family welfare in Cape Town. Whenever someone checks out of a Takealot site, they have the option to donate to Beautiful Gate. Around R100 000 was donated in the first year of the partnership. Seven years on, donations now total R3.8m.

Continue growing

Looking ahead, key initiatives with Takealot.com revolve around logistics and certainty of delivery.

With Superbalist, the focus next year will be on bedding down and building the merged fashion business.

At Mr D Food, rapid growth is expected to continue as we capitalise on existing advantages, including our delivery systems, to continue this success story.

Flipkart

Creating value with Flipkart

In August 2018, we sold our 12% stake in Indian ecommerce company, Flipkart, to US-based retailer Walmart for US$2.2bn. We first invested in Flipkart in 2012 and helped it become India's largest domestic online retailer. Our sale delivered a healthy 29% internal rate of return on our investment.

Travel

REVENUE[1] (US$'m)

2019	234
2018	211

IFRS: ▲ 11% LC: ▲ 20%

TRADING LOSS[1] (US$'m)

2019	37
2018	61

IFRS: ▲ 39% LC: ▲ 46%

PERFORMANCE HIGHLIGHTS

MakeMyTrip (MMYT) extended its position as India's number 1 online travel agency with our share of its revenue, growing 30% year on year. The company continued to focus on the high-growth domestic hotels business, especially the budget segment which serves the mass market. During the year, MMYT significantly reduced its trading losses, with our share reducing by 39% as it continued along its path to profitability.

Notes

[1] Presented on an economic-interest basis.
LC = local currency.

"The Indian market is thriving, and we are well poised to capitalise on the strong travel trends that India has to offer. MakeMyTrip's powerful portfolio of brands today commands unrivalled market share, scale and brand recognition. We maintain an unwavering focus on the online hotels segment, which is highly fragmented in India."

Deep Kalra
Co-founder, chair and group CEO: MakeMyTrip

Leading in India
MakeMyTrip (MMYT) is the clear market leader in the large, fast-growing Indian online travel agency (OTA) market. We own 43% of MMYT, which leads the Indian online air and hotel market segments and, through its redBus brand, the online bus travel segment.

MMYT is building the largest OTA in India, spanning air, hotel and bus travel. Every step of the way – from research to planning to booking – MMYT gives customers a one-stop service for all their travel needs. Services include air ticketing, hotel and alternative accommodation bookings, holiday packages, inter-city bus ticketing and other travel-related services. Across all these services, MMYT delivers a best-in-class experience by leveraging technology and customer insights.

Appealing to the mass market
MMYT continues to focus on the domestic hotels business, especially the budget segment which serves the mass market.

Heading to profitability
MMYT has reduced losses and is on the path to profitability.

An ever-better customer experience
The company continues to focus its investment on the high-growth hotels segment, where online penetration is still relatively low, at 16%, and margins at scale are attractive. MMYT therefore plans to expand by bringing more customers online and increasing the transaction frequency of existing customers, for example by offering an ever-better customer experience.

MMYT uses ML to optimise the user experience and costs. This includes providing personalised recommendations for destinations, places to stay and other travel experiences. In addition, ML-enabled chatbots provide 24/7 support to customers. MMYT also uses ML to dynamically update pricing, rank hotels, predict air fares, classify images and user-generated content, and perform other data-intensive operations.

Looking ahead, MMYT will continue to consolidate its position as the number 1 OTA in India as it heads towards profitability.

In April 2019, we announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, we will exchange our 43% effective interest in MakeMyTrip for an approximate 6% effective interest in Ctrip. This transaction is expected to close in the second half of 2019.

Ctrip is a leading travel service provider for accommodation reservation, transportation ticketing, packaged tours and corporate travel management. Ctrip targets its services primarily at business and leisure travellers in China who do not travel in groups.

These types of travellers form a traditionally under-served yet fast-growing segment of the China travel market. Ctrip believes it is the largest consolidator of hotel accommodation in China in terms of the number of room nights booked, as well as the largest consolidator of airline tickets and the top air ticket distribution agency in China in terms of the total number of airline tickets booked and sold through it. Ctrip has also successfully established a global presence.

A great choice of accommodation
MMYT customers can access over 45 000 hotels and 13 500 alternative accommodation properties in India, as well as more than 500 000 hotels and properties outside the country.

Growing fast
The Indian online travel market is expected to grow from US$13.2bn in 2016 to US$32.8bn in 2020.

Alternative accommodation is expected to grow from US$1.7bn in 2016 to US$4.6bn in 2020.

MAKEMYTRIP

#1

MMYT extended its position as India's number 1 online travel agency

45 000

MMYT customers can access over 45 000 hotels and 13 500 alternative accommodation properties in India as well as more than

500 000

hotels and properties outside the country

INDIAN ONLINE TRAVEL
25% COMPOUND ANNUAL GROWTH RATE (CAGR)

2020	32.8
2016	13.2

Ventures

PERFORMANCE HIGHLIGHTS

This year, our food-delivery businesses graduated from Ventures to become a core standalone Naspers segment. We continued to invest in other key areas, from adding to our education portfolio through a US$383m in investment in Indian educational company BYJU'S, to taking an initial stake in healthcare innovator Honor for US$35m. In many ways, it was a real Ventures's year of identifying, exploring and building the next wave for Naspers.

Notes
(1) *Presented on an economic-interest basis.*
LC = local currency.

"Naspers invests in companies that address big societal needs in markets where we see the greatest growth potential. Ventures leads the way in spotting this potential."

Martin Tschopp
Chief operating officer: Naspers Ventures

Investing in the next wave

Since our earliest days over 100 years ago, we have always sought to anticipate and identify new opportunities to evolve and grow. This forward-focused drive has seen Naspers transform itself from a South African print media business in 1915 to today's global consumer internet group. Our Ventures arm builds on this tradition with the key mandate to find, invest in and nurture new technologies and businesses that will fuel the next waves of growth.

As core segments reach maturity in terms of scale and profitability, Ventures makes certain that newer areas of investment emerge and develop so that growth continues.

In December 2018 for example, our food-delivery businesses separated from Ventures to become a core standalone segment. Having progressively invested in and grown these businesses, we decided it was the right time to take them to the next level. This means going all-in in food delivery in our chosen growth markets around the world, alongside our other core segments of Classifieds and Payments and Fintech.

EDUCATION

US$6tr

Global spend on education is set to grow at 5% CAGR over 2015–2020, reaching over US$6tr in value by 2020

150m

Each month, 150 million students in 35 countries, all turn to Brainly to ask more, know more, and learn faster

45m

Codecademy has taught over 45 million people around the world to code

20m

With 42 000 instructors teaching 100 000 courses, Udemy connects over 20 million students around the world to world-class learning

Focusing on education

Another area with promising potential is education. Encouraging and enabling learning around the world is an undeniably great aim. The brilliant aspect about marrying learning with technology is that it enables all kinds of innovative ways for more and more people to add to their skills and knowledge: often more quickly, effectively and enjoyably than before. This is an opportunity that can make a real difference to people's lives around the world and there is still much more to be done. So for us, it ticks all the right boxes.

Our education portfolio

We have invested in a number of education businesses. They include: Udemy, the leading global marketplace for learning and instruction, serving more than 30 million lifelong learners in 190 countries around the world; Codecademy, the vocational learning platform where over 45 million people so far have taken courses to learn to code; and Brainly, the world's largest social learning community serving over 150 million students in more than 35 countries.

We aim to back complementary businesses that can work with each other and provide consumers with a better, broader education experience.

BYJU'S

30m

More than 30 million students have used the BYJU'S learning app

Investing in BYJU'S

In December 2018, we invested US$383m in BYJU'S, the leader in personalised learning programmes for school students in grades 4 to 12 in India. It has grown rapidly by providing high-quality videos and content online to simplify subjects such as maths and science. More than 30 million students have used the BYJU'S learning app and it has amassed over 2 million cumulative annual paid subscriptions, with an average engagement of 64 minutes per student per day.

Investing in SoloLearn

SOLOLEARN

1.1m+

monthly active users – 90% of them learning on-the-go via their smartphone

We also led a US$5.6m investment in SoloLearn in September 2018. SoloLearn is a leading mobile-first knowledge-sharing community where students can learn, create and share programming content. This innovative peer-to-peer learning platform has grown fast since launch and currently has over 1.1 million monthly active users. An additional funding round of US$1.4m took place in December 2018, in which we participated for US$379 000.

Exploring health

Health is another area for Ventures. The global population of people over 60 is projected to more than double by 2050. At the same time, disability rates are increasing. We are getting older and living longer, but not necessarily healthier, lives. All of which increases the importance of the right kind of care when and where needed. Providing non-medical care in the home is a key aspect. This is a big and growing societal need where smart technology can really make a difference.

Investing in Honor

In May 2018 we made a US$35m investment in Honor. A US-based home-care company, Honor will use the funds to expand its innovative Honor Care Network. Working with care network partners, Honor helps older people live safely and comfortably in their own homes by providing reliable, transparent, high-quality care. Honor handles all caregiver recruiting, payroll, billing, insurance, legal and compliance issues for its partners. The technology platform helps agencies schedule care more easily and have greater visibility on patient care. By reducing the day-to-day back-office challenges of running an agency, owners have more time to focus on growing their business, supporting their clients and delivering the best care experience.

Identifying and investing in the best opportunities

Looking ahead, we will continue to identify trends, technologies, segments and geographies expected to record significant growth in the coming decades and invest in the best opportunities we see. From education and health technology to blockchain[1] and beyond, we will continue to nurture the next wave of growth.

Note
(1) *A system in which a record of transactions made in bitcoin or another cryptocurrency is maintained across several computers linked in a peer-to-peer network.*

Social and internet platforms

REVENUE(1) (US$'bn)

2019	14.7
2018	12.3

IFRS: ▲20% LC: ▲31%

TRADING PROFIT(1) (US$'bn)

2019	4.0
2018	3.7

IFRS: ▲6% LC: ▲15%

PERFORMANCE HIGHLIGHTS

Early in the development of our internet strategy we invested in leading social and internet platforms in two of our key high-growth markets, China and Russia. Tencent continued to excel in China, while Mail.ru strengthened its position as Russia's leading internet group.

Notes
(1) Presented on an economic-interest basis.
LC = local currency.

TENCENT

60%

Among the top 100 mobile apps in China, Tencent takes up over 60% of all time spent online by Chinese users

Tencent continues to excel in China

Tencent continues to perform well in a highly competitive and dynamic environment. Through its ecosystem of online services and the excellent management of Pony Ma, Martin Lau and their teams, it remains the largest platform operator in China with ten of the top 20 mobile apps. Among the top 100 mobile apps in China, Tencent takes up over 60% of all time spent online by Chinese users.

In social and communication, Weixin and WeChat's combined monthly active users reached 1.1 billion and its super-app status was strengthened by the expansion of Weixin Mini Programs, now widely adopted by users and enterprises, setting the industry trend for connecting online users with offline enterprises.

Hundreds of millions of social videos are uploaded and shared on the Weixin platform every day. In online games, Tencent is the world's largest game platform.

League of Legends continued to be the biggest PC game and PUBG MOBILE became the most popular smartphone game globally. In online media, Tencent Video enhanced market leadership amidst fierce competition. Tencent built up an array of newsfeed products and achieved rapid growth in total page views and video views.

Tencent Music had a successful initial public offering in New York in 2018. In mobile utilities, Tencent's mobile manager, YingYongBao, defended leadership and increased monetisation efficiency. In Cloud services, Tencent maintained the number 2 position with market share steadily increasing. Tencent extended its market leadership as the leading mobile payment platform by active users and number of transactions in China. Total daily payment transaction volume exceeded 1 billion in 2018, driven by rapid growth in commercial payments, which represented more than half of the number of transactions.

Tencent revenue for the year to December 2018 increased by 32% year on year to RMB313bn, primarily driven by fintech services, social and video advertising, and digital content subscriptions and sales.

From a regulatory perspective, online gaming is one of the sectors, among many, subject to tightened government scrutiny. Uncertainty and delays on the game approval and monetisation process has weighed on Tencent's financial performance in online games. The games approval uncertainty eased partially by the end of 2018 as the regulators resumed the review and approval process after a nine-month suspension. The strength of Tencent's platforms and products were reflected in the strong performances in online advertising revenue. Revenues grew by 44% year on year, mainly driven by strong growth in advertising on Weixin, Mini Program, Tencent Video and news services.

Revenue from other streams performed well, mainly driven by payment-related and cloud services.

While Tencent continues to focus on building its existing businesses, it is also investing heavily to position the company for sustained growth over the long term. One notable market opportunity is the digital transformation of traditional industries. Given Tencent's ecosystem strengths and leadership in social and payments, it aims to be the preferred partner by offering smart solutions to many traditional corporate customers as they move online, assisting them in upgrading and innovating for the digital age. Tencent is integrating its advanced cloud computing capability, data analytics, AI and security solutions to develop customised solutions for various industries such as retail, financial, transportation, healthcare and education.

Tencent is listed on the Hong Kong Stock Exchange and extensive further information is available on its website www.tencent.com.

Mail.ru strengthens its position as a leading Russian internet group

Mail.ru remains the largest internet group in Russia by users, with 29 million daily active users (DAUs) across its platforms.

Its leading platforms cover gaming, social networking, email, portal, search, instant messaging, ecommerce, business services and maps. It is the top mobile app publisher in Russia by both number of downloads and consumer spending.

Mail.ru's revenue for the year to December 2018 was up 33% to RUB75bn, driven by online games and advertising. Massive multiplayer online (MMO) games revenue grew 30% year on year to RUB16bn, with international revenues accounting for 63% of the total. Advertising revenue continued to grow strongly, increasing 42% year on year to RUB32bn; mobile advertising in social networks remained the fastest-growing area.

MAIL.RU

29m

daily active users (DAUs) across Mail.ru's platforms

VKontakte, the most popular mobile messaging and social networking app in Russia, continued to perform well, increasing engagement and audience. Total monthly active users reached 70 million, of which over 60 million were mobile users.

The number of daily video views on Odnoklassniki reached 870 million in early 2019. The number of games running on this mobile platform doubled by the end of 2018.

Mail.ru continues to invest in strategic areas. It is forming a social commerce alliance in Russia and the Commonwealth of Independent States (CIS) with Alibaba, RDIF and MegaFon. It also acquired the remaining 80% of United Media Agency (UMA), an aggregator and distributor of digital content in Russia. With 2.1 million paid and trial subscriptions, Mail.ru now has the largest content subscription user base in Russia.

Mail.ru's depository receipts are listed on the London Stock Exchange. Further information is available on its website www.corp.mail.ru.

Media[1]

REVENUE[2] (US$'m)

2019	326
2018	374

IFRS: ▼36% LC: ▼4%

TRADING LOSS[2] (US$'m)

2019	14
2018	30

IFRS: ▼>100% LC: ▼30%

PERFORMANCE HIGHLIGHTS

During the year, we remained focused on repositioning Media24 for a sustainable future by growing our digital media operations, investing in our ecommerce business and maximising profitability in print media. Media24 revenue was US$326m. Our online fashion store Spree merged with Superbalist, Naspers's other South African fashion etailer. 24.com achieved 5% year-on-year revenue growth in an extremely tough advertising environment.

Notes

[1] All figures exclude Novus Holdings Limited which was distributed to shareholders in September 2017.

[2] Presented on an economic-interest basis.

LC = local currency.

"It has been a year of great change for Media24 as we repositioned our core media operations to become a more focused operation while investing in the growth of our merged ecommerce business."

Ishmet Davidson
CEO: Media24

Making the most of our mature portfolio

Despite revenue declining by 7% year on year, our print media division (News, Lifestyle and On the Dot) more than doubled profits year on year to record its highest profit in more than a decade off the back of renegotiated printing contracts.

On the Dot made considerable headway in building a variable cost base by starting to outsource its warehousing and distribution. On the Dot also recorded its highest profit ever.

Media24 maintained its considerable print media reach – eight out of every 10 newspapers and magazines consumed by South African adults in print or online are Media24 publications – and retained its advertising and circulation market leadership in both these sectors. We publish five of the top 10 paid-for newspaper titles, including Soccer Laduma in a very close second to the Sunday Times. Media24 Lifestyle publishes six of the top 10 consumer magazines, including the top four.

Die Burger changed the frequency of its Eastern Cape printed edition from six days to print on Fridays only, with digital editions available Monday to Friday. Around 95% of the original print subscribers were retained, and the bulk converted to paying Netwerk24 subscriptions. Friday sales of the print edition increased by 5% over the year.

Soccer Laduma, the second-largest selling newspaper in the country, now earns more revenue from digital advertising than print advertising and also recorded its highest profit in its 20-year history.

Media24 acquired the minority shareholdings in Soccer Laduma and New Media Publishing and incorporated these companies into its business.

VIA remains the most popular lifestyle channel among Afrikaans viewers on DStv, maintaining a healthy 27% reach in this segment – almost triple the contractual requirement. Sponsorship revenue grew 36% and airtime revenue grew 63%.

Focusing on our growth portfolio

With the merger of Spree and Superbalist, Media24 now owns 51% of the largest fashion etailer in South Africa. Revenue grew by 90% year on year as a result of the rapid growth in ecommerce in general as well as due to the merger with Superbalist. However, losses more than doubled – largely as a consequence of the stock impairments and ongoing investment to grow the business.

24.com reduced its loss by 36% year on year due to a combination of revenue growth, cost cutting and the closure of the aggregators.

Among SA publishers, 24.com leads by far with an audience market share of 35%, growing average daily unique browsers by 13% to 1.8 million and average daily unique pageviews by 8% to 10.2 million. Mobile access now stands at almost 89%.

24.COM

5%

24.com grew revenue 5% year on year

With the closure of the aggregators, we are also now able to fully focus our engineering capacity on our two main news brands: News24 and Netwerk24.

Netwerk24 grew its paying subscriber base by 30% year on year to just below 50 000, further strengthening its position as the largest paywall news service in the country.

BUSINESS INSIDER

#1

in the business sector within three months and beating its revenue expectations

Business Insider South Africa reached the number 1 position in the business sector within three months and beat its revenue expectations.

We were the first digital publisher globally to acquire the Google performance ad tech stack, to expand audience targeting capabilities in our quest to grow digital advertising revenue market share.

Winning awards

Our businesses won a range of awards, including Trade Publisher of the Year for 2018 for Jonathan Ball Publishers; five SA Literary Awards for NB Publishers' authors; 42 local and international editorial, design and publishing New Media Publishing awards (print and digital); SA Film and Television Award for best local format for Die Kliek on VIA; two SAB Sport Media Awards; three WAN-IFRA 2018 African Digital Media Awards, including best reader revenue initiative (Netwerk24: migration of Lifestyle publications to the platform); best branded content project (News24: Mzansi through her Eyes and Media24 Lifestyle: Eskort Just Delicious) and best digital news startup (Daily Kick); and nine Sikuvile Journalism Awards, including Story of the Year and Investigative Journalism Award for #Guptaleaks (News24 with AmaBhungane and Daily Maverick); the Photographer of the Year Award at the Vodacom Journalist of the Year Award; nine Forum of Community Journalists Excellence Awards; eight IAB Bookmark Awards, including a coveted Black Pixel for Best Digital Publisher for 24.com for the third year running; and Best Media Owner at the MOST Awards (Media24 Lifestyle).

Helping communities

Media24 has a proud tradition of enriching lives beyond our product offering. Projects range from book donations to schools and learners in historically disadvantaged communities and staff participation in charity and goodwill initiatives and fundraising, to educational bursary funds, literacy drives and journalism training for young people.

The WeCan24 programme, offering digital journalism training for learners and teachers across South Africa, concluded at the end of this financial year. Media24 will now join forces with the Naspers-funded WeCode24 programme, offering training in coding and life-skills development to learners at under-served schools in the Western Cape.

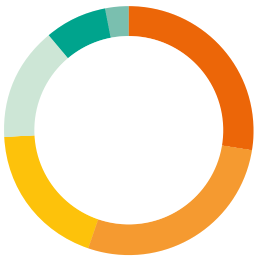
Between April 2018 and March 2019, Media24 staff volunteered 747 days through the Volunteers24 programme, giving time worth R982 000 to charitable causes.

Our people

HEADCOUNT BY REGION

	%
Europe, Middle East and Africa	73
LatAm	20
Asia Pacific	7
America	0

HEADCOUNT BY SEGMENT FOR EMPLOYEES



Business segment	%
Etail	28
Classifieds	28
Media	19
Ventures	15
Payments and Fintech	8
Group functions	3

"Our people are central to everything we do at Naspers. The experience we give our customers, the value we deliver to our shareholders, the success of the business – it all rides on the quality and commitment of our people. So, we work hard to recruit, develop and retain the best people throughout the group."

Aileen O'Toole
Chief people officer: Naspers

Talent is a competitive advantage

The quality of talent is a key competitive advantage in our industry and we need creative minds to explore new frontiers. Across the group, day in day out, our people do all kinds of brilliant things to keep us moving forward by providing great customer experiences around the world. We are an innovative entrepreneurial business at heart and that spirit comes to life through our people.

Without the driven entrepreneurs with whom we partner, the digital leaders who drive us forward and the skills our people bring to the group in highly specialised areas such as technology development, product design, ML, digital marketing and many other disciplines, we would not be able to compete as effectively as we do. We operate in a highly competitive, global market for this type of talent, and we compete against other world-class companies for great people. We strive to create an inclusive environment that is attractive to many kinds of people.

MyAcademy – making learning accessible for all

Our group learning hub, MyAcademy, offers online and offline learning experiences to all our people. We have curated the very best learning experiences from providers around the world, including our own education partners (Udemy, Codecademy and Brainly) as well as other leading global providers such as Big Think, Harvard Business School, Ready, Vado and Rosetta Stone, and our own, home-grown content. It offers content for developers and engineers (including the opportunity to upskill and gain accredited qualifications, earning 'nano-degrees' in important areas like data science and ML), leadership and management skills, personal development skills and cross-cultural training to name but a few.

MyAcademy online:
- 25 730 users
- 6 900 unique active users per month
- 183 133 hours of learning consumed over the past 12 months
- Average of 7 hours and 5 minutes per learner over the past 12 months.

Popular courses include: Complete Python Bootcamp: Go from zero to hero in Python3; Security Awareness Training; Machine Learning A-Z: Hands-on Python & R In Data Science; and Brilliant Customer Service: How to Impress your Customers!

Through MyAcademy, our people can tap into online learning.

OUR EMPLOYEE VALUE PROPOSITION

To compete for and win the very best global talent, we need a compelling value proposition for our people. Our people seek meaningful jobs with line of sight to business outcomes and the opportunity to learn and grow professionally, in a purpose-driven environment that they enjoy; where they are recognised for a job well done and are paid fairly in line with personal and company performance.

MYACADEMY

6 900
unique active users per month

7
Average of 7 hours and 5 minutes per learner over the past 12 months

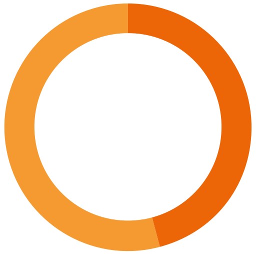
Our people *continued*

PERMANENT EMPLOYEES[1]

20 196

The group employs 20 196 (2018: 17 823) permanent employees in some 80 countries and markets.

FEMALE VS MALE EMPLOYEE[1] HEADCOUNT



	%
Female	46
Male	54

Note

[1] *All numbers have been adjusted to exclude the Video Entertainment segment which has been presented as a discontinued operation.*

CALLING ALL INNOVATIVE ENTREPRENEURS

What kind of person thrives and makes a difference at Naspers? Entrepreneurial innovators – people who share the spirit of the great founders and businesses we operate and invest in. People – people who, like us, are very focused on doing the right thing. Can-do people who like to perform. These are the people we love to meet and recruit, and the ones who are recognised and rewarded at Naspers.

Culture

We are a diverse group of global companies, but some things are consistent for our people regardless of where in the world we operate:

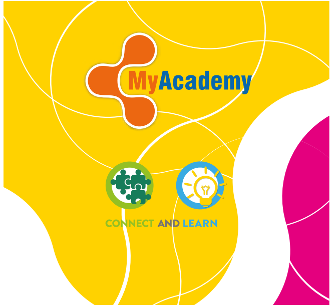
- ***We empower.*** We back local teams and learn from each other. We encourage diversity in our teams and in our thinking. Our people are empowered to be responsible and make decisions because we trust them to do a great job. We believe in them and we want them to share their talent and expertise across the group. Each year we organise internal networking and learning events to bring together teams and communities of expertise, often from across the group, to share ideas and learn from internal and external experts.
- ***We perform.*** We push for performance in everything we do, and we link achievements and rewards. We agree on clear and ambitious goals, have continuous conversations about achieving even more and reward our people for what they deliver and how they deliver it. We encourage innovation from all our people. To attract and retain the skills on which our sustainability depends, and to reward superior performance, most of our group companies grant share options/share appreciation rights to their employees under a number of long-term incentive plans.
- ***We matter.*** We matter to the communities we serve and, wherever we operate, we hold ourselves to high standards. Our code of business ethics and conduct defines our commitment to conducting business fairly, ethically and with integrity. This code and related policies are communicated to group employees and are available on www.naspers.com.

Many of our companies invest in corporate social responsibility programmes and we encourage our people to support these by investing their time. Wherever we operate we employ local people and we create supportive, flexible and pleasant environments to help them perform at their best while developing their skills. We focus on the ongoing development of our managers, as creating an environment where our people feel cared for, heard and supported in their ambitions, is ultimately in their hands. Together we are all responsible for the positive impact we have on our stakeholders.

Learning

Developing our talent is a critical enabler of present and future success, as well as playing a role in the motivation and retention of our people. Most of our businesses around the world have a learning and development agenda focused on their own specific needs. This is influenced by factors such as what the business is aiming to achieve, the maturity level of the business, the opportunities and challenges it is tackling, its competitive landscape, and the demographic nuances of the region or countries where it operates. At group level we base our people-development focus on three key areas:

- Reinforcing the leadership pipeline and accelerating the growth of top talent.
- Driving a performance culture.
- Supporting the ongoing development and growth of our businesses by equipping our people with core consumer internet and digital media skills such as new programming languages, cybersecurity, machine learning/data science, commercial/sales and business skills (eg, finance).



A GREAT PLACE TO LEARN AND DEVELOP

Through MyAcademy, we give everyone across Naspers a great shared place to learn and develop as much as they like in their own time and at their own pace. This year 25 730 people boosted their skills, knowledge and know-how on the platform.

Engagement

We believe happy and engaged employees create fantastic customer experiences and in a competitive global talent market, it is important that we provide our people with a compelling place to work. We measure employee engagement across the group and we ask our people to comment anonymously on their experience of working at our various group companies. We have seen engagement levels broadly in line with external benchmarks and our operating teams are working on addressing issues raised and sharing best practice with one another.

HELPING FEMALE DELIVERY DRIVERS STAY SAFE

Our Indian food-delivery business uses technology to manage schedules for female drivers to help ensure they can go about their work safely.

Our people *continued*

NASPERS: BROAD-BASED BLACK ECONOMIC EMPOWERMENT (BBBEE) GENERIC SCORECARD[1]

Element	*Target score*	*Bonus points available*	*Bonus points achieved*	*Actual score achieved 2019*
Equity ownership	25			20
Management control	9			2.17
Employment equity	10			4.24
Skills development	20	5	1.89	15.98 (includes the 1.89 bonus points)
Preferential procurement	25	2	2	17.89 (includes the 2 bonus points)
Enterprise and supplier development	15	2	2	17 (includes the 2 bonus points)
Socio-economic development	5			5
Total score	109			82.28 (includes the bonus points)
Performance (%)				75.48%
BBBEE-rating				Level 4
Priority elements achieved				Y

Note
[1] *BBBEE is a form of economic empowerment legislated in South Africa.*

Transformation and diversity
Naspers respects the dignity and human rights of individuals and communities wherever it operates.

We aim to make a positive and enduring contribution to the social and economic development of South Africa, and recognise the role we can play by leveraging our resources and the goodwill of our employees. Naspers has maintained a level 4 BBBEE status and remains committed to managing our transformation efforts in South Africa.

More broadly, we are committed to creating inclusive workplaces that welcome a diverse group of people, regardless of gender, gender identity, gender expression, transgender status, sexual orientation, class, race, religion, creed, colour, marital or family status, age, nationality, political association or disability.

Our companies are working on the diversity and inclusion topics that are most relevant for their particular context, and across the group we are paying particular attention to gender equality which is an issue that manifests itself across the consumer tech industry. Bob van Dijk is a member of the Male Champions of Change global technology group https://malechampionsofchange.com/globaltech/ and is sponsoring our efforts in this respect.

Independent BBBEE verifications were performed for the above period.

For further details on Media24's BBBEE scorecard, refer to **www.media24.com**.

Helping learners with disabilities to increase their skills
We want everyone to learn and develop their skills as much as possible. This year, for example, we had 33 learners with disabilities graduating in formal learnership programmes – 14 obtained Further Education and Training Certificates (FETCs) in Business Administration Learnership and 19 in Project Management Learnership.

The majority of these learners are now studying for the next qualification: a National Diploma in Customer Management Learnership. All in all we have 36 people studying for this qualification. They are due to graduate in March 2020. The total cost for this 2020 intake, including programme costs and stipends of R5 500 per month for each learner, is R7m.

Employment equity
For a breakdown of Media24's annual employment equity statistics, refer to the corporate website, **www.media24.com**.

Occupational health and safety
The health, safety and wellness of our people is critical, given that our growth depends on their skills. For Naspers, employee wellness is key to organisational sustainability. Accordingly, we care for our employees through multiple initiatives, understanding that a healthy and resilient workforce is essential to support the changes our business is navigating. Health and safety is one of the standard risks considered and assessed in our risk management framework. Businesses are required to report on any health and safety-related incidents. Any reported matter gets reviewed by the group's governance committee that meets quarterly. In 2019 no reports of serious injuries sustained by employees while on duty were reported.

Helping learners with disabilities to increase their skills.

Spotlight on machine learning

Industry, employees

Now we have reached the point at which machine learning (ML) is powerful and mature enough to make a critical difference to value creation. Increasingly, ML is part and parcel of how we grow and succeed in improving people's lives around the world. It is a mission-critical enabler for us.

A positive cycle

From image-recognition to the ability to interpret text, ML technology has advanced rapidly in recent years. As a data-rich business, we have the fundamental asset – the essential ingredient – to really make the most of this technology's strengths and potential.

Importantly, a natural positive cycle accelerates value creation – the more quality data you can flow into ML, the better your algorithms will be. Better algorithms make better tools which create better services that, in turn, attract and keep more customers, which creates yet more good data to flow back into your ML. It is a quality and quantity game – one where we have a distinct advantage in our markets: strong local businesses generating volumes of great data for ML. So, for example, when we train open-source image-recognition tools on our proprietary data sets for classifieds, we obtain much more accurate models than otherwise possible. These models, in turn, serve to deliver a more personalised buyer experience and a more streamlined seller experience.

Focusing for greater impact

The key for us is to focus on the greatest value creation. As such, we are firstly ensuring that we design and implement strategies for data – data acquisition, data management and data use as well as sharing inside the organisation.

Secondly, we are focused on acquiring and retaining the right amount of talent in the right places, organised in the right way for our ambitious, amalgamated, high-growth business.

We therefore have a group of data scientists wherever we work around the world, along with a relatively small team at the centre, coordinating the whole, sharing best practice and fostering innovation across the organisation. We implemented this structure during the year and it is working well.

THE CENTRAL TEAM HAS THREE KEY TASKS:

- To help all organisations in the portfolio activate the tools and opportunities necessary to get the value of ML realised as fast as possible – to accelerate.
- To scale – ensure we use ML efficiently throughout the entire organisation, to serve customers better and improve our operational performance and efficiency.
- To embed ML as a super-utility across the organisation – a horizontal layer of competence and technology that everyone uses, much as we use electricity today. This naturally leads to a new and exciting era of ML-by-design.

Creating value in many different ways

We use ML to create value in many different ways across the group. For example, you can use it to increase the trust and safety of interactions between buyers and sellers, or to make a service simpler and more streamlined. All these individual improvements combine to create greater value.

In Classifieds, ML has a big impact on convenience – making the platforms as simple and as convenient as possible to the end user. For example, OLX uses ML to help buyers identify items of interest. By interpreting what the buyer is actually looking for, the algorithms are able to suggest the most relevant items across the OLX catalogue. ML is also improving trust and safety on platforms, or improving the sellers' experience for instance by suggesting the sale price for items.

In Payments and Fintech, ML is supporting advances in fraud detection. We are also able to offer groundbreaking new credit services to underbanked people in India, for example, who have simply not had access to such services. Our ML tools make it possible for us to offer micro-credit to these customers, which really makes a difference in their lives.

In Food Delivery, we are using ML to increase and enhance automation, improve demand and supply prediction, optimise and personalise search, and ensure faster, more reliable deliveries – all of which makes for happier restaurants and customers and, in turn, fuels the extensive growth of our food-delivery businesses.

Looking ahead

We are working on deepening and extending the understanding and use of ML across the group so we can move faster and incorporate more advanced tasks. Training is critical – from education and coaching for senior leaders to enabling a large portion of the entire workforce, not just our engineers, to understand the technology: at any point in time, several hundred associates are participating in ML education programmes across Naspers. Our aim is to capitalise on ML across the group to accelerate the way in which we create value by improving people's lives. ML is an exceptional tool in our business and we are determined to make the most of it.

"Data is part of the assets and the nature of the work that we do. That's always been the case. What's changed is that machine learning tools and capabilities have become material, reliable and proven. So when we combine these two – the data and the tech – we have a new avenue for creating value. Now that we have this opportunity, we are going to make the most of it throughout Naspers. It's the right time and we have the right ingredients to leverage machine learning for value."

Euro Beinat
Global head for data science and artificial intelligence: Naspers

A GREAT NEW WAY TO PAY

With several hundred million transactions a year on its platforms, PayU has a wealth of data to combine with ML for valuable insights and to create attractive new products for customers. LazyPay is a good example. This innovative PayU product gives people in India an easy, one-click checkout option for transactions up to US$300 without needing a credit card.

Tax

Naspers aims to contribute positively to the communities within which it operates. As a global company, we recognise that the tax we pay is an important element of our broader economic and social contribution to the countries where we operate.

NASPERS CONTRIBUTED AN ESTIMATED R24.6BN TO THE SOUTH AFRICAN FISCUS IN FY19

R2 814m
Value-added tax (VAT)

R1 406m
Personal income tax (PIT)

R1 687m
Corporate income tax (CIT)

R541m
other taxes paid

R245m
other taxes collected

R112m
withholding tax: entity cost

R143m
customs and excise, ad valorem

R6.9bn
R2.3bn direct and **R4.0bn** indirect tax contribution

R16.5bn+
induced tax

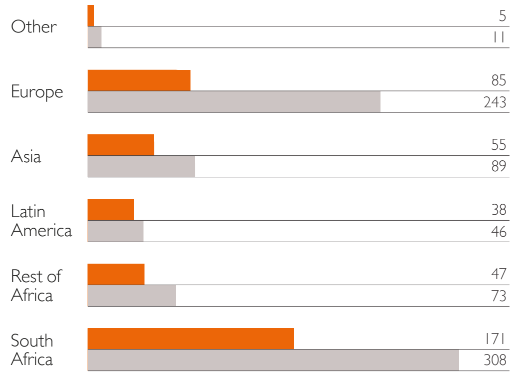
R23.4bn
total tax for FY19

GLOBAL TAXES

US$1 170m
in taxes paid and collected by the Naspers group in FY19 globally

TAX PAID AND COLLECTED PER GEOGRAPHICAL AREA (US$'m)

- **Amounts paid to tax authorities**
- **Amounts collected on behalf of tax authorities**



Naspers businesses pay taxes where they operate. At Naspers there is zero tolerance for non-compliance with tax laws in all jurisdictions in which our businesses find themselves. In managing our tax affairs we take into account the interests of all our stakeholders, including governments and our shareholders. Our tax principles are laid down in the Naspers group tax policy which is available on our website.

The digitalisation of the economy is raising various tax challenges that need to be addressed. Naspers regards it as important that consensus is reached on a global basis for the solutions to these challenges.

Tax profiles of companies can be skewed as a consequence of magnitude and footprint.

At Naspers we like to keep it simple: businesses should pay tax locally, ie where their operations are and where their clients and users are.

Paying taxes in the countries where one operates is an important contribution to local societies and economies.

We are of the view that local taxes should be equally applicable to all companies irrespective of whether companies have a global, regional or local footprint. The playing field should be level.

Taxes paid and collected in SA

The Naspers group is a large contributor to the South African fiscus. In the 2019 financial year, the Naspers group paid and collected R6.9bn (US$479m) in taxes in South Africa.

This accounts for 41% of taxes paid and collected by the group globally. In the past financial year, in South Africa, the Naspers group paid and collected R1 687m (US$116m) in corporate income tax, R2 814m (US$194m) in VAT, R1 406m (US$96m) in employee taxes and R1 042m (US$72m) in other taxes.

An economic impact assessment (EIA) model is used to capture Naspers's economic contributions.

The EIA model measures how Naspers affects different industry clusters and sectors in the South African economy. Naspers's interdependencies within different sectors of the economy, both upstream and downstream, are identified.

The size of the additional economic activity generated by Naspers's interdependencies are calculated using the multiplier effect.

The different rounds of the multiplier effect, from the initial spending in the sector, through to employees spending their salaries on goods and services (and its resultant effects), indicate the induced tax contributions made to the economy. The induced tax for 2019 is R16.5bn, and together with the direct and indirect taxes, this adds up to a total tax contribution of R23.4bn.

During the 2019 financial year, MultiChoice Group (MCG) paid and collected US$569m globally. 86% of this was generated on the African continent, and US$374m in South Africa alone.

The 2019 figures include only 11 months of the MCG operations, up to the unbundling date of MCG on 4 March 2019.

It is difficult to compare the 11 months' figures for the 2019 reporting period for MCG with last year's figures as a result of statutory payment terms, resulting in back-loading of taxes like corporate income tax in the last month of the financial year (which falls outside the 11-month period in which MCG was part of Naspers). Exchange rate differences result in a further significant (22%) dilution of the total taxes paid and collected in the 2019 financial year compared to those in the previous year.

Tax *continued*

Taxes paid and collected globally

The tax payments and collections on behalf of revenue authorities show an increase in 2019 across all tax types, except for corporate income tax, compared to 2018.

This increase in taxes paid and collected is a reflection of the trend that our businesses across the globe are reaching maturity and profitability. The slight drop in corporate income taxes paid is a result of the fact that the second provisional payments for MCG's corporate income tax payments in South Africa are not included in these figures as the payment deadline was 31 March 2019, which falls after the date of MCG's unbundling.

If the taxes paid and collected by MCG are eliminated, the global tax contributions for the Naspers group adds up to US$602m. Excluding MCG, 45% of the total tax paid and collected by the Naspers group is paid and collected in Europe, 23% in Asia, 18% in South Africa, 14% in Latin America and 1% elsewhere.

Latin America shows a slight growth of 1% in 2019 compared to 2018, while the tax paid and collected in Europe and Asia shows growth of 7% and 6% respectively. This is driven by the improved profitability of the businesses in those markets.

We are seeing an increased number of businesses reach scale and profitability, with profitable businesses now contributing 50% of ecommerce revenues.

Effective tax rate

Naspers continues to show a meaningful normalised effective tax rate of 29.0% for the 2019 financial year. The group accounts for its share of the results of its equity-accounted investments net of the taxation recognised by those investments. In order to provide a more comparable effective tax rate, the tax recognised as part of the group's share of the results from equity-accounted investments is included, for purposes of the calculation of the normalised effective tax rate, in the total tax recognised by the group.

Furthermore, exceptional items like tax-free capital gains on the sale of subsidiaries are excluded from the profit before tax to arrive at the normalised effective tax rate of 29.0%.

Sustainable tax

At Naspers we believe in the power of local backed by global scale and we look for opportunities to address significant societal needs in markets where we see growth potential. With this strategy we aim to create long-term value by improving lives. We are proud to make a positive difference around the world. We create value in a number of ways, for example through the companies we back and the people we employ. We also recognise that the taxes we pay contribute to long-term value creation, helping to build stronger economies in the countries in which we invest, work and live. By adhering to our tax principles and paying taxes where we operate, Naspers supports local governments in generating resources, therefore our taxes form an important element of our broader economic and social contribution to the countries where we operate.

In order to get a holistic view of Naspers's contribution to the South African economy and how this supports local government, we conducted a two-step approach.

1. Firstly, we calculated our total tax contribution, including direct taxes, indirect taxes and induced taxes (using the Economic Impact Assessment model).
2. Thereafter we estimated Naspers's social impact. The basis for this analysis is the government spending portions as per National Treasury's budget. Naspers's total tax contribution is divided in the same ratios as per government spending.

In this way Naspers, through its tax contributions, is able to contribute to the funding of national social objectives. As an illustrative example, Naspers's total 2019 tax contribution to South Africa's National Treasury is able to feed 77 146 children, finance 1 794 hospital beds and 481 doctors, 6 549 educators, 5 014 low-cost houses and 6 327 police officers.

Tax transparency

We believe that responsible and tax-transparent behaviour are key to building social trust and addressing the expectations of the public and policymakers alike. On the topic of tax and corporate social responsibility, CSR Europe[1] recently published a blueprint for responsible and transparent tax behaviour. Naspers is one of the participating companies and shared its experience in the area of interaction with tax authorities, which is included in the blueprint as a best practice company case.

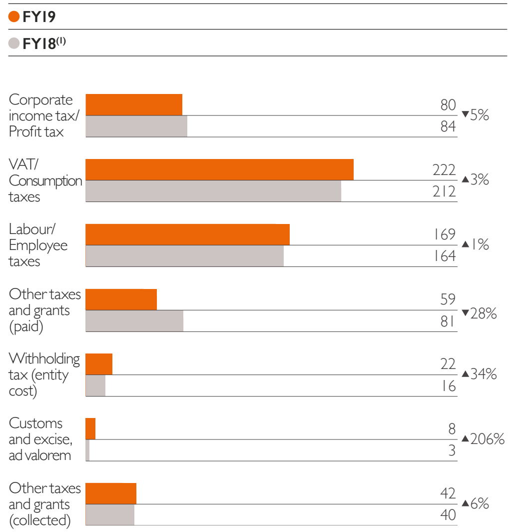
Note
[1] *https://www.csreurope.org.*

ILLUSTRATIVE EXAMPLE

Illustrative example of social benefits if National Treasury allocates Naspers's total tax contribution of R24.6bn based on the FY19 budget allocation.

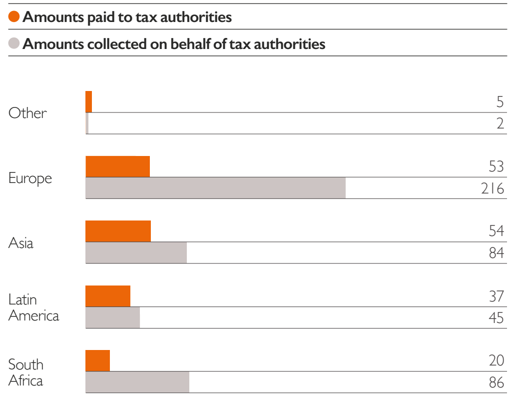
EDUCATORS **6 549**	LOW-COST HOUSES **5 014**
HOSPITAL BEDS **1 794**	DOCTORS **481**
CHILDREN FED **77 146**	POLICE OFFICERS **6 327**

TAX PAID AND COLLECTED GLOBALLY (EXCLUDING MCG) PER TAX TYPE (US$'m)



Note
[1] *FY18 tax paid and collected disclosure is updated as the amount of dividend tax (some US$18.5m) was not available in consolidated format at the time of printing in the prior year.*

TAX PAID AND COLLECTED (EXCLUDING MCG) GLOBALLY PER GEOGRAPHY (US$'m)



Financial review

The past year was transformational for the Naspers group as we initiated and executed a number of significant strategic initiatives. We invested to strengthen our ecommerce segments and broadened our ambitions in food delivery. All key segments made good progress against financial and strategic objectives.

FINANCIAL SUMMARY

	2019 US$'m	2018 US$'m
Revenue[(1)]	18 990	16 352
Trading profit[(1)]	3 304	2 994
Dividend per N ordinary share (SA cents) (2019 reflects dividend proposed)	715	650

Note
[(1)] Reported on an economic-interest basis, excluding discontinued operations.

The contribution to group earnings by equity-accounted investments was up 4%. This includes investment disposal gains of US$126m, impairment losses of US$799m and fair-value adjustments on financial instruments of US$1.5bn that were recognised by these companies.

A gain of US$1.6bn was recorded after disposing of our 12% interest in Flipkart in August 2018 for US$2.2bn, yielding an internal annual rate of return of 29%.

Following distribution of MultiChoice Group to shareholders, a gain on distribution of US$2.5bn was recorded. This has been presented as part of the profit from discontinued operations in the summarised consolidated income statement (refer to page 76).

Impairment losses of US$123m related primarily to an equity-accounted investment focused on providing consumer lending and financial services in the Payments and Fintech business. We impaired this investment (including convertible debt funding provided) as performance and the opportunity to leverage the investment in some of our core markets fell below our expectations.

Put option liabilities totalled US$827m at 31 March 2019, compared to US$2.4bn a year ago, with an aggregate remeasurement income of US$53m recorded in the income statement on these liabilities over the period. The significant decrease year on year relates primarily to the settlement of put option liabilities related to the Avito and Dubizzle businesses, as well as a portion of the put option liability in the Classifieds business, letgo.

We report a healthy net cash position (including short-term cash investments) of US$6.3bn at year-end, primarily as a result of proceeds retained from the Flipkart disposal in August 2018 and the trim of our holding in Tencent last year. The higher net cash position resulted in net interest income of US$82m. The progress made by our core segments, which are growing fast and scaling well, gives us confidence in our ability to continue identifying opportunities that can unlock significant value. The aggregate of free cash inflows generated by ecommerce and internet units that are free cash flow positive, increased from US$217m in 2016 to US$673m this year.

This includes dividends received from Tencent and represents a compounded annual growth rate of 46% on the back of strong profitability gains in these businesses.

To offset the dilutionary impact of share options and restricted stock units granted to our employees, we invested US$78m to acquire Naspers N ordinary shares on market and will continue to do so in future.

Consolidated free cash flow was US$184m, a substantial improvement on the prior year. This was driven by the increased profitability of the ecommerce businesses, dividends received from Tencent of US$342m and positive working capital effects in Video Entertainment. Consolidated free cash outflow from continuing operations (thus excluding Video Entertainment) was US$120m – a 60% improvement on the prior year when measured on the same basis.

RATE OF RETURN

29%

annual internal rate of return (IRR) following the disposal of our 12% interest in Flipkart

FREE CASH INFLOWS

US$673m

aggregate of free cash inflows generated by ecommerce and internet units that are free cash flow positive

Risks and opportunities

As entrepreneurs, our effectiveness in identifying and responding to opportunities and risks is key to our success.

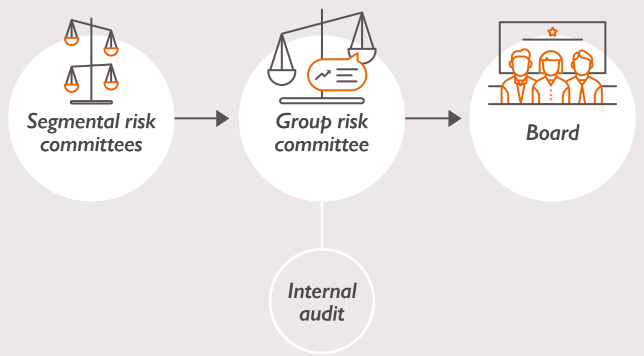
At Naspers we acknowledge the importance of managing risks and opportunities as effectively as possible given our global footprint and diverse business models. As a group, we promote a culture in which robust risk acceptance processes and a systematic way to evaluate opportunities are seen as a driver of competitive advantage. These are integrated into our everyday decisionmaking and good governance practice.

How we manage and govern risk and consider opportunities

We seek to create value for our stakeholders by operating within the ambit of approval by our managing board and supporting governance committees (refer to governance structures on page 60). We set relevant tolerance levels for each significant risk individually and manage our business within these parameters. We understand that certain risks may have multiple consequences and that a certain consequence may materialise from different types of risk. The same applies to opportunities.

We require our businesses to apply a methodical approach to governance, risk and compliance. The six capitals transformation model is considered useful to analyse risks and opportunities as we aim to continuously reduce our impact and stimulate positive capital transformation.

RISK MANAGEMENT



For management at group and subsidiary level, our policies provide direction, scope and ambit to apply practices and principles to manage risk and opportunity, both operationally and strategically. Key risks are reported to segmental risk committees who in turn will communicate to the board. The risk committee assists the board to ensure that risk is governed in a way that supports the group in setting and achieving its strategic objectives.

Stakeholder relationship management, both internal and external, forms an integral part of our risk management processes. We are aware of the risks associated with outsourced services and third-party applications and continually look at better ways to manage our relationships with suppliers.

Our legal compliance office provides support with the help of in-country legal teams and where required, we consult specialists when contracting with potential suppliers and service providers.

We are cautious around privacy requirements for both internal and external stakeholders as well as our customers.

Drawing on best practice

Our risk management framework, system and processes draw on internationally recognised best business practice and frameworks. We promote the sharing of knowledge and learning from any incidents and good management practice between businesses within the group.

Responsibility

Management and the board are accountable for the choices and decisions we make, how we execute these and for delivering a commensurate reward – ie value in its broadest definition – within the parameters of the risk profile the board deems acceptable.

As Naspers continues to evolve and invest in companies that operate at different maturity levels, risk tolerance levels are set top-down and management of the business segments is accountable to manage risk within these levels.

The responsibility for managing risk lies with the owner of risk: in most cases operational management, assisted by the finance function and, where considered useful in our businesses, specialised risk management and risk support functions.

Group internal audit and risk support assess the effectiveness of the system of risk management and internal control and may provide assistance and guidance to the business.

At least semi-annually, our external auditor provides assurance over the reliability of the financial information that we publish.

ANALYSING AND RESPONDING TO DIFFERENT RISKS

Our businesses are expected to apply a defined, structured approach to identifying, assessing, analysing and responding to risk and opportunities within tolerance levels set by the board.

Identify → *Assess* → *Analyse* → *Respond*

Our risk analysis focuses on the impact of risk on our objectives without losing sight of any opportunities that may arise.

For risks we are not prepared to accept, we act to reduce our vulnerability.

Depending on the importance of the risk in relation to tolerance levels, active management of the risk takes various forms and varies in extent.

Increasing risk ↓

1 Controls to prevent and detect risk – We operate or implement enhanced control and monitoring measures that either prevent or detect the materialisation of a risk at the earliest stage.

2 Spread risk – We take measures that mitigate any material consequences and, on a portfolio basis, we spread uncorrelated risks.

3 Share or transfer risk – Where we can, we explore ways to share or transfer risk.

4 Mitigate risk – We run adequate insurance programmes to mitigate the risk of sudden losses caused by the materialisation of insurable risk.

5 Exit strategy – Wherever we find a risk outside acceptable levels, we consider ways to avoid the risk altogether, for example by entering into an exit strategy.

Risks and opportunities *continued*

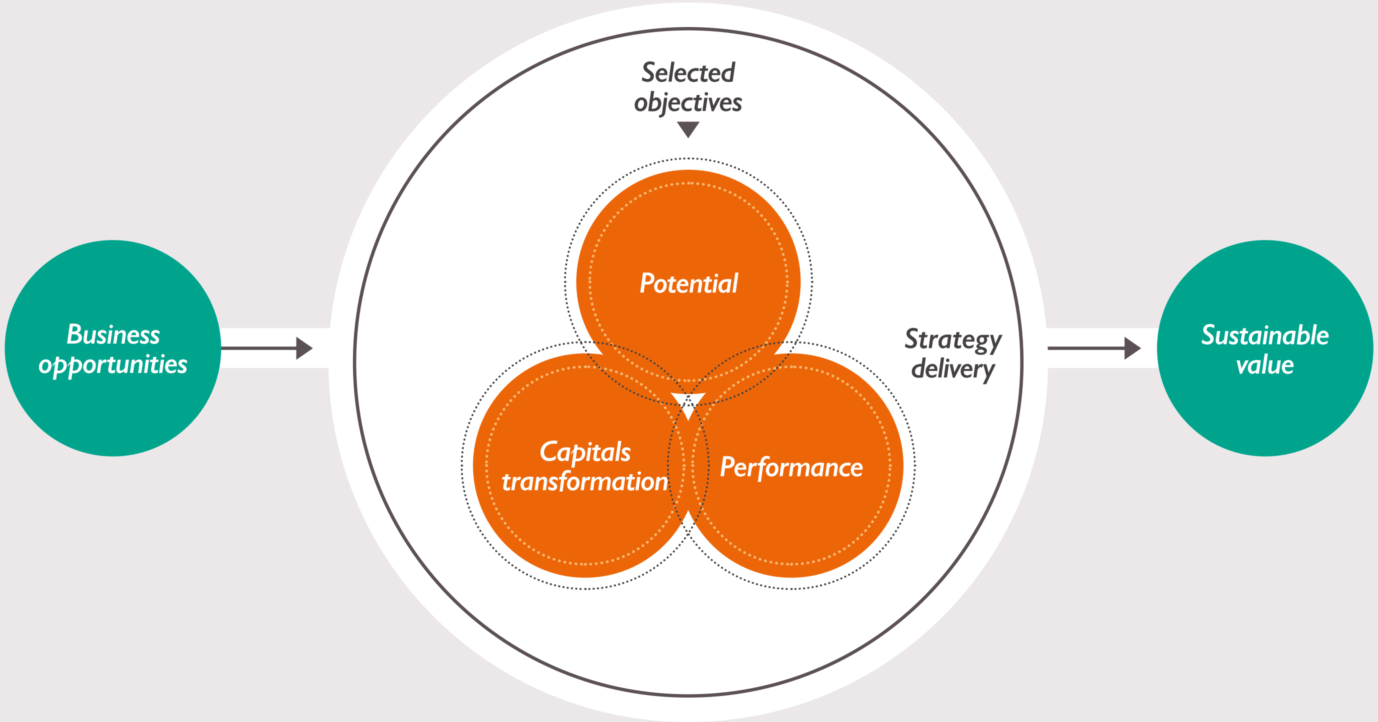
Our objective-driven dynamic approach

Our programmes are aimed to mitigate risk within levels we deem acceptable and to also stimulate identification of opportunities to either improve our performance or strengthen our potential.

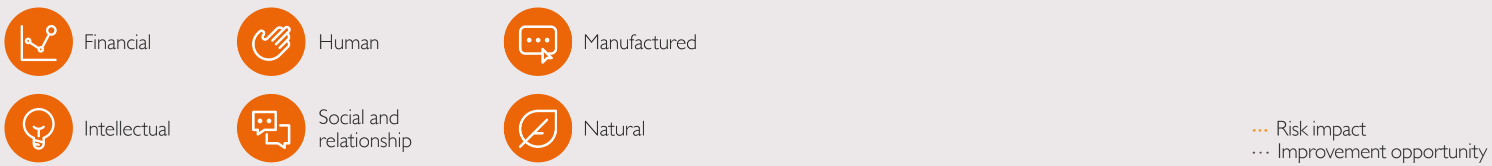
Our overarching aim is to transform our capitals for a net positive impact. This approach gives rise to various risks, specifically over-using any of the six capitals (higher input than intended) or under-producing (lower output than intended). We may also identify opportunities for greater efficiency (lower input than anticipated) or more effective production (higher output than anticipated) in any of the capitals and therefore, exceed against our original objectives. This can translate into wasted resources. Creating sustainable value is a continual process of balancing available resources for optimal benefit to our entire stakeholder base.

For our stakeholders, opportunities and risks matter most where they have the greatest impact on value (in its broadest sense). Therefore, we select opportunities and assess, manage and accept risks primarily on the basis of their potential impact on determined value drivers.

OBJECTIVE-DRIVEN DYNAMIC APPROACH



Our six capitals



Risks and opportunities *continued*

Key areas of focus in the year

Capital reallocation

During the year we have executed and/or announced a number of major transactions that we see as transformational. All these implied (and still imply) careful weighing up of significant risk and opportunity and required significant management attention.

Main examples are:

- reinforcing our balance sheet for growth (eg, US$9.8bn in proceeds following the March 2018 Tencent trim and US$2.2bn Flipkart divestment, in both cases realising value created)
- unbundling our US$3.8bn Video Entertainment segment, thereby effectively creating a 100% online group of consumer internet businesses, and
- our announcement to pursue a listing on Euronext Amsterdam, creating Europe's largest consumer internet company.

We have furthermore redeployed significant amounts of capital to accelerate growth of our core businesses, such as:

- Classifieds: enlarging our interest in Avito and investing in letgo (respectively US$1.16bn and US$189m)
- a number of acquisitions in Payments and Fintech, and
- our US$716m investment and further capital injections and commitments in our food business, Swiggy.

Our efforts to continuously optimise our capital allocation also means that we, more often than not, reject opportunities and/or deals that we deem either not sufficiently attractive or outside risk parameters we feel comfortable with.

Platform, technology and architecture optimisation

For our core businesses, improving platforms and architecture to enhance customer experience and support scalability and security has been a leading theme.

This entails developing and introducing product improvements (including application of ML and AI solutions), integration and consolidation of existing platforms and effect operational improvements by transitioning applications to cloud environments.

Cybersecurity and data privacy

As in the previous year, our cybersecurity and resilience has remained a major area of focus with a specific eye on data privacy, which has gained importance in the eyes of both our stakeholders and regulators worldwide. We are committed to protect sensitive data and operate our businesses such that we are able to detect and respond promptly to any attempts to breach data or abuse our systems: we understand that being able to do so is to manage a number of related risks. This may have a positive impact on our relationship with customers and other stakeholders.

Talent management

The talent that we need to execute on our strategic ambitions is scarce and highly sought after. Increasingly, talent shortage is a risk. We are addressing this issue by investing in HR support, enhancing our recruitment and retention strategies and by bettering our learning and development offering for all employees, eg through our MyAcademy learning platform. We also increasingly encourage businesses to consider and address topics of diversity (including gender equality) and inclusion.

Future focus areas

For the near future we do not foresee the key focus areas becoming less relevant. In addition, we expect that the following topics will demand growing attention:

Data-driven technologies

Our businesses are placing greater emphasis on opportunities to enhance our services and customer experience through the development and deployment of data-driven technologies such as ML.

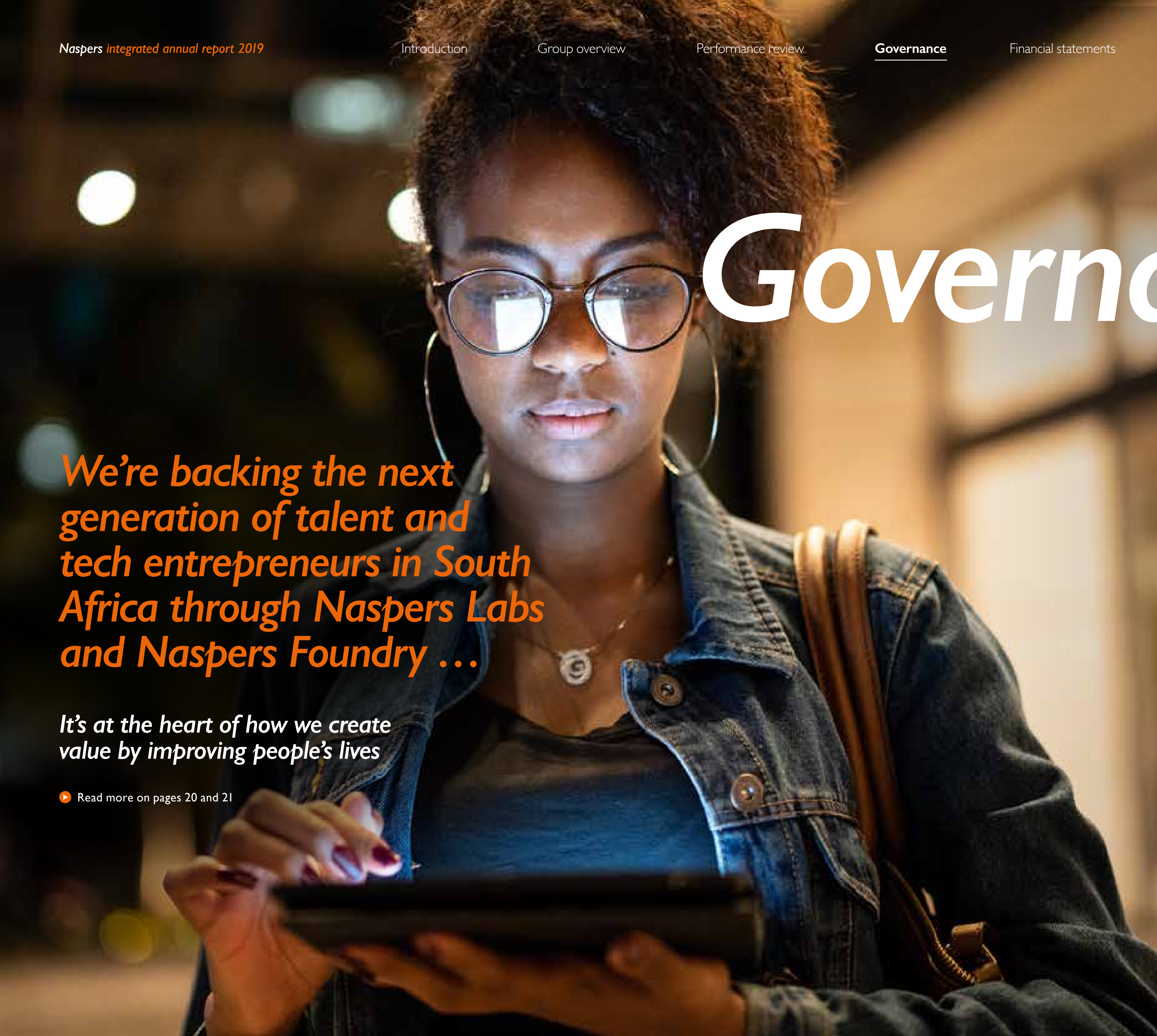
We need to understand and effectively manage the emerging risks that present themselves as a result. Such risks may relate to privacy and compliance in connection with the use of data, and also the control over and consequences of automated decisionmaking.

Sustainability

Through our policies and governance structures we put our commitment to ethical and sustainable entrepreneurship into practice. We also realise that the communities we serve and our various stakeholders take a growing interest in the sustainability of our operations and the impact of our corporate citizenship. We value our reputation and are fully aware of the importance of our social and relationship capital.

We understand that reputational risks relating to our commitment predominantly come from a misalignment of our values or a deviation from our desired business culture, which, in a group as diverse and geographically spread as ours, naturally is a challenge to eliminate.

Throughout our group we will continue to emphasise the importance of ethical and responsible behaviour and undertake various initiatives to ensure awareness of, and adherence to, our code of business ethics and conduct, while promoting a culture of integrated thinking in everything we do.



Governance

We're backing the next generation of talent and tech entrepreneurs in South Africa through Naspers Labs and Naspers Foundry …

It's at the heart of how we create value by improving people's lives

Read more on pages 20 and 21

Our board

Bob van Dijk
Chief executive

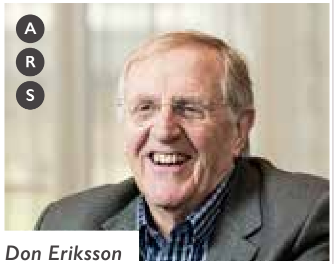
Bob was appointed chief executive of Naspers in April 2014. He joined the group as Allegro's group chief executive officer in August 2013 and was promoted to chief executive officer of global transactions ecommerce in October 2013. He has 15 years of general management experience in online growth businesses globally, spanning the online marketplaces, online classifieds and etail segments. Prior to his general management career, Bob was a founder of an online financial derivatives marketplace. He started his career at McKinsey, focusing on mergers and acquisitions, and media. Bob has an MBAHons from Insead and an MSc (cum laude) in econometrics from Erasmus University, Rotterdam.

Koos Bekker
Chair

Koos led the founding team of the M-Net/MultiChoice (MIH) pay-television business in 1985. He was also a founder of MTN Group Limited, a major telecommunications group in Africa. Koos headed the MIH group in its international and internet expansion until 1997, when he became chief executive of Naspers. He retired from this role in March 2014 and, in April 2015, became non-executive chair of the Naspers board. He holds a BAHons and an honorary doctorate in commerce from Stellenbosch University, an LLB from the University of the Witwatersrand and an MBA degree from Columbia University, New York.

Basil Sgourdos
CFO

Basil was appointed financial director of Naspers in July 2014. As a qualified chartered accountant (SA), he worked at PricewaterhouseCoopers Inc. from 1989 to 1994. He then joined Naspers, initially as finance manager of the South African operations division in MultiChoice and then as chief financial officer of our investment in the Thai-listed United Broadcasting Corporation Plc, where he remained for 10 years. He then spent two years in Amsterdam as general manager of pay-television business development globally before being appointed group chief financial officer of MIH in 2009. He held this position until he became group chief financial officer of the Naspers group. He is a qualified South African chartered accountant with a BCom from the University of the Witwatersrand and a BAccHons from the University of South Africa.



Don Eriksson

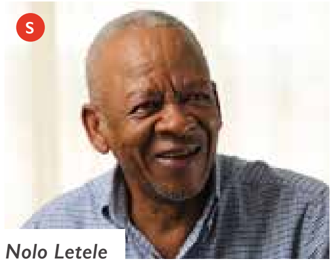
Don is the chair of Oakleaf Insurance Company Limited, Renasa Insurance Company, NMS Insurance Services and a director of MultiChoice Group Limited. He served on the council of the Institute of Directors of Southern Africa (IoDSA) for a number of years and is an honorary life member, and as a trustee to the Discovery Health Medical Aid. He was a partner at Coopers & Lybrand (now PricewaterhouseCoopers Inc.) and an executive director of the Commercial Union group (CGU Insurance Company (SA) Limited, Commercial Union Life Insurance Company Limited and Sentrasure Limited). He is a qualified South African chartered accountant with a certificate in the Theory of Accountancy from the University of the Witwatersrand.

Craig Enenstein

Craig is chief executive officer of Corridor Capital llc, an operationally intensive private equity firm focused on the lower-middle market. Corridor Capital is based in Los Angeles and was founded by Craig 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.

Rachel Jafta

Rachel is a professor of 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, a director of Econex, chair of the Cape Town Carnival Trust, member of the management committee of the Bureau for Economic Research at Stellenbosch University and a member of the international advisory board of Fundação Dom Cabral Business School, Brazil. She was appointed chair of the Media24 board in April 2013. She is also a director of Nasbel. She holds an MEcon and PhD from Stellenbosch University.



Nolo Letele

Nolo joined M-Net in 1990 and pioneered MultiChoice's expansion outside South Africa. In 1995, he moved to the Republic of Ghana, where he served as West African regional general manager. In 1999, he was appointed chief executive of MultiChoice South Africa Holdings Proprietary Limited, and later served as the MultiChoice group chief executive officer until 2010, when he was appointed executive chair of the MultiChoice South Africa Holdings board. Nolo has won several awards for his contributions to the media industry over the years. He holds an honours degree in electronic engineering (UK).

- **E** Executive committee
- **A** Audit committee
- **R** Risk committee
- **H** Human resources and remuneration committee
- **N** Nomination committee
- **S** Social and ethics committee

- Executive
- Non-executive
- Independent non-executive

Our board

continued

Ben van der Ross

Ben was chair of Strategic Real Estate Management Proprietary Limited, the managers of the Emira Property Fund. He served on the boards of Distell Limited, FirstRand Limited, Lewis Group Limited, Pick n Pay Holdings Limited and MMI Holdings Limited. He is also a director of Nasbel. He is an attorney of the High Court of South Africa and holds a DipLaw from the University of Cape Town.

Fred Phaswana
Lead independent director

Fred joined Naspers as a director in 2003. He is joint chair of the Mondi Group and former chair of The Standard Bank Group and Standard Bank of South Africa Limited. He holds a BA (philosophy, politics and economics) and an MA from the University of South Africa, and BComHons from the University of Johannesburg.

Hendrik du Toit

Hendrik is chief executive officer of Investec Asset Management and a director of Investec plc and Investec Limited. He is a commissioner of the Global Commission on Business and Sustainable Development. He holds an MPhil in economics and politics of development from Cambridge University, as well as an MCom in economics (cum laude) from Stellenbosch University. Hendrik is currently a member of the Global Business and Sustainable Development Commission.

Cobus Stofberg

Cobus was a founding member of the M-Net/MultiChoice pay-television business in 1985. He was chief executive officer of the MIH group from 1997 to 2011 and was instrumental in its expansion. Prior to M-Net, he was a partner at Coopers & Lybrand (predecessor of PricewaterhouseCoopers Inc.). He holds a BComLaw and LLB from Stellenbosch University, BComptHons from the University of South Africa and qualified as a chartered accountant (SA).

Mark Sorour

Mark joined the Naspers group in 1994, heading up business development and corporate finance globally. Following assignments in Hong Kong and Amsterdam, he returned to Cape Town in 2002 as group chief investment officer responsible for all global investment activities. In March 2018, he retired after more than 20 years with the Naspers group but remained on the board as a non-executive director. He is a qualified South African chartered accountant and holds a BCom and DipAcc from the University of KwaZulu-Natal.

Debra Meyer

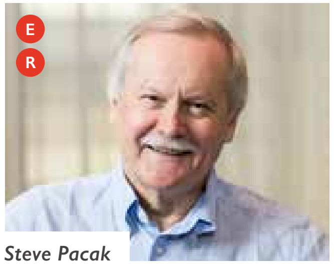
Debra is professor of biochemistry and executive dean of the faculty of science at the University of Johannesburg. She has completed modules in media strategy and academic leadership at Harvard and GIBS (University of Pretoria) and regularly contributes to several newspapers and magazines. Debra serves as trustee or board member of several organisations. She is also a director of Nasbel. She holds a BSc in biological sciences, a BScHons and MSc in biochemistry from the University of Johannesburg and a PhD in biochemistry and molecular biology from the University of California, Davis (which she attended as a Fulbright scholar).

Roberto Oliveira de Lima

Roberto developed his career in companies like Accor S.A., Rhone Poulenc S.A. (now part of Sanofi S.A.) and Compagnie de Saint-Gobain S.A. in the information technology and finance areas. He graduated in public administration and has a postgraduate degree in business management from Fundação Getulio Vargas in Brazil. He also holds a specialisation in finance and strategic planning from Institut Superieur des Affaires in France. He was chair and chief executive officer of Credicard Group, chief executive officer of Vivo S.A., the largest mobile telecommunications company in Brazil, chair of Publicis Brazil and president of Natura S.A. He has been a board member of Edenred S.A. in France, Pão de Açúcar S.A. (Casino) and Natura in Brazil since 2011. He is a member of the board of Petrobras Distribuidora S.A., RNI Negócios Imobiliários S.A. and Telefônica Brasil S.A. He holds a BA and MA in business management from Fundação Getúlio Vargas in Brazil and an MA from Institut Superieur des Affaires at Jouy en Josas, France.

Emilie Choi

Emilie leads corporate and business development, business operations and analytics, and ventures businesses for CB Payments Limited and Coinbase UK Limited. Prior to Coinbase, she ran corporate development for LinkedIn and led all its investment activities, including Bizo, Newsie, Bright Pulse, CardMunch, Connected Rapportive, Donnectifier, IndexTank, Lynda and SlideShare, as well as leading the LinkedIn joint venture in China. Before that, she worked in corporate development and strategy roles at Warner Bros Entertainment as well as Yahoo Inc, where she worked on Yahoo's acquisition of Flickr Inc and its investment in Alibaba. Emilie holds an MBA from Wharton School at the University of Pennsylvania and a BA in economics from Johns Hopkins University. She joined the Naspers board as a director in 2017.



Steve Pacak

Steve began his career with Naspers at M-Net in 1988 and has held various executive positions in the Naspers group. He is a director of MultiChoice Group, MultiChoice South Africa Holdings, and companies in the wider Naspers group. He was appointed an executive director of Naspers in 1998 and a non-executive director in January 2015. He retired as Naspers's financial director in June 2014, but remained on the board as an alternate non-executive director. Steve is a qualified South African chartered accountant and holds a BAcc from the University of the Witwatersrand.

E Executive committee
A Audit committee
R Risk committee
H Human resources and remuneration committee
N Nomination committee
S Social and ethics committee

- Executive
- Non-executive
- Independent non-executive

Governance at a glance

Focus areas this year

Strategy
(see page 30 for more details)
Review the group's strategy, five-year plan and budget.

Continue to address the discount and unlock value through the MultiChoice Group unbundling and Euronext listing.

Focus on future investment and value creation in the portfolio.

Financial
(see page 51 for more details)
Review the group's performance and results.

Governance and sustainability
(see page 55 for more details)
Continued application of King IV practices.

Started the journey to determine which of the United Nations' Sustainable Development Goals (SDGs) are best aligned to our impact areas.

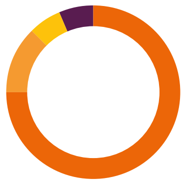
Embed data privacy and cybersecurity throughout the group.

People and learning
(see page 45 for more details)
Recognise the importance of machine learning and embed learning throughout the group, including board level.

BOARD COMPOSITION

	Number of directors
Chair	1
Executive	2
Independent non-executive	9
Non-executive	4

NATIONALITIES

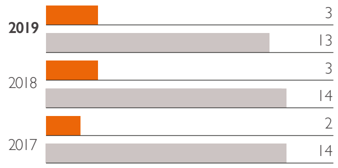


	Number of directors
South Africa	12
USA	2
Brazil	1
The Netherlands	1

LENGTH AND TENURE

	Number of directors
0–2 years	1
2–4 years	5
4–6 years	6
6–9+ years	4

GENDER DIVERSITY



	Number of directors
Female	4
Male	13

	Date first appointed in current position	Date last appointed	Seven board meetings held during the year. Attendance:	Category
J P Bekker(1)	17 April 2015	25 August 2017	7	Non-executive
E M Choi	21 April 2017	25 August 2017	7	Independent non-executive
H J du Toit	1 April 2016	24 August 2018	5	Independent non-executive
C L Enenstein	16 October 2013	24 August 2018	7	Independent non-executive
D G Eriksson	16 October 2013	24 August 2018	7	Independent non-executive
R C C Jafta	23 October 2003	25 August 2017	7	Independent non-executive
F L N Letele(2)	22 November 2013	26 August 2016	7	Non-executive
G Liu(3)	1 April 2016	24 August 2018	7	Independent non-executive
D Meyer	25 November 2009	26 August 2016	7	Independent non-executive
R Oliveira de Lima	16 October 2013	24 August 2018	6	Independent non-executive
S J Z Pacak(1)	15 January 2015	25 August 2017	7	Non-executive
T M F Phaswana(1)	23 October 2003	25 August 2017	7	Independent non-executive
M R Sorour(4)	15 January 2015	24 August 2018	7	Non-executive
V Sgourdos(1)	1 July 2014	29 August 2014	7	Executive
J D T Stofberg	16 October 2013	26 August 2016	6	Non-executive
B van Dijk(1)	1 April 2014	29 August 2014	7	Executive
B J van der Ross	12 February 1999	25 August 2017	7	Independent non-executive

Notes
(1) *Members of executive committee.*
(2) *Reclassified as non-executive director on 27 February 2019.*
(3) *Resigned as director on 25 February 2019.*
(4) *Appointed as non-executive director on 1 April 2018.*

Governance for a sustainable business

"I am pleased to present this year's governance report. We are committed to ensuring high standards of corporate governance are maintained around the group."

Koos Bekker
Chair: Naspers

The board of directors conducts the group's business with integrity by applying appropriate corporate governance policies and practices. Our aim is to keep abreast of regulatory developments, further enhance our governance standards, monitor and ensure compliance with relevant laws and regulations, and cultivate a thriving organisational ethical culture in the different geographies in which we operate. We also aim to maintain a high standard of reporting and disclosure, keeping in mind the best interests of our stakeholders and disclosing what is relevant and important to the sustainability of the group.

Introduction

Naspers has a primary listing on the JSE Limited (JSE) and a secondary listing on the A2X exchange in South Africa. It is therefore subject to the JSE Listings Requirements, guidelines in the King IV Report on Corporate Governance™[(1)] for South Africa, 2016 (King IV), as well as legislation for publicly listed companies in South Africa. Naspers has a secondary listing of its American Depository Receipts (ADRs) on the London Stock Exchange (LSE). In addition, a subsidiary, Prosus N.V. (Prosus) (formerly Myriad International Holdings N.V.), has bonds guaranteed by Naspers and is listed on the Irish Stock Exchange.

The audit and risk committees of the board monitor compliance with the JSE and applicable LSE listings requirements and the Irish Stock Exchange requirements applicable in relation to the Prosus bonds listed on that exchange.

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 Naspers board on matters of corporate governance.

How we integrate governance into our business

Naspers recognises the value of an integrated approach to assurance and compliance. The adopted governance, risk and compliance framework is the basis for how Naspers manages governance.

The governance framework illustrates how we achieve a sustainable business integrated with governance, assurance, risk management and compliance, in line with legislated requirements and King IV recommendations, and reported through the relevant structures.

Naspers group governance framework

The Naspers board is the focal point for, and custodian of, the group's corporate governance systems. The board conducts the group's business with integrity and applies appropriate corporate governance policies and practices in the group.

The Naspers board, its committees, and the boards and committees of subsidiaries are responsible for ensuring the appropriate principles and practices of King IV 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 principles of King IV. Business and governance structures have clear approval frameworks.

Naspers has a governance committee comprising the chief financial officers (CFOs) of Naspers, Naspers ecommerce segments and Media24, as well as Naspers's group company secretary, global governance partner, group general counsel, global compliance lead and head of internal audit and risk support. The committee was tasked to ensure the Naspers group's governance structures and framework are employed across the in-scope entities in the group during the financial year. Governance and progress are monitored by the audit and risk committees, and reported to the board.

The composition of committees of the board is reviewed annually and, where required, amended.

Details of the enterprisewide risk management framework appear on pages 52 to 54.

Our approach to applying King IV and statement by the board

Naspers is required, in terms of the JSE Listings Requirements, to report its application of the principles of King IV. In line with the overriding principle in King IV of 'apply and explain', the board, to the best of its knowledge, believes the group has satisfactorily applied the principles of King IV. For a more detailed review of Naspers's application of King IV, refer to the King IV application report 2019.

All board and board committee charters and policies are aligned with the South African Companies Act requirements and the principles in King IV and the requirements of the JSE Listings Requirements.

King IV advocates a qualitative approach to implementing recommended practices to realise the intended governance outcomes. In line with the King IV recommendations we consider proportionality when we apply corporate governance in the group. This means we apply the practices needed to demonstrate the group's governance in terms of King IV as appropriate across the group. As the companies in our group are diverse and at different maturity stages, a one-size-fits-all approach cannot be followed in implementing governance practices. All good governance principles apply to all types and sizes of companies, but the practices implemented by different companies to achieve the principles may be different. Practices must be implemented as appropriate for each company, in line with the overarching good governance principles.

Our focus areas this year

Last year, we reported on how we aligned with King IV and our approach to apply these principles. In the 2019 financial year, we continued to implement recommended or alternative practices to demonstrate application of King IV's principles.

Focus areas for the year included additional reporting to our board committees and board on how we implement good corporate governance in the group and improved corporate governance disclosures in the integrated annual report. Governance of information and technology, particularly data privacy and cybersecurity, remained focus areas. We increased our focus on sustainability this year and will continue to do so.

Sustainability and corporate citizenship

Our commitment to sustainability

The group's commitment to sustainable development and corporate citizenship is articulated in its sustainable development policy on **www.naspers.com**. The governance team has been tasked to work with group businesses on sustainability matters and related reporting.

To support the board in fulfilling its governance role, the Naspers social and ethics, and risk committees receive reports on sustainability matters at each meeting – refer to the social and ethics committee and the risk committee report in the 2019 governance report.

Operating as a responsible business is a global imperative that presents both opportunities and risks. We focus our investment where we can have the most material impact in addressing big societal needs and building leading companies, empowering people and enriching communities. Corporate citizenship is integral to the way we do business.

In line with this commitment, we support the United Nations' Sustainable Development Goals (SDGs) and are working to identify and focus on the goals where we can have the greatest positive impact. This is an ongoing journey. To see examples of how our business aligns with the SDGs, refer to page 62.

We recognise that we are on our journey to understand our impact on the environment and the environment's impact on us. We are working to better understand our responsibility in this space for future reporting and will continuously work to improve the quality of our coverage and data.

In 2019 our emissions (scope 1 and scope 2) totalled 363 485 tonnes of CO_2e (2018: 87 022 tonnes CO_2e). As from last year, electricity usage is our largest contributor at 93% of our footprint. In 2019 we expanded our boundaries to include Takealot and Movile. Irdeto, which is part of MultiChoice Group, is the business with the greatest share of our footprint at 47%. The carbon footprint excluded MultiChoice Group for March 2019, as the listing and unbundling of MultiChoice Group took place on 27 February 2019 and 4 March 2019 respectively.

In the future, we will continue to improve reporting to the social and ethics committee on responsible corporate citizenship and sustainable development using appropriate tools such as the six capitals reporting framework and SDGs.

Note

(1) *The Institute of Directors in Southern Africa NPC (IoDSA) owns all copyright and trademarks for King IV.*

Governance for a sustainable business

continued

Naspers group governance framework

Ultimately we report to stakeholders in the integrated report and other releases

Board
Supported by company secretary/governance framework

- **Board**

Board committees
Supported by company secretary/governance framework

- **Audit**
  Finance policies and group levels of authority
  Combined assurance, internal and external audit
- **Risk**
  Management of information
  Management of technology
  Management of risk
  Compliance management
- **Human resources and remuneration**
  Remuneration
  Ethical business culture
- **Nomination**
  Board diversity
  Board and board committee
- **Social and ethics**
  Organisational ethics
  Corporate citizenship and sustainability
  Stakeholder relationships

Management and group support functions

- **Group and segment management**
- **Naspers governance committee**
- **Management of operating businesses**

▶ Group support functions

- Human resources and remuneration
- Legal and compliance
- Data privacy
- Intellectual property
- Tax
- Public relations
- Corporate communications
- Investor relations
- Internal audit and risk support
- Finance
- Machine learning

Underlying framework foundation

Values | Code of business ethics and conduct | Strategy | Various charters and policies | Naspers good governance guidelines

Reporting to ensure accountability in these governance areas

Performance against strategy (financial and non-financial: six capitals)
Read more on page 16

Business ethics
Read more on page 62

Responsible corporate citizenship
Read more on page 59

Risk governance
Read more on pages 52 to 54

Technology and information governance
Read more on page 64

Legal compliance governance
Read more on pages 64 to 66

Combined assurance
Read more on page 52

Stakeholder relationship governance
Read more on pages 24 to 29

Group governance
Read more on pages 55 to 66

Remuneration governance
Read more on pages 67 to 71

Governance for a sustainable business

continued

Governance progress and milestones

2018

Aligned charters, policies, processes and practices to King IV

2019

Continued application of King IV practices

Naspers policies in place

- Anti-bribery and anti-corruption policy
- Anti-harassment policy
- Code of business ethics and conduct
- Communication policy
- Competition compliance policy
- Group data-privacy policy and human resources data-privacy policy
- Guarantee policy
- Group levels of authority
- Indemnity policy
- Information and technology governance charter
- Internal audit charter
- Investor relations policy
- Legal compliance policy
- Naspers intellectual property guidelines
- Remuneration policy
- Risk management policy
- Sanctions and export controls policy
- Security policy
- Sustainable development policy
- Tax policy
- Trading in securities policy
- Treasury policy
- Whistleblower policy

Naspers good governance guidelines

The Naspers good governance guidelines set out the key governance elements subsidiaries need to be observed as part of the Naspers group governance framework. The good governance guidelines consider proportionality, as Naspers's governance approach is proportional to the size, workforce, resources and complexity of activities of the individual businesses, which are at various stages of maturity.

April 2019 onwards

Continued application of King IV practices

After year-end (31 March 2019), the businesses were required to sign off through an annual sign-off process on the extent of implementation of Naspers guidelines and policies.

Continuous enhancement

- Alignment of governance framework and policies to applicable laws, regulations and governance requirements due to Prosus's listing on Euronext Amsterdam.
- Analyse governance and sustainability trends and align where appropriate.

Ongoing engagement, enhancement and reporting

- *Engagement with business on governance and reporting requirements.*
- *Support to business to implement policies and principles.*
- *Regular reporting to Naspers governance committee, board committees and the board on governance matters.*
- *There is continuous enhancement of our Naspers policies and governance guidelines and our group governance reporting to the board, board committees and in the integrated annual report.*

Governance for a sustainable business

continued

SUSTAINABILITY AND OUR SDG JOURNEY

SDG goals → **2019** → **2020** → **2020 onwards**

2019

- Started to analyse the SDGs and their underlying goals to determine which SDGs are best aligned to our impact areas.
- Engaged with investors on Environmental, Social and Governance (ESG) matters.
- Analysed the overlap between ESG reporting requirements and other reporting frameworks.

2020

- Identify material sustainability risks and opportunities to Naspers.
- Decide on focus areas for the next three years, informing the development of plans for these.
- Align with the most appropriate reporting frameworks to support how we report.

2020 onwards

- Our future goals include developing plans for focus areas and to enhance how we define and measure performance in those areas.

How

Through research, education, gap analysis consultation and validation with our in-scope businesses and segments, the various Naspers functions, the Naspers CEO and executive, board and board committees.

Report on progress to risk, and social and ethics committees and board, and in integrated annual reports.

SDG goals

We recognise the importance of the global Sustainable Development Goals, which address global challenges and aim to achieve a sustainable future for all.

Culture and business ethics

The board recognises that creating value for both shareholders and society in a responsible, efficient and sustainable way requires a healthy business culture. Although we operate a wide range of businesses, we are united behind a common purpose to address big societal needs and help improve the lives of half the world's population over the next few years.

We believe our culture is a key strength of our business and we see the benefits of this in our employees' engagement, retention and productivity. Our Naspers corporate values are approved by the board and our subsidiaries adopt values aligned to our expectations, tailored for their business environment.

Our culture reflects:

- At our heart, we are entrepreneurs.
- We push for performance in everything we do – it's good for Naspers, our stakeholders and our careers.
- We do the right thing.
- We matter to the communities we serve and, wherever we operate, we hold ourselves to high standards.
- We encourage diversity in our teams and in our thinking.

The group's code of business ethics and conduct is available on **www.naspers.com**. This code applies to all directors and employees in the group. Ensuring that group companies adopt appropriate processes and establish supporting policies and procedures is an ongoing process. We focus on policies and procedures that address key ethical risks, such as conflicts of interest, accepting inappropriate gifts and unacceptable business conduct.

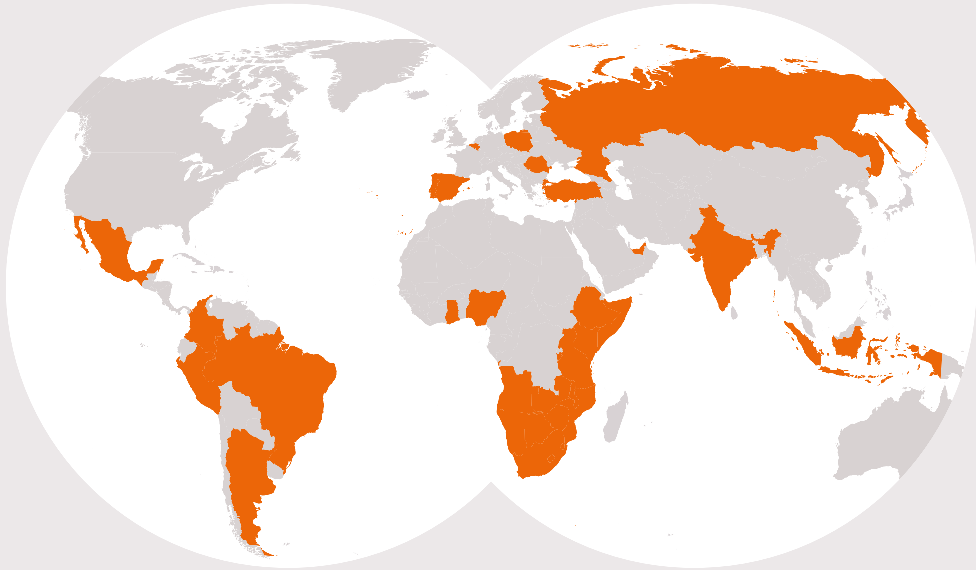
Governance for a sustainable business

continued

The social and ethics committee is responsible for overseeing and reporting on business ethics in the Naspers group, taking into account specific disclosures and best practice as recommended by King IV. Businesses in our group apply zero tolerance to violations of the code. Appropriate action is taken, including disciplinary, criminal or civil procedures or improving the control environment. Reports are provided to the social and ethics committee to demonstrate this. Unethical behaviour by senior employees is also reported to the human resources and remuneration committee, along with the way the company's disciplinary code was applied.

Naspers is committed to conducting its business on the basis of complying with the law, with integrity and with proper regard for ethical business practices. It expects all directors and employees to comply with these principles and, in particular, to avoid conflicts of interest and not to engage in insider trading, illegal anti-competitive activities, and bribery and corruption.

OPENLINE OPERATES GLOBALLY



Ethics officers

We have 12 designated ethics officers in the group. They serve as central points of contact for advice on ethics-related queries, improprieties, allegations and complaints. They report on related matters to the Naspers ethics officer (who is the central contact for the group). Reports are provided regularly to the social and ethics committee.

Ethics officers' responsibilities include:

- understanding and applying the code of business ethics and conduct, whistleblower policy, and upholding corporate values
- managing internal 'speak-ups' and providing guidance
- assisting with awareness campaigns on the code and whistleblower policy
- maintaining confidentiality on ethics-related matters, and
- maintaining records and reporting on ethics-related matters.

Encouraging whistleblowing through OpenLine

Under the global whistleblower policy, Naspers employees are encouraged to report suspected unethical behaviour and matters contrary to the code. Employees enjoy protection when they report such matters in good faith. The Naspers whistleblower facility (OpenLine) is a safe platform for employees to report misconduct in the workplace, with the option to have their identity protected or to remain completely anonymous. All stakeholders can report unethical behaviour and wrongdoing anonymously and confidentially.

COUNT OF REPORTS BY FINANCIAL YEAR

The line operates globally, around the clock, with live answering. In addition, the facility offers the opportunity to report matters through a dedicated website, or through email or postal service.

The OpenLine facility is independently managed by Deloitte Tip-off Anonymous (a global ethics and fraud hotline service provider).

The internal audit and risk support function oversees the effective operation of OpenLine and ensures employees are sufficiently aware of its existence. This function also monitors that reports are dealt with and independently investigated in line with the whistleblower policy. Where appropriate, internal audit and/or external forensic consultants investigate reported matters.

Significant allegations and validated cases of wrongdoing are reported to the audit and risk committees. The social and ethics committee also receives regular reports on whistleblower activity and ethics performance around the group.

This year there were 33 reports, compared to 55 the year before.

Creating awareness and training

During the year we created awareness on the code and whistleblower policy throughout the group. Training methods used by subsidiaries included elearning modules on the MyAcademy platform, face-to-face training, presentations and storyboarding for disabled employees.

The Naspers social and ethics committee receives reports on business ethics management and monitoring – refer to the social and ethics committee report in the 2019 governance report.

Future focus

Future focus areas include regular engagement between the group's ethics officers, to share experiences, identify ethics challenges and share best practice. This will establish a Naspers-designated ethics officers' community and assist us in tailoring tools and support.

We also plan to launch an ethics refresher campaign for our in-scope subsidiaries. The campaign will educate employees on ethics learnings, based on principles from our code.

Stakeholder relationships

Representatives of our businesses manage various external and internal stakeholder relationships. Our businesses manage their stakeholder relationships using an inclusive approach that balances the needs, interests and expectations of material stakeholders with the best interests of the businesses.

To support the board in fulfilling its governance role, the Naspers social and ethics committee receives reports on stakeholder management across the group – refer to the social and ethics committee report in the 2019 governance report.

An overview of our stakeholders and stakeholder engagement appears on pages 24 to 29.

Governance for a sustainable business

continued

Legal compliance

Legal compliance rests with the group general counsel, who is also the chief legal compliance officer. The Naspers board has delegated responsibility for overseeing legal compliance to its risk committee, which receives regular reports from the chief legal compliance officer. Legal compliance is a standing agenda point. Responsibility for legal compliance in each segment rests with their general counsel, who oversees legal compliance for subsidiaries in that segment.

In the 2018 financial year, the group enhanced its legal compliance framework in response to the increased expectations of regulators and stakeholders, and to align the group to market standards.

The legal compliance framework includes anti-bribery and anti-corruption, sanctions and export controls, and competition compliance policies which were reviewed and approved by the Naspers board in June 2017.

OPENLINE PROCESS FLOW

Collect

Hotline ↓ *Web* ↓ *Email* ↓ *Postal service*

Manage

- *Deloitte Tip-off Anonymous incident management system*
- *Naspers's internal audit and risk support (IARS) system oversight*
- *IARS independent monitoring and appropriate escalation of incident*
- *Investigating internal audit and/or external forensic consultants*

This year

In the 2019 financial year, the group focused on implementing these policies. This included local risk assessments, training and awareness initiatives and the design and implementation of appropriate measures to ensure compliance.

In the future

Group legal compliance will remain focused on raising compliance awareness across the group. Improvements to the legal compliance framework will be made based on emerging risks, feedback from monitoring activities and a continued focus on third-party risks.

As part of this framework, each segment is required to provide a quarterly legal compliance report to the group legal compliance function. This includes an overview of key compliance risk areas, mitigating measures, key compliance regulatory developments and material compliance incidents and investigations. The group legal compliance function uses these reports to compile a consolidated report that is reviewed by the chief compliance officer and is subsequently provided to the risk committee of the Naspers board.

Assurance on the effectiveness of compliance management is received through a combined assurance model.

There were no material or repeated regulatory penalties, including General Data Protection Regulation (GDPR), sanctions or fines for contraventions of, or non-compliance with, statutory obligations. There were no inspections by environmental regulators that resulted in findings of non-compliance.

To support the board to fulfil its governance role, the Naspers risk committee receives reports on legal compliance – refer to the risk committee report in the 2019 governance report.

Information and technology governance

Information and technology (I&T) governance is integrated in the operations of the Naspers businesses. Management of each subsidiary or business unit is responsible for ensuring effective processes on I&T governance are in place.

The risk committee assists the board in overseeing I&T-related matters. I&T governance is a standing point on its agenda, and I&T objectives have been included in its charter. The committee considers the risk register, as well as reports on I&T from internal audit and risk support, and our legal compliance function.

The group's subsidiaries are required to act in line with Naspers good governance guidelines, which detail I&T governance-related matters. Subsidiaries of each major entity are required to submit an annual formal written report on the extent to which they have implemented the principles, and chief executives and chief financial officers' sign off on this. Any notable exceptions are summarised and reported to the risk committee.

We continuously look at how we can better integrate people, technologies and processes. During our annual business-planning process, our businesses consider their platform requirements. The platform strategy starts from the business strategy and is translated into technical and process requirements.

Business continuity is included in the group's risk register, which is reviewed and discussed by the risk committee twice a year, and annually by the board. Business resilience is the key objective of our cybersecurity policy. The capability of businesses to respond to disruption is in-scope for internal audit, bearing in mind the perspective of our customers and end users.

Governance for a sustainable business

continued

Operational boundaries to dealing with I&T are subject to the group's code of business ethics and conduct, and legal compliance policy. Our risk management practices ensure that relevant risks on the ethical and responsible use of I&T are identified and assessed. Our social and ethics committee oversees this area.

We run a privacy programme to ensure that personal data is stored and processed ethically and in compliance with applicable privacy laws, such as the GDPR in Europe. Internal audit provides assurance to management, the audit committee and the board on the effectiveness of I&T governance. The detail of controls to manage identified risks and reduce vulnerability forms the basis of internal audit's assurance plans.

To support the board in fulfilling its governance role, the Naspers risk committee receives reports on I&T management – refer to risk committee report in the 2019 governance report.

In the future

Planned focus areas for I&T governance include developing and deploying data-driven technologies (such as machine learning), accounting for cybersecurity and data privacy by design.

For data acquisition and data processing undertaken in the context of our central machine learning team's services to group companies, we have established internal guidelines and contractual measures to ensure compliance with applicable laws and integrating best practice. Ethical use of machine learning and artificial intelligence is a rapidly developing field. We intend to enhance our guidelines in this area over time, based on our learnings and as best practice develops.

SPOTLIGHT ON DATA PRIVACY

At Naspers, we recognise that privacy is an important value and an essential element of public trust.

We strive to be a trusted company and expect all our businesses to aspire to the same status. We expect each business to implement responsible data-privacy practices in a way that is adapted to its own circumstances, which considers its business model, the cultures of the countries in which it operates, its compliance obligations, and its human and financial resources.

"For many years we have viewed data privacy as an important strategic area for Naspers, not only in terms of good governance and risk management, but to do the right thing and build trust with our key stakeholders. Accordingly, we have a comprehensive data-privacy governance policy and a privacy programme designed to ensure the vast amount of data across the different businesses within the group is protected and managed."

Justin B. Weiss
Global head of data privacy: Naspers

A groupwide policy

Our policy on data-privacy governance sets out the responsibilities, principles and programmes for ensuring data privacy across the Naspers group. It is designed to define and document how data privacy is managed in the group; to promote best practice; to accommodate the different business models, resources, culture and legal requirements across the group; and to support trust in our businesses' products and services.

Clear accountability

The critical foundation is to give clear accountability to individual businesses. Each business is directly responsible for managing data privacy in its organisation. This responsibility rests ultimately with the CEOs of each business – they lead in implementing the group's policy and are directly accountable for the data-protection programmes and privacy standards in their organisations.

This approach to data privacy aligns with Naspers's model of decentralised governance and broader belief in encouraging great leaders and businesses to excel. We believe setting the right shared principles and giving businesses the direct responsibility to enact them is the best way to have a greater long-term positive impact. More broadly, we are fostering a culture of data privacy and looking to businesses to ensure privacy by design, where privacy becomes part of the fabric of day-to-day work rather than an add-on.

Seven data-privacy principles

Each business is expected to respect and implement seven core data-privacy principles. Widely recognised internationally as fair information privacy principles, they are ethical guidelines for the responsible use of data. Critically, they are both universal and able to be applied to the different businesses in the group – from established global players to startups in jurisdictions that may not yet have a data-privacy law.

SEVEN DATA-PRIVACY PRINCIPLES:

1 Notice
We offer appropriate notice about our data-privacy practices.

2 Individual control
We honour data subjects' choices regarding their personal data.

3 Respect for context
We recognise that data subjects' expectations about fair and ethical use of their personal data is informed by the context in which their data was first collected.

4 Limited sharing
We limit unnecessary personal data sharing with third parties.

5 Retention
We retain personal data only for as long as we need it.

6 Security
We ensure appropriate security.

7 Governments
We engage with governments and data-protection authorities.

Data-privacy programme

To help businesses put the principles into practice, we have a data-privacy programme designed to scale to their different needs and circumstances. This ensures that our core data-privacy commitment and approach is followed in ways that really work for our businesses. The programme has seven key elements: ensuring executive buy-in; knowing your data; setting policies; training employees; managing vendors and third parties; legal compliance; and reporting.

Supporting and monitoring

The group's data-privacy office supports and monitors the businesses. Help ranges from guidance on implementing the data-privacy programme, a secondment programme that develops and trains future privacy leaders nominated by companies within the group, and advice on any data-privacy implications of mergers and acquisitions.

Businesses provide regular privacy and security reports to group executives as an integral part of ongoing business reviews. The board's risk committee reviews the data-privacy policy and its implementation annually as part of its oversight and governance responsibilities.

Implementing enhancements

This year we formalised the appointment of data-protection officers in the businesses. Regular calls and meetings take place with the officers ensuring data-privacy best practice is shared across the group.

We also deployed new technology, including automated data-mapping and record-keeping, to facilitate the requirement to know your data – an increasingly complex challenge in businesses that are growing fast.

In addition, we deployed internal audit resources to verify data privacy to ensure that what is reported to the group matches what is happening in the businesses.

Doing the best for our customers and the group

Implementation of our data-privacy programme continues to evolve across the businesses in the group. As well as meeting specific requirements, notably the GDPR in the EU, we are driving for comprehensive data-privacy and protection throughout the group, around the world.

Governance for a sustainable business

continued

Understanding that there is always more to do and more to learn, we never stop striving to ensure good data-privacy practices so that we can do the best for our customers and the group.

Internal control systems

As part of the overall management of risk, our system of internal controls in all material subsidiaries and joint ventures under Naspers's control aims to prevent or detect any risk materialising and to mitigate any adverse consequences. The group's system of internal controls is designed to provide reasonable assurance on achieving company objectives, including integrity and reliability of the financial statements; to safeguard, verify and maintain accountability of its assets; and to detect fraud, potential liability, loss and material misstatement, while complying with regulations. For those entities in which Naspers does not have a controlling interest, the directors representing Naspers on these boards seek assurance that significant risks are managed and systems of internal control are effective.

All internal control systems have shortcomings, including the possibility of human error or bypassing control measures. Even the best system may provide only partial assurance. In the dynamic environment in which the company operates, management regularly reviews risks and the design of the internal controls system to address these, assisted by the work of and reports from internal audit on the adequacy and operational effectiveness of controls, which may indicate opportunities for improvement. The external auditor considers elements of the internal controls system as part of its audit, and communicates deficiencies when identified.

The board reviewed the effectiveness of controls and combined assurance on key risks for the year ended 31 March 2019. This assurance was obtained principally through a process of management self-assessment, including formal confirmation via representation letters by executive management. In addition, consideration was given to input, including reports from internal audit and the external auditor, compliance and the risk management process. Where necessary, programmes for corrective actions have been initiated.

Nothing has come to the attention of the board, external or internal auditors to indicate any material breakdown in the functioning of internal controls and systems during the review period.

Internal audit

An internal audit function is in place for the group. The head of internal audit and risk support reports to the chair of the Naspers audit committee, with administrative reporting to the financial director.

Internal audit and risk support provides a statement annually on the effectiveness of Naspers's governance, risk management and control processes to the audit committee. An independent review of internal audit's conformance to international standards for the professional practice of internal auditing and code of ethics (Standards), issued by the international Institute of Internal Auditors, is done at least every five years. The last review was performed by PwC in 2017 with no significant exceptions noted (generally conforms). The head of internal audit and risk support annually confirms to the audit committee that internal audit continues to meet the Standards and has remained independent from management.

Non-audit services

The group's policy on non-audit services provides guidelines on dealing with audit, audit-related, tax and other non-audit services that may be provided by Naspers's independent auditor to group entities. It also sets out services that may not be performed by the independent auditor.

The audit committee preapproves audit and non-audit services to ensure these do not impair the auditor's independence and comply with legislation. Under our guiding principles, the auditor's independence will be deemed impaired if the auditor provides a service where they:

- function in the role of management of the company, or
- audit their own work, or
- serve in an advocacy role for the company.

Company secretary

The company secretary, Gillian Kisbey-Green, and David Tudor, group general counsel (and legal compliance officer), are responsible for guiding the board in discharging its regulatory responsibilities.

Directors have unlimited access to the advice and services of the company secretary, whose functions and responsibilities include:

- Playing a pivotal role in the company's corporate governance and ensuring that, in line with pertinent laws, the proceedings and affairs of the board, the company and, where appropriate, shareholders are properly administered.
- Acting as the company's compliance officer as defined in the Companies Act, and is the delegated information officer.
- Monitoring directors' dealings in securities and ensuring adherence to closed periods.
- Attending all board and committee meetings.

In accordance with King IV, the performance and independence of the company secretary is evaluated annually.

As required by JSE Listings Requirement 3.84(h), the board has determined that the company secretary, a chartered accountant (SA) with over 30 years' company secretarial experience, has the requisite competence, knowledge and experience to carry out the duties of a secretary of a public company and has an arm's length relationship with the board. The board is satisfied that arrangements for providing corporate governance services are effective.

Investor relations

Naspers's investor relations policy can be found on **www.naspers.com**. It describes the principles and practices applied in interacting with shareholders and investors. Naspers is committed to providing timely and transparent information on corporate strategies and financial data to the investing public. In addition, we consider the demand for transparency and accountability on our non-financial (or sustainability) performance. In line with King IV, we recognise that this performance is based on the group's risk profile and strategy, which includes non-financial risks and opportunities.

The company manages communications with its key financial audiences, including institutional shareholders and financial (debt and equity) analysts, through a dedicated investor relations unit. Presentations and conference calls take place after publishing interim and final results.

A broad range of public communication channels (including stock exchange news services, corporate website, press agencies, news wires and news distribution service providers) are used to disseminate news releases. These channels are supplemented by direct communication via email, conference calls, group presentations and one-on-one meetings. Our policy is not to provide forward-looking information. Naspers also complies with legislation and stock exchange rules on forward-looking statements.

Closed periods

Naspers would typically be in a closed period on the day after the end of a reporting period (30 September or 31 March) until releasing results. General investor interaction during this time is limited to discussions on strategy and/or historical, publicly available information.

Analyst reports

To enhance the quantity and quality of research, Naspers maintains working relationships with stockbrokers, investment banks and credit-rating agencies – irrespective of their views or recommendations on the group. Naspers may review an analyst's report or earnings model for factual accuracy of information in the public domain but, in line with regulations and group policy, we do not provide guidance or forecasts.

The board encourages shareholders to attend the annual general meeting, notice of which appears in this integrated annual report, where shareholders have the opportunity to put questions to the board, management and chairs of the various committees.

The company's website provides the latest and historical financial and other information, including financial reports.

The full governance report can be found on **www.naspers.com**.

Remuneration at a glance

"We aim to attract, motivate and retain the best people to create sustainable shareholder value."

Craig Enenstein
Chair: Human resources and remuneration committee

Structure of report
In compliance with the King IV Report on Corporate Governance™[1] in South Africa 2016 (King IV) the report is split into three sections:

1. **Background statement:** Provides an overview of pay outcomes for FY19 and our approach for FY20.
   Read more on pages 7 to 13 of the remuneration report 2019
2. **Remuneration policy:** Provides information on the components of our executive-pay packages.
   Read more on pages 14 to 20 of the remuneration report 2019
3. **Implementation of remuneration policy:** Sets out information on how we implemented our policy for FY20.
   Read more on pages 21 to 30 of the remuneration report 2019

Notes
(1) *The Institute of Directors in South Africa NPC (IoDSA) owns all copyright and trademarks for King IV.*
(2) *On an economic-interest basis adjusted for foreign exchange and M&A. All financial figures in this report are from continuing operations.*

Dear Shareholder

On behalf of the board, I am pleased to present our 2019 financial year remuneration report.

Last year we made changes to our remuneration report in order to demonstrate more clearly the link between Naspers's strategy, performance and our remuneration philosophy. We aim to provide a transparent view on executive and non-executive pay, and this year we have refined the report further with this objective in mind.

This year, we successfully unbundled our Video Entertainment (VE) business to our shareholders, unlocking value for them. MultiChoice Group was listed on the JSE Limited's stock exchange on 27 February 2019. We also disposed of our stake in the Indian etail business Flipkart in August 2018. The impact of these transactions on executive remuneration is detailed on page 19 of the remuneration report 2019.

We are also pleased to report solid financial results for FY19, delivering revenue growth of 29%[2] year on year, to US$19.0bn, trading profit[2] growth of 22% year on year to US$3.3bn, core headline earnings of US$3bn (up 26% year on year) and free cash flow of US$120m.

We are grateful to our shareholders for their input, which was considered carefully. We are pleased to see N-shareholder support for our remuneration policy increasing from 24.15% in 2017 to 43.04% in favour of the policy and 52.24% in favour of its implementation in 2018. While the trend is improving, we strive to obtain an even higher level of N-shareholder support over time. In that spirit we have continued to make appropriate changes to our remuneration design and disclosure this year.

We have amended the design of executive remuneration for the forthcoming 2020 financial year. This is detailed in sections 1 and 3. When making executive awards, the committee has considered the need to maximise shareholder value. Details of the cost of our long-term incentives can be found on pages 4 and 5 of the remuneration report 2019.

This year we introduced clawback provisions on the short-term and long-term incentives for the CEO and his direct reports. In the 2019 financial year, these clawback provisions were not invoked.

We also introduced a shareholding requirement for the chief executive, whereby he must hold 10 times his base salary in Naspers shares at all times. Effective 31 March 2019, he has met this requirement.

We plan to introduce performance conditions on a proportion of the long-term incentives granted to senior executives which will vest only after three years. Details can be found on page 28 of the remuneration report 2019.

We engaged external advisers to provide advice on executive remuneration and the committee is satisfied that they are objective and independent.

Our strategy drives our pay principles
Across our group, we use technology to provide new and exciting ways for our customers to be informed, educated and to trade online. As one of the largest technology investors in the world, operating in some 80 countries, we focus on high-growth markets and we invest in local empowered teams with an ownership mentality.

Our business moves fast as technology trends and consumer adoption change, and we seek to run businesses that have broad potential, can address big societal needs and can attain market leadership over time.

Our people are at the heart of our success. The driven entrepreneurs with whom we partner, the digital leaders who drive us forward, and the skills our people bring to the group in highly specialised areas (eg, technology, product design, machine learning, digital marketing and many other disciplines) allow us to compete effectively. We operate in a highly competitive global market for this type of talent, and we compete against other world-class companies for the best.

Our remuneration philosophy
Our remuneration philosophy underpins our group's strategy and enables us to achieve our business objectives. Our commitment to pay for performance and alignment with shareholder value creation drives all our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. We believe in a level playing field for our people. We strive to pay fairly and responsibly and as much as possible, the structure of our pay is similar, regardless of the seniority of the employee. In the committee's view, the remuneration policy achieved its stated objectives in the year under review.

We endeavour at all times to balance the need to compete globally for the very best talent with the need to pay fairly and responsibly. Our philosophy is underpinned by our desire to perform effectively as a committee, to allow us to deliver fit-for-purpose remuneration systems and to continue engaging our stakeholders.

Craig Enenstein

Craig Enenstein
Chair: Human resources and remuneration committee
21 June 2019

Remuneration at a glance

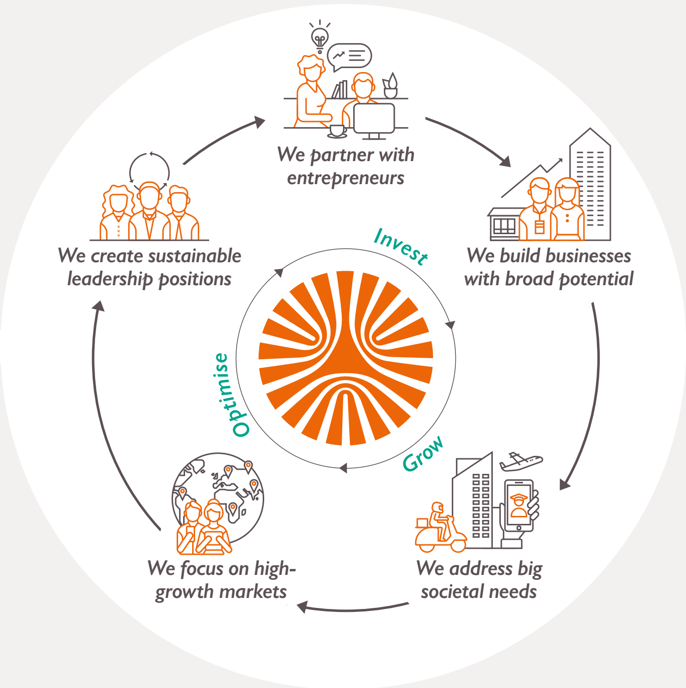
continued

Our context

How we add value

We pursue growth by building leading companies that empower people and enrich communities

Read more on page 16



Underpinned by our active capital allocation and strategy

We ensure that we optimise our portfolio for growth and competitiveness

Financial summary

	2019 (US$'m)	2018 (US$'m)	% change
Revenue[1]	**18 990**	16 352	29[2]
Trading profit[1]	**3 304**	2 994	22[2]
Dividend per N ordinary share (SA cents) (2019 reflects dividend proposed)	**715**	650	10

Notes

[1] *Reported on an economic-interest basis. All financial figures are from continuing operations.*

[2] *In local currency, excluding acquisitions and disposals.*

Read more on page 51

The Naspers approach to remuneration

*We believe in **pay for performance:** we are comfortable with bigger rewards for those who make the highest contribution*

*Remuneration must be **aligned with shareholder outcomes***

*Remuneration must incentivise the **achievement** of strategic, operational and financial objectives, in both the short and longer term*

*We are **consistent:** our reward package elements are broadly the same, regardless of seniority**

*Our reward systems must help us attract and retain the best talent around the world in a **fair and responsible** way*

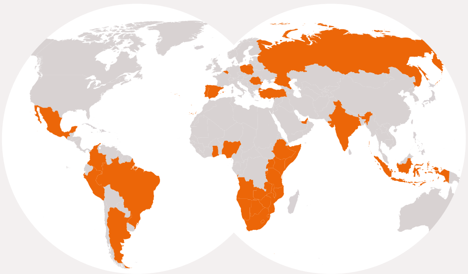
* *Some employees do not receive longer-term incentives.*

Read more on pages 14 to 20 of the remuneration report 2019.

Remuneration at a glance

continued

Our context: Attracting and retaining the best talent



There is a global shortage of digital talent

We fight for talent in each of the countries in which we operate.

To compete for talent, our approach to remuneration must stand up to the high bar set by global tech players such as Facebook, Google, Amazon, Alibaba, and Microsoft, as well as other global, local and regional competitors.

Read more on pages 45 to 47

21st century talent: Our reality

- ***Human capital** is a key competitive advantage in our industry*
- *The global battle for digital **talent** continues – digital talent is scarce in all our markets*
- ***We need creative minds** to explore new frontiers*
- ***Diversity** is essential – we need to provide an inclusive work environment so that many types of people want to work with us*

Our employee value proposition

Remuneration is only one element of attracting and retaining talent. Our people seek meaningful jobs with line of sight to business outcomes and the opportunity to learn and grow professionally, in a purpose-driven environment that they enjoy; where they are recognised for a job well done and are paid fairly – in line with personal and company performance.

Our approach to fair and responsible pay

Our remuneration systems are:

Fair

- *Rational: easy to explain*
- *Equitable: free from discrimination*
- *Relevant: linked to personal and company performance*

Responsible

- *Independent: with oversight, top-down via board*
- *Managed: all employee pay decisions are properly overseen*
- *Considered: judgement is applied; we shy away from formulaic appraisals that could lead to unacceptable outcomes*
- *Sustainable: remuneration designed with sustainability in mind*

Remuneration at a glance

continued

The outcomes

Executive director remuneration for the year ended 31 March 2019

Guaranteed fixed pay
Base salary/total cost to company (TCTC) benefits

+

Short-term incentives (STIs)
Annual performance-related incentives

+

Longer-term incentives (LTIs)
Share appreciation rights (SARs) and/or share options (SOs)

=

Total remuneration

Total single-figure (remuneration) for executive directors for the year ended 31 March

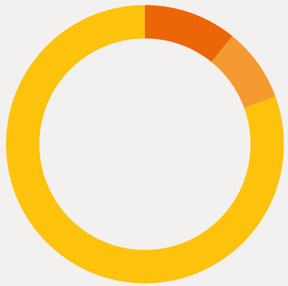
	Bob van Dijk				Basil Sgourdos	
	(€'000)[1]		(US$'000)		(US$'000)	
Remuneration type/year	2019	2018	2019	2018	2019	2018
Salary/TCTC	**1 122**	1 079	**1 259**	1 332	**897**	862
Pension	**75**	66	**85**	81	**85**	81
Benefits	**59**	53	**66**	65	**27**	27
STIs	**987**[2]	863	**1 108**	1 064	**1 006**	605[3]
LTI plan[4]			**10 368**	9 636	**5 460**	1 954
Total remuneration			**12 886**	12 178	**7 475**	3 529

Notes
[1] Bob van Dijk is paid in euro. Over the past financial year the euro weakened against the US dollar by almost 10%. As a result, the FY19 annual salary of the chief executive in US dollars is lower compared to FY18.
[2] Achievement of chief executive's STI goals are indicated in this report by on pages: 9, 10, 15, 19, 32-33, 35, 37, 39, 48 and 51.
[3] Includes an additional variable bonus capped at 25% of TCTC relating to obtaining new general funding.
[4] Fair value: represents the estimated value of the option on grant date in accordance with IFRS. The actual value accruing to the executive will depend on the real value created over the term of the option.

Read more on pages 21 to 30 of the remuneration report 2019

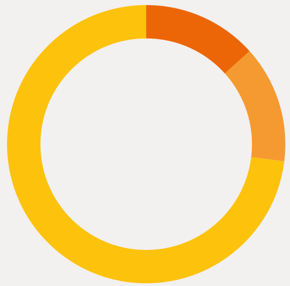
Compensation is mostly 'at risk' and long term

BOB VAN DIJK



	%
Annual fixed pay	10.94
Annual STI (target)	8.59
Annual fair-value LTI	80.47

BASIL SGOURDOS



	%
Annual fixed pay	13.49
Annual STI (target)	13.47
Annual fair-value LTI	73.04

The minimum STI payout is 0% of salary/TCTC.
The target and maximum STI opportunity are the same.

Read more on pages 21 to 30 of the remuneration report 2019

Remuneration at a glance

continued

Looking forward to FY20

Salary and short-term incentives

BOB VAN DIJK

Base salary

1 April 2020 (US$'000)	1 April 2020 (€'000)	1 April 2019 (US$'000)	1 April[2] 2019 (€'000)	€%[3] change
1 388	1 235	1 259	1 122	10

BASIL SGOURDOS

TCTC[1]

1 April 2020 (US$'000)	1 April 2019 (US$'000)	% change
1 069	1 009	6

FY20 STI scheme structure

Maximum STI opportunity: 100% base salary

Financial goals:	%
Revenue	10
Core headline earnings (including Tencent)	15
Core headline earnings (excluding Tencent)	15
Free cash flow	10
	50%

Strategic goals:	
Classifieds	10
Food Delivery	10
Payments and Fintech	5
B2C	2.5
Corporate structure	10
Diversity and inclusion	5
Machine learning and artificial intelligence	7.5
	50%

Read more on pages 27 to 30 of the remuneration report 2019

FY20 STI scheme structure

Maximum STI opportunity: 100% base salary[4]

Financial goals:	%
Core headline earnings (including Tencent)	12.5
Core headline earnings (excluding Tencent)	12.5
Free cash flow	25
	50%

Strategic goals:	
Structuring	25
Taxation	10
Investor relations	5
Operations	2.5
Governance, internal audit and risk management	2.5
Team and talent	5
	50%

Notes

(1) Includes pension and other benefits.

(2) Bob van Dijk is paid in euro. Over the past financial year the euro weakened against the US dollar by almost 10%. As a result, the FY19 annual salary of the chief executive in US dollars is lower compared to FY18.

(3) Bob van Dijk received an increase in his base salary of 10%, driven by personal performance (eg, listing and unbundling of MultiChoice Group and divestiture of Flipkart), company performance and base pay levels relative to benchmarks.

(4) An additional variable bonus capped at 25% of TCTC(relating to obtaining new general funding) applies.

LTIs

We have set out below information on the long-term awards to be made during the 2020 financial year:

	Naspers N share options (SOs)			Naspers Global Ecommerce share appreciation rights (SARs)			Naspers performance share units (PSUs)
Name	Number of options	Face value (US$)	Fair value (US$)	Number of SARs	Face value (US$)	Fair value (US$)	Fair value (US$)
Bob van Dijk	15 835	3 972 183	1 350 000	436 832	16 031 719	6 075 000	6 075 000
Basil Sgourdos	8 211	2 059 651	700 000	226 505	8 312 743	3 150 000	3 150 000

Changes for FY20

Performance conditions on LTIs[1]

The committee intends to introduce performance conditions on a proportion of the LTIs awarded to senior executives in FY20.

The performance share unit (PSU) plan will vest at the end of a three-year period (cliff-vesting) subject to the performance condition set at the time of the grant being achieved. The performance condition for the 2019 grant relates to the three-year CAGR on the Ecommerce SAR scheme, relative to an appropriate equity index. Further details can be found on page 28 of the remuneration report 2019.

Note

(1) Proposed LTI scheme amendments to facilitate the introduction of performance conditions to be tabled at the annual general meeting on 23 August 2019.

Post this allocation and as at 31 March 2020 the fair value of Bob van Dijk's and Basil Sgourdos's share-based incentives will be balanced approximately as follows:

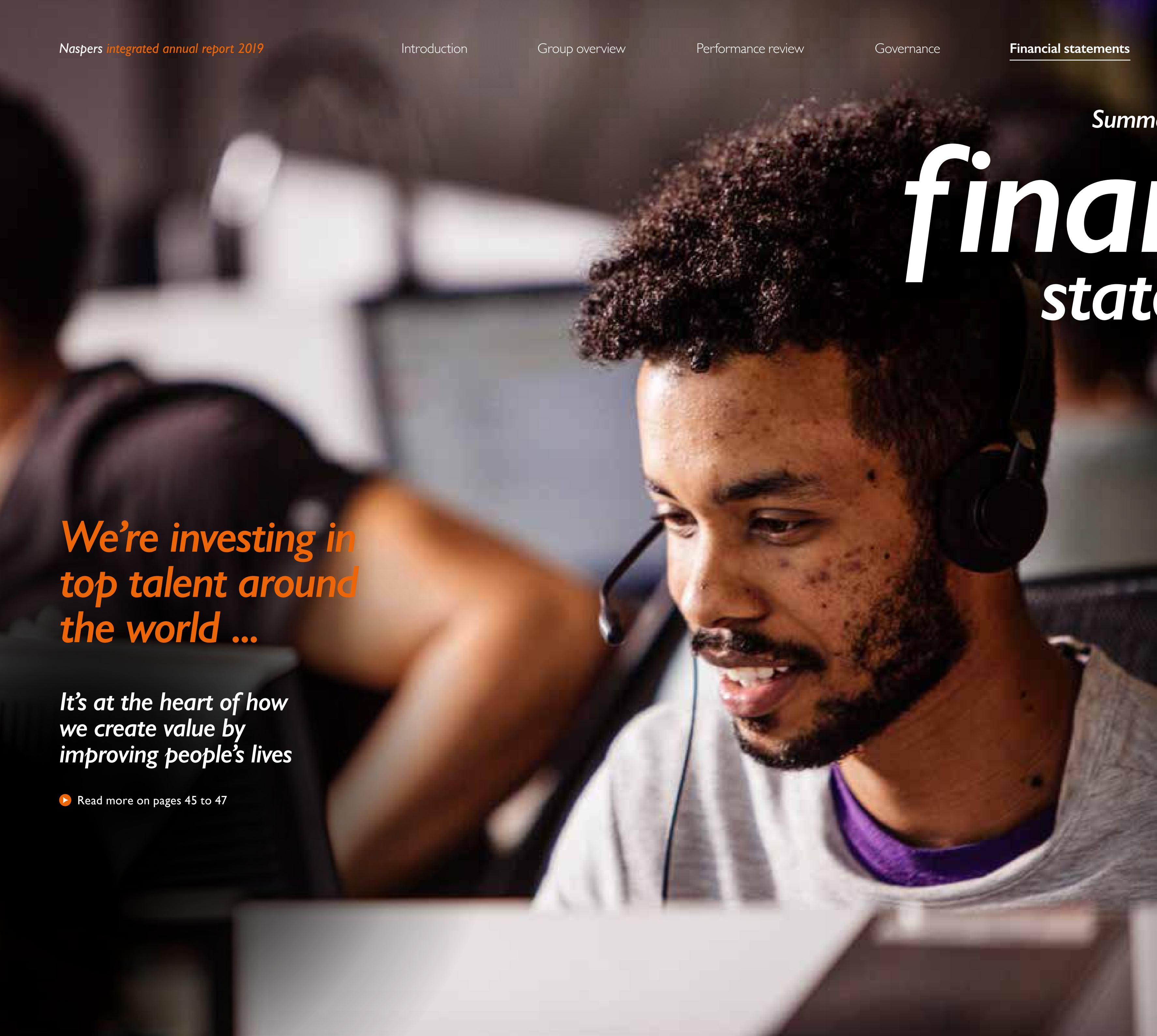
THE LTIs OF THE CEO ARE BALANCED BETWEEN ECOMMERCE SEGMENTS AND NASPERS

	%
Ecommerce SARs	41
Naspers SOs	42
Naspers PSUs	17

THE LTIs OF THE CFO ARE BALANCED BETWEEN ECOMMERCE SEGMENTS AND NASPERS

	%
Ecommerce SARs	50
Naspers SOs	27
Naspers PSUs	23

Read more on pages 27 to 30 of the remuneration report 2019



Summarised consolidated annual *financial* *statements*

We're investing in top talent around the world ...

It's at the heart of how we create value by improving people's lives

Read more on pages 45 to 47

Summarised consolidated annual financial statements

Contents

Statement of responsibility by the board of directors

for the year ended 31 March 2019

The summarised consolidated annual financial statements of the group are the responsibility of the directors of Naspers Limited. In discharging this responsibility they rely on the management of the group to prepare the consolidated annual financial statements, separately available on **www.naspers.com**, in accordance with International Financial Reporting Standards (IFRS) and the Companies Act No 71 of 2008. The summarised consolidated annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the summarised consolidated annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective.

The directors believe that the company and group have adequate resources to continue operations as a going concern in the foreseeable future, based on forecasts and available cash resources. The summarised consolidated annual financial statements support the viability of the company and the group. The preparation of the summarised consolidated annual financial statements was supervised by the financial director, Basil Sgourdos CA(SA).

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the consolidated annual financial statements from which the summarised consolidated annual financial statements were derived. The directors believe that representations made to the independent auditor during audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 74.

The summarised consolidated annual financial statements were approved by the board of directors on 21 June 2019 and are signed on its behalf by:

Koos Bekker
Chair

Bob van Dijk
Chief executive

21 June 2019

Independent auditor's report on the summary consolidated financial statements

To the Shareholders of Naspers Limited

Opinion

The summary consolidated financial statements of Naspers Limited, set out on pages 75 to 90 of the integrated annual report, which comprise the summary consolidated statement of financial position as at 31 March 2019, the summary consolidated income statement, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Naspers Limited for the year ended 31 March 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in the "Basis of presentation and accounting policies" note to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 21 June 2019. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director's Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in the "Basis of presentation and accounting policies" note to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Other matter

We have not audited future financial performance and expectations expressed by the directors included in the commentary in the accompanying summary consolidated financial statements and accordingly do not express an opinion thereon.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Brendan Deegan
Registered Auditor

Cape Town
21 June 2019

PricewaterhouseCoopers Inc.,
5 Silo Square, V&A Waterfront, Cape Town 8002, P O Box 2799, Cape Town 8000
T: +27 (0) 21 529 2000, F: +27 (0) 21 529 3300, www.pwc.co.za

Chief Executive Officer: T D Shango
Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682

Segmental review

for the year ended 31 March

	Revenue			EBITDA[1]			Trading profit		
	2019 US$'m	2018 US$'m	% change	2019 US$'m	2018 US$'m	% change	2019 US$'m	2018 US$'m	% change
Continuing operations									
Internet	**18 678**	15 863	18	**3 813**	3 342	14	**3 339**	3 013	11
Ecommerce	**3 934**	3 582	10	**(556)**	(655)	15	**(613)**	(713)	14
– Classifieds	**875**	628	39	**19**	(99)	>100	**2**	(114)	>100
– Payments and Fintech	**360**	294	22	**(39)**	(60)	35	**(43)**	(64)	33
– Food Delivery	**377**	166	>100	**(162)**	(20)	>(100)	**(171)**	(30)	>(100)
– Etail	**1 847**	2 060	(10)	**(133)**	(248)	46	**(150)**	(270)	44
– Travel[2]	**234**	211	11	**(36)**	(59)	39	**(37)**	(61)	39
– Other[3]	**241**	223	8	**(205)**	(169)	(21)	**(214)**	(174)	(23)
Social and internet platforms	**14 744**	12 281	20	**4 369**	3 997	9	**3 952**	3 726	6
– Tencent	**14 457**	12 024	20	**4 324**	3 925	10	**3 929**	3 675	7
– Mail.ru	**287**	257	12	**45**	72	(38)	**23**	51	(55)
Media[4]	**326**	507	(36)	**(7)**	10	>(100)	**(14)**	3	>(100)
Corporate segment	**2**	2	–	**(17)**	(18)	6	**(21)**	(22)	5
Intersegmental	**(16)**	(20)		**–**	–		**–**	–	
Total economic interest from continuing operations	**18 990**	16 352	16	**3 789**	3 334	14	**3 304**	2 994	10
Less: Equity-accounted investments	**(15 699)**	(13 367)	(17)	**(4 120)**	(3 744)	(10)	**(3 686)**	(3 449)	(7)
Total consolidated from continuing operations	**3 291**	2 985	10	**(331)**	(410)	19	**(382)**	(455)	16
Total from discontinued operations	**3 321**	3 672	(10)	**655**	669	(2)	**512**	415	23
Consolidated[5]	**6 612**	6 657	(1)	**324**	259	25	**130**	(40)	>100

Notes

[1] EBITDA refers to earnings before interest, taxation, depreciation and amortisation.

[2] Travel revenue for the year ended 31 March 2018 has been reduced by US$65m due to the effect of the adoption of IFRS 15 on the group's associate MakeMyTrip Limited. This adjustment did not have an impact on EBITDA or trading profit.

[3] The group historically allocated a portion of its corporate costs to the Video Entertainment segment. Following the distribution of MultiChoice Group to shareholders in the current year, and the consequent presentation of the Video Entertainment segment as a discontinued operation, corporate costs are now only allocated to the ecommerce business. The group views these corporate costs as primarily relating to the support of the ecommerce business. In line with IFRS 8 Operating Segments the group has accordingly presented the comparative information contained in the segmental review on a similar basis.

[4] 31 March 2018 includes revenue of US$133.0m, EBITDA of US$33.3m and trading profit of US$33.3m relating to Novus Holdings Limited (Novus). The group distributed the majority of its shareholding in Novus to its shareholders in September 2017.

[5] Includes the results of the Video Entertainment segment which has been classified as a discontinued operation.

Reconciliation of consolidated trading loss to consolidated operating loss

year ended 31 March

	2019 US$'m	2018 Restated US$'m
Consolidated trading loss from continuing operations[1]	(398)	(496)
Adjusted for:		
Finance cost on capitalised finance leases	1	–
Amortisation of other intangible assets	(94)	(97)
Other gains/(losses) – net	(38)	(32)
Retention option expense	(11)	(7)
Share-based incentives settled in treasury shares	(27)	(27)
Consolidated operating loss from continuing operations	(567)	(659)

Notes

[1] *Includes the net profit impact of trading between continuing and discontinued operations of US$15.7m (2018: US$40.5m).*
For a reconciliation of consolidated operating loss to consolidated profit before taxation, refer to the summarised consolidated income statement.

Refer to the basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

Summarised consolidated income statement

for the year ended 31 March

	2019 US$'m	2018 Restated[1] US$'m	% change
Continuing operations			
Revenue from contracts with customers	3 291	2 985	10
Cost of providing services and sale of goods	(2 104)	(1 884)	
Selling, general and administration expenses	(1 716)	(1 728)	
Other (losses)/gains – net	(38)	(32)	
Operating loss	(567)	(659)	14
Interest income	284	52	
Interest expense	(205)	(197)	
Other finance income/(costs) – net	130	(379)	
Share of equity-accounted results	3 410	3 285	
Impairment of equity-accounted investments	(88)	(46)	
Dilution (losses)/gains on equity-accounted investments	(182)	9 216	
Gains/(losses) on acquisitions and disposals	1 609	(93)	
Profit before taxation	4 391	11 179	(61)
Taxation	(229)	(70)	
Profit from continuing operations	4 162	11 109	
Profit from discontinued operations	2 759	190	
Profit for the year	6 921	11 299	(39)
Attributable to:			
Equity holders of the group	6 901	11 358	
Non-controlling interest	20	(59)	
	6 921	11 299	

Note

[1] *Relates to the impact of adopting IFRS 15.*

Refer to basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

Summarised consolidated income statement *continued*

for the year ended 31 March

	2019 US$'m	2018 Restated[1] US$'m	% change
Per share information related to continuing operations			
Core headline earnings for the year (US$'m)	**3 000**	2 388	26
Core headline earnings per N ordinary share (US cents)	**694**	553	25
Diluted core headline earnings per N ordinary share (US cents)	**680**	540	26
Headline earnings for the year (US$'m)	**3 719**	1 670	123
Headline earnings per N ordinary share (US cents)	**860**	387	122
Diluted headline earnings per N ordinary share (US cents)	**846**	374	126
Earnings per N ordinary share (US cents)	**976**	2 604	(63)
Diluted earnings per N ordinary share (US cents)	**961**	2 585	(63)
Net number of shares issued ('000)			
– at period-end	**432 200**	432 126	
– weighted average for the year	**432 202**	431 635	
– diluted weighted average	**434 060**	433 003	

Note

(1) Relates to the impact of adopting IFRS 15.

Refer to basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

Summarised consolidated statement of comprehensive income

for the year ended 31 March

	2019 US$'m	2018 Restated US$'m
Profit for the year	**6 921**	11 299
Total other comprehensive income, net of tax, for the year[1]	**(455)**	1 742
Translation of foreign operations	**(1 529)**	996
Net fair-value gains/(losses)[2]	**11**	(4)
Cash flow hedges	**169**	(98)
Share of other comprehensive income and reserves of equity-accounted investments[3]	**918**	835
Tax on other comprehensive income	**(24)**	13
Total comprehensive income for the year	**6 466**	13 041
Attributable to:		
Equity holders of the group	**6 452**	13 026
Non-controlling interest	**14**	15
	6 466	13 041

Notes

(1) All components of other comprehensive income may subsequently be reclassified to profit or loss except for fair-value gains of US$10.8m and gains of US$752.4m (2018: US$361.0m) included in the share of equity-accounted investments' direct reserve movements .

(2) Previously referred to as available-for-sale investments in terms of IAS 39 Financial Instruments: Recognition and Measurements. Following the application of IFRS 9 Financial Instruments in 2019, fair value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods.

(3) Includes fair-value changes on financial assets at fair value through other comprehensive income (previously referred to as available-for-sale investments) of equity-accounted investments. Following the application of IFRS 9 Financial Instruments in 2019, fair-value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods.

Refer to basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

Summarised consolidated statement of changes in equity

for the year ended 31 March

	2019 US$'m	2018 Restated US$'m
Balance at the beginning of the year	25 692	13 142
Changes in share capital and premium		
Movement in treasury shares	(20)	(64)
Share capital and premium issued	–	85
Changes in reserves		
Total comprehensive income for the year	6 452	13 026
Movement in share-based compensation reserve	(157)	(48)
Movement in existing control business combination reserve	720	(195)
Movement in valuation reserve	(436)	–
Direct retained earnings and other reserve movements	(59)	125
Dividends paid to Naspers shareholders	(196)	(262)
Distribution in specie[1]	(3 828)	–
Changes in non-controlling interest[2]		
Total comprehensive income for the year	14	15
Dividends paid to non-controlling shareholders	(116)	(153)
Movement in non-controlling interest in reserves	65	21
Balance at the end of the year	28 131	25 692
Comprising:		
Share capital and premium	4 945	4 965
Retained earnings	23 793	20 133
Share-based compensation reserve	1 698	1 460
Existing control business combination reserve	(1 127)	(1 847)
Hedging reserve	–	(106)
Valuation reserve	760	1 679
Foreign currency translation reserve	(2 070)	(761)
Non-controlling interest	132	169
Total	28 131	25 692

Notes

[1] *Relates to MultiChoice Group which was distributed to shareholders during the current period.*

[2] *Current-year change includes the derecognition of non-controlling interest of US$79.8m related to MultiChoice Group which was distributed to shareholders.*

Refer to the basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

Summarised consolidated statement of financial position

as at 31 March

	2019 US$'m	2018 Restated US$'m
ASSETS		
Non-current assets	23 133	22 386
Property, plant and equipment	191	1 638
Goodwill	2 120	2 607
Other intangible assets	877	1 143
Investments in associates	19 746	16 666
Investments in joint ventures	96	78
Other investments and loans	74	115
Other receivables	7	21
Derivative financial instruments	1	1
Deferred taxation	21	117
Current assets	10 552	13 065
Inventory	209	231
Programme and film rights	–	240
Trade receivables	172	452
Other receivables and loans	518	762
Derivative financial instruments	4	11
Short-term investments	7 298	–
Cash and cash equivalents	2 284	11 369
	10 485	13 065
Assets classified as held for sale	67	–
Total assets	33 685	35 451

Refer to the basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

Summarised consolidated statement of financial position *continued*

as at 31 March

	2019 US$'m	2018 Restated US$'m
EQUITY AND LIABILITIES		
Capital and reserves attributable to the group's equity holders	27 999	25 523
Share capital and premium	4 945	4 965
Other reserves	(739)	425
Retained earnings	23 793	20 133
Non-controlling interest	132	169
Total equity	28 131	25 692
Non-current liabilities	3 973	5 623
Capitalised finance leases	5	1 086
Liabilities – interest bearing	3 237	3 202
– non-interest bearing	9	22
Other non-current liabilities	538	867
Post-employment medical liability	21	30
Derivative financial instruments	33	157
Deferred taxation	130	259
Current liabilities	1 581	4 136
Current portion of long-term debt	23	280
Trade payables	287	564
Accrued expenses and other current liabilities	1 258	3 162
Derivative financial instruments	3	129
Bank overdrafts	8	1
	1 579	4 136
Liabilities classified as held for sale	2	–
Total equity and liabilities	33 685	35 451
Net asset value per N ordinary share (US cents)	6 478	5 906

Refer to the basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

Summarised consolidated statement of cash flows

for the year ended 31 March

	2019 US$'m	2018 US$'m
Cash flows from operating activities		
Cash generated from operating activities	322	141
Interest income received	244	81
Dividends received from investments and equity-accounted companies	344	251
Interest costs paid	(252)	(240)
Taxation paid	(248)	(391)
Net cash generated from/(utilised in) operating activities	410	(158)
Cash flows from investing activities		
Acquisitions and disposals of tangible and intangible assets	(152)	(138)
Acquisitions of subsidiaries, associates and joint ventures	(1 402)	(1 957)
Disposals of subsidiaries, businesses, associates and joint ventures	1 460	9 941
Acquisition of short-term investments[1]	(7 230)	–
Cash movement in other investments and loans	(2)	7
Net cash (utilised in)/generated from investing activities	(7 326)	7 853
Cash flows from financing activities		
Proceeds from long- and short-term loans raised	62	1 124
Repayments of long- and short-term loans	(51)	(827)
Outflow from equity-settled share-based compensation transactions	(119)	(22)
Additional investments in existing subsidiaries	(1 610)	(219)
Dividends paid by the holding company and its subsidiaries	(317)	(344)
Other movements resulting from financing activities	(8)	(100)
Net cash utilised in financing activities	(2 043)	(388)
Net movement in cash and cash equivalents	(8 959)	7 307
Foreign exchange translation adjustments on cash and cash equivalents	(133)	58
Cash and cash equivalents at the beginning of the year	11 368	4 003
Cash and cash equivalents at the end of the year	2 276	11 368

Note

[1] *Relates to short-term cash investments with maturities of more than three months from date of acquisition.*

Notes to the summarised consolidated financial statements

for the year ended 31 March

General information
Naspers Limited (Naspers or the group) is a global consumer internet group and one of the largest technology investors in the world. Operating and investing in countries and markets across the world with long-term growth potential, Naspers builds leading companies that empower people and enrich communities. The group operates and partners a number of leading internet businesses across the Americas, Africa, Central and Eastern Europe, and Asia in sectors including online classifieds, food delivery, payments and fintech, travel, education, health, and social and internet platforms.

Basis of presentation and accounting policies
The summarised consolidated financial results for the year ended 31 March 2019 are prepared in accordance with the JSE Limited (JSE) Listings Requirements (the JSE Listings Requirements) relevant to summarised financial statements and the provisions of the Companies Act No 71 of 2008. The JSE Listings Requirements require provisional reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting.*

The summarised consolidated financial results do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB). The accounting policies applied in the preparation of the consolidated annual financial statements from which the summarised consolidated financial results were derived, are consistent with those applied in the previous consolidated annual financial statements, except as set out below.

The group has adopted all new and amended accounting pronouncements issued by the IASB that are effective for financial years commencing 1 April 2018. The group has initially applied IFRS 15 *Revenue from Contracts with Customers* (IFRS 15), IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (IFRIC 22) and IFRS 9 *Financial Instruments* (IFRS 9) from 1 April 2018. A number of other pronouncements were also effective from 1 April 2018 however these pronouncements did not have a significant impact on the summarised consolidated financial results.

The group's reportable segments reflect the components of the group that are regularly reviewed by the chief executive officer and other senior executives who make strategic decisions. The group proportionately consolidates its share of the results of its associates and joint ventures in its reportable segments.

Trading profit excludes amortisation of intangible assets (other than software), equity-settled share-based payment expenses relating to transactions to be settled through the issuance of treasury shares, retention option expenses and other gains/losses, but includes the finance cost on transponder leases.

Core headline earnings exclude non-operating items. We believe it is a useful measure of the group's operating performance. However, this is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies.

The impact of adoption of new accounting pronouncements during the year is set out below.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 replaced IAS 18 *Revenue*. The group has applied IFRS 15 on a retrospective basis and has restated the comparative information contained in the summarised consolidated financial results. Apart from providing additional and more detailed disclosure around revenue recognition, IFRS 15 did not have a significant impact on the group's existing revenue recognition practices and summarised consolidated financial results.

The cumulative net impact of adopting IFRS 15 for the year ended 31 March 2018 was a reduction in consolidated revenue of US$3m and an increase of US$1m in profit for the year. The impact of adoption related to the group's Video Entertainment segment which has been presented as a discontinued operation, as the initial application of IFRS 15 did not have a significant impact on the group's other operations.

IFRS 9 Financial Instruments
IFRS 9 replaced IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39). The group has applied IFRS 9 from 1 April 2018 and elected not to restate comparative information on transition, with the impact of adoption recognised as an adjustment to the opening balance of retained earnings as at 1 April 2018. The initial application of IFRS 9 did not have a significant impact on the group. The specific impacts relating to classification and measurement, impairment allowances and hedge accounting are outlined below.

Classification and measurement
The group recognised an increase in retained earnings of US$838m, as a transfer from other reserves, relating to the impact of IFRS 9 on its associate Tencent Holdings Limited. The impact relates to cumulative net gains on investments classified as available-for-sale financial assets in terms of IAS 39 that are now accounted for as financial assets at fair value through profit or loss in terms of IFRS 9.

In terms of IAS 39, the group previously classified equity investments as available-for-sale investments with changes in fair value recognised in other comprehensive income. On disposal or impairment, cumulative fair-value changes recognised in other comprehensive income were reclassified to the income statement. Furthermore, certain available-for-sale investments were measured at cost as their fair value could not be measured with sufficient reliability. These investments are, however, not significant to the summarised consolidated financial results and their remeasurement to fair value on transition to IFRS 9 was insignificant. The group has classified these investments as financial assets at fair value through other comprehensive income in terms of IFRS 9. IFRS 9 does not permit the reclassification of cumulative fair value changes to the income statement on disposal or impairment. Further, IFRS 9 no longer permits cost measurement where fair value cannot be measured with sufficient reliability. The group, following the adoption of IFRS 9, accordingly no longer reclassifies cumulative fair value changes on these investments to the income statement on disposal or impairment but transfers such cumulative changes to retained earnings on disposal of an investment.

Impairment
The adoption of IFRS 9's impairment model resulted in an increase in impairment allowances on trade receivables due to the requirement to consider forward-looking information when determining impairment allowances. The cumulative net impact on the group was an increase of US$14m in impairment allowances on trade receivables and a corresponding decrease of US$14m in retained earnings. The impact of adoption related primarily to the group's Video Entertainment business, which has been presented as a discontinued operation, as the application of IFRS 9 did not have a significant impact on the group's other operations.

Hedge accounting
IFRS 9 did not have a significant impact on the group's hedge accounting practices and accordingly previously applied hedging practices continued unaffected.

IFRIC 22 Foreign Currency Transactions and Advance Consideration
IFRIC 22 clarifies that non-monetary assets and liabilities arising from the payment/receipt of advance consideration (eg, prepaid expenses and deferred revenue) are not retranslated to the entity's functional currency after initial recognition. The group applied IFRIC 22 on a prospective basis, with the impact of adoption recognised as an adjustment to the opening balance of retained earnings as at 1 April 2018.

The impact of adoption was an increase in prepaid expenses of US$10m, a decrease in deferred revenue of US$4m and a corresponding increase of US$14m in retained earnings. The adoption impact related primarily to the group's Video Entertainment business, which has been presented as a discontinued operation, as the initial application of IFRIC 22 did not have a significant impact on the group's other operations.

The impact of the adoption of the above accounting standards during the current period is shown in the following tables.

Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

Basis of presentation and accounting policies continued

Income statement (extract)

	31 March 2018				
	Previously reported US$'m	Change in accounting policy[1] US$'m	Restated US$'m	Represented by: Continuing operations US$'m	Discontinued operations US$'m
Revenue from contracts with customers	6 660	(3)	**6 657**	2 985	3 672
Selling, general and administration expenses	(2 786)	4	**(2 782)**	(1 728)	(1 054)
Operating loss	(198)	1	**(197)**	(659)	462
Profit before taxation	11 658	1	**11 659**	11 179	480
Profit for the year	11 298	1	**11 299**	11 109	190
Profit attributable to:					
Equity holders of the group	11 357	1	**11 358**	11 245	113
Non-controlling interests	(59)	–	**(59)**	(136)	77
	11 298	1	**11 299**	11 109	190
Core headline earnings for the year	2 507	1	**2 508**	2 388	120
Core headline earnings per N ordinary share (US cents)					
Basic	581	–	**581**	553	28
Diluted	568	–	**568**	540	28
Earnings for the year	11 357	1	**11 358**	11 245	113
Earnings per N ordinary share (US cents)					
Basic	2 631	–	**2 631**	2 604	27
Diluted	2 612	–	**2 612**	2 585	27
Headline earnings for the year	1 794	1	**1 795**	1 670	125
Headline earnings per N ordinary share (US cents)					
Basic	416	–	**416**	387	29
Diluted	403	–	**403**	374	28

Note

[1] *Represents the impact of adopting IFRS 15.*

Statement of comprehensive income (extract)

	31 March 2018		
	Previously reported US$'m	Change in accounting policy[1] US$'m	Restated US$'m
Profit for the year	11 298	1	**11 299**
Other comprehensive income for the year	1 742	–	**1 742**
Total comprehensive income for the year	13 040	1	**13 041**
Attributable to:			
Equity holders of the group	13 025	1	**13 026**
Non-controlling interests	15	–	**15**
	13 040	1	**13 041**

Note

[1] *Represents the impact of adopting IFRS 15.*

Statement of financial position (extract)

	As at 31 March 2018		
	Previously reported US$'m	Change in accounting policy[1] US$'m	Restated US$'m
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders	25 522	1	**25 523**
Share capital and premium	4 965	–	**4 965**
Other reserves	425	–	**425**
Retained earnings	20 132	1	**20 133**
Non-controlling interests	169	–	**169**
TOTAL EQUITY	25 691	1	**25 692**
Non-current liabilities	5 623	–	**5 623**
Current liabilities	4 137	(1)	**4 136**
Accrued expenses and other current liabilities	3 163	(1)	**3 162**
TOTAL EQUITY AND LIABILITIES	35 451	–	**35 451**

Note

[1] *Represents the impact of adopting IFRS 15.*

Notes to the summarised consolidated financial statements continued

for the year ended 31 March

Basis of presentation and accounting policies continued

Adjustments to the opening balances of the statement of financial position (extract)

	As at 1 April 2018		
	Restated[1] US$'m	Change in accounting policy[2] US$'m	Restated US$'m
ASSETS			
Non-current assets	22 386	–	**22 386**
Current assets	13 065	(4)	**13 061**
Trade receivables	452	(14)	**438**
Other receivables and loans	762	10	**772**
TOTAL ASSETS	35 451	(4)	**35 447**
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders	25 523	–	**25 523**
Share capital and premium	4 965	–	**4 965**
Other reserves	425	(838)	**(413)**
Retained earnings	20 133	838	**20 971**
Non-controlling interests	169	–	**169**
TOTAL EQUITY	25 692	–	**25 692**
Non-current liabilities	5 623	–	**5 623**
Current liabilities	4 136	(4)	**4 132**
Accrued expenses and other current liabilities	3 162	(4)	**3 158**
TOTAL EQUITY AND LIABILITIES	35 451	(4)	**35 447**

Notes

(1) *IFRS 15 has been adopted on a retrospective basis and accordingly the 31 March 2018 statement of financial position has already been restated for its impact.*

(2) *Represents the impacts of adopting IFRS 9 and IFRIC 22 as of 1 April 2018.*

Profit from discontinued operations

The group concluded the disposal of its subsidiary MultiChoice Group Limited (MultiChoice Group) in February 2019. The assets and liabilities of MultiChoice Group were classified as held for sale in September 2018. The results and cash flows of the group's Video Entertainment segment have been presented as discontinued operations in these consolidated annual financial statements. Discontinued operations also include the group's subscription video-on-demand service in Poland which was closed at the end of January 2019.

Income statement information of discontinued operations

	31 March	
	2019 US$'m	2018 Restated[1] US$'m
Revenue from contracts with customers	3 321	3 672
Expenses	(2 851)	(3 192)
Profit before tax	470	480
Taxation	(200)	(290)
Profit for the year	270	190
Gain on disposal of discontinued operation	2 489	–
Profit from discontinued operations	2 759	190
Profit from discontinued operations attributable to:		
Equity holders of the group	2 683	113
Non-controlling interest	76	77
	2 759	190
Revenue from contracts with customers		
Revenue from discontinued operations comprises:		
Subscription revenue	2 750	2 982
Advertising revenue	211	239
Hardware sales and maintenance revenue	171	192
Technology revenue	98	128
Sublicense and reconnection fee revenue	63	71
Other revenue	28	60
Revenue from contracts with customers	3 321	3 672
Cash flow statement information of discontinued operations		
Net cash generated from operating activities	344	245
Net cash utilised in investing activities	(63)	(60)
Net cash generated from financing activities	20	102
Cash generated by discontinued operations	301	287

Note

(1) *Represents the impact of adopting IFRS 15.*

Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

***Profit from discontinued operations** continued*

Per share information of discontinued operations

	31 March 2019 US$'m	31 March 2018 US$'m
Core headline earnings for the year (US$'m)	308	120
Core headline earnings per N ordinary share (US cents)	71	28
Diluted core headline earnings per N ordinary share (US cents)	71	28
Headline earnings for the year (US$'m)	216	125
Headline earnings per N ordinary share (US cents)	50	29
Diluted headline earnings per N ordinary share (US cents)	50	28
Earnings per N ordinary share (US cents)	621	27
Diluted earnings per N ordinary share (US cents)	618	27
Net number of shares issued ('000)		
– at year-end	432 200	432 126
– weighted average for the year	432 202	431 635
– diluted weighted average	434 060	433 003

Headline and core headline earnings

	31 March 2019 Continuing operations US$'m	31 March 2019 Discontinued operations US$'m
Net profit attributable to shareholders	4 218	2 683
Adjusted for:		
– impairment of property, plant and equipment and other assets	1	21
– impairment of goodwill and other intangible assets	7	3
– loss on sale of assets	2	1
– gains on acquisitions and disposals of investments	(1 621)	(2 489)
– remeasurement of previously held interest	(7)	–
– dilution losses on equity-accounted investments	182	–
– remeasurements included in equity-accounted earnings	695	–
– impairment of equity-accounted investments	88	–
	3 565	219
Total tax effects of adjustments	175	–
Total adjustment for non-controlling interest	(21)	(3)
Headline earnings	3 719	216
Adjusted for:		
– equity-settled share-based payment expenses	561	13
– initial recognition of tax losses from previous years	(36)	–
– amortisation of other intangible assets	295	2
– fair-value adjustments and currency translation differences	(1 570)	77
– retention option expense	11	–
– business combination related losses	20	–
Core headline earnings	3 000	308

The diluted earnings, headline earnings and core headline earnings per share figures presented on the face of the income statement include a decrease of US$47m relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees and subsidiaries.

Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

***Headline and core headline earnings** continued*

	31 March 2018 Continuing operations US$'m	31 March 2018 Discontinued operations US$'m
Net profit attributable to shareholders	11 245	113
Adjusted for:		
– impairment of property, plant and equipment and other assets	24	15
– impairment of goodwill and other intangible assets	4	–
– gain on sale of assets	–	(1)
– losses on acquisitions and disposals of investments	95	–
– remeasurement of previously held interest	(21)	–
– dilution gains on equity-accounted investments[(1)]	(9 216)	–
– remeasurements included in equity-accounted earnings	(526)	2
– impairment of equity-accounted investments	46	–
	1 651	129
Total tax effects of adjustments	20	(2)
Total adjustment for non-controlling interest	(1)	(2)
Headline earnings	1 670	125
Adjusted for:		
– equity-settled share-based payment expenses	425	10
– amortisation of other intangible assets	187	3
– fair-value adjustments and currency translation differences	79	(19)
– retention option expense	7	1
– business combination related losses	20	–
Core headline earnings	2 388	120

Note
[(1)] *Includes the gain recognised on the disposal of a 2% interest in Tencent Holdings Limited.*

The diluted earnings, headline earnings and core headline earnings per share figures presented on the face of the income statement include a decrease of US$49m relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees and subsidiaries.

Revenue from contracts with customers

	Reportable segment(s) where revenue is included	31 March 2019 US$'m	31 March 2018 US$'m
Online sale of goods revenue	Classifieds and Etail	**1 481**	1 245
Classifieds listings revenue	Classifieds	**623**	491
Payment transaction commissions and fees	Payments and Fintech	**308**	255
Mobile and other content revenue	Other ecommerce	**159**	142
Food-delivery revenue	Food Delivery	**159**	115
Travel package revenue and commissions	Travel	**27**	53
Advertising revenue	Various	**229**	241
Comparison shopping commissions and fees	Other ecommerce	**45**	59
Printing, distribution, circulation, publishing and subscription revenue	Media	**145**	284
Other revenue	Various	**115**	100
		3 291	2 985

Revenue is presented on an economic-interest basis (ie including a proportionate consolidation of the revenue of associates and joint ventures) in the group's segmental review and is accordingly not directly comparable to the above consolidated revenue figures.

Finance (costs)/income

	31 March 2019 US$'m	31 March 2018 US$'m
Interest income	**284**	52
– loans and bank accounts	**283**	49
– other	**1**	3
Interest expense	**(205)**	(197)
– loans and overdrafts	**(201)**	(193)
– other	**(4)**	(4)
Other finance income/(cost) – net	**130**	(379)
– net foreign exchange differences and fair-value adjustments on derivatives	**77**	(127)
– remeasurement of written put option liabilities	**53**	(252)

Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

Profit before taxation

In addition to the items already detailed, profit before taxation has been determined after taking into account, inter alia, the following:

	31 March 2019 US$'m	31 March 2018 US$'m
Depreciation of property, plant and equipment	35	31
Amortisation	111	111
– other intangible assets	94	97
– software	17	14
Impairment losses on financial assets measured at amortised cost	18	15
Net realisable value adjustments on inventory, net of reversals[1]	28	8
Other (losses)/gains – net	(38)	(32)
– (loss)/gain on sale of assets	(2)	1
– impairment of goodwill and other intangible assets	(7)	(4)
– impairment of property, plant and equipment and other assets	(1)	(24)
– dividends received on investments	4	1
– fair-value adjustments on financial instruments	(27)	(6)
– other	(5)	–
Gains on acquisitions and disposals	1 609	(93)
– gains/(losses) on disposal of investments	1 618	(91)
– remeasurement of contingent consideration	3	(5)
– acquisition-related costs	(19)	(18)
– remeasurement of previously held interest	7	21

Note

[1] *Net realisable value writedowns relate primarily to general inventory writedowns in the etail segment.*

Equity-accounted results

The group's equity-accounted investments contributed to the summarised consolidated financial results as follows:

	31 March 2019 US$'m	31 March 2018 US$'m
Share of equity-accounted results	3 410	3 285
– sale of non-current assets	–	2
– gains on acquisitions and disposals	(126)	(692)
– impairment of investments	799	162
Contribution to headline earnings	4 083	2 757
– amortisation of other intangible assets	236	135
– equity-settled share-based payment expenses	535	385
– fair-value adjustments and currency translation differences	(1 499)	(224)
Contribution to core headline earnings	3 355	3 053
Tencent	3 587	3 288
Mail.ru	15	37
MakeMyTrip	(49)	(76)
Delivery Hero	(55)	(17)
Other	(143)	(179)

The group applies an appropriate lag period in reporting the results of equity-accounted investments, where the year-ends of investees are not coterminous with that of Naspers Limited.

Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

Goodwill

Goodwill is subject to an annual impairment assessment. Movements in the group's goodwill for the year are detailed below:

	31 March	
	2019 US$'m	2018 US$'m
Goodwill		
– cost	**2 961**	2 790
– accumulated impairment	**(354)**	(348)
Opening balance	**2 607**	2 442
– foreign currency translation effects	**(292)**	41
– acquisitions of subsidiaries and businesses	**105**	124
– disposals of subsidiaries and businesses	**(7)**	–
– transferred to assets classified as held for sale[1]	**(287)**	–
– impairment	**(6)**	–
Closing balance	**2 120**	2 607
– cost	**2 360**	2 961
– accumulated impairment	**(240)**	(354)

Note

[1] *Assets classified as held for sale include those assets of MultiChoice Group that were classified as held for sale in September 2018 and subsequently distributed to shareholders.*

Commitments and contingent liabilities

Commitments relate to amounts for which the group has contracted, but that have not yet been recognised as obligations in the statement of financial position.

	31 March	
	2019 US$'m	2018 US$'m
Commitments[1]	**327**	3 537
– capital expenditure	**19**	17
– programme and film rights	**–**	2 906
– network and other service commitments	**26**	104
– operating lease commitments	**282**	327
– set-top box commitments	**–**	183

Note

[1] *The group is subject to commitments which occur in the normal course of business. The group plans to fund these commitments out of existing facilities and internally generated funds. Prior-period commitments for programme and film rights and set-top boxes related to MultiChoice Group which was distributed to shareholders during the current year.*

The group operates across a large number of jurisdictions and pays tax in the countries in which it operates. In certain jurisdictions uncertainty exists as to whether certain transactions or payments are subject to tax. In these countries the group continues to seek relevant advice and works with its advisers to identify and/or quantify tax exposures. Our current assessment of possible tax exposures, including penalties and interest, amounts to approximately US$22.0m (2018: US$226.1m). No provision has been made as at 31 March 2019 (and 2018) for these possible exposures. The current-year reduction in possible tax exposures relates primarily to the distribution of MultiChoice Group to shareholders.

Furthermore, the group has a contingent asset of US$177.0m (2018: US$nil) related to amounts receivable from tax authorities.

Disposal groups classified as held for sale

The group distributed its shareholding in MultiChoice Group Limited (MultiChoice Group) to shareholders during the year. As a consequence of this transaction, equity-compensation plans and other group entities that held Naspers Limited N ordinary shares (as treasury shares) at the time of distribution received MultiChoice Group shares. The group has classified a portion of these MultiChoice Group shares with a fair value of US$50.7m as held for sale as at 31 March 2019 as it has committed to dispose of these shares within 12 months from the end of the current reporting period. The portion of MultiChoice Group shares not classified as held for sale are presented as part of "Other Investments and loans" on the statement of financial position.

The assets and liabilities of the group's subsidiary Netrepreneur Connections Enterprises, Inc. (Sulit) were also classified as held for sale during the year as the group signed an agreement to contribute this investment to Carousell Private Limited (Carousell) in exchange for an equity interest in Carousell.

Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

Disposal groups classified as held for sale continued

The assets and liabilities classified as held for sale as at 31 March 2019 are detailed in the table below:

	31 March	
	2019 US$'m	2018 US$'m
Assets classified as held for sale	67	–
Goodwill and other intangible assets	13	–
Investments at fair value through other comprehensive income	51	–
Trade and other receivables	2	–
Cash and cash equivalents	1	–
Liabilities classified as held for sale	2	–
Accrued expenses and other current liabilities	2	–

Business combinations, other acquisitions and disposals

In August 2018 the group invested US$60m for a 100% effective and fully diluted interest in the issued share capital of Zooz Mobile Limited (Zooz), a management and optimisation payment provider based in Israel. The transaction was accounted for as a business combination with an effective date of August 2018. The purchase price allocation: cash and deposits US$2m; trade and other receivables US$1m; intangible assets US$22m; trade and other payables US$1m; loan liabilities US$1m; deferred tax liability US$5m; and the balance of US$42m to goodwill. The main intangible assets recognised in the business combination were technology and customer relationships.

In December 2018 the group invested US$36m for a 69% effective interest (65% fully diluted) in the issued share capital of Aasaanjobs Private Limited (Aasaanjobs), an online recruitment marketplace based in India. The transaction was accounted for as a business combination with an effective date of December 2018. The purchase price allocation: cash and deposits US$23m; trade and other receivables US$1m; intangible assets US$5m; trade and other payables US$3m; deferred tax liability US$2m; and the balance of US$13m to goodwill. The main intangible assets recognised in the business combination were customer relationships and tradenames.

Since the acquisition dates of the above business combinations, revenue of US$1m and net losses of US$9m have been included in the income statement. Had the revenue and net losses of the above business combinations been included from 1 April 2018 group revenue from continuing operations and group net profit from continuing operations would have amounted to US$3.29bn and US$4.15bn respectively.

The main factor contributing to the goodwill recognised in these acquisitions was the acquirees' market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$2m were recorded in "(Losses)/gains on acquisitions and disposals" in the income statement regarding the abovementioned acquisitions.

In April 2018 the group acquired the share capital held by non-controlling shareholders of its subsidiary Dubizzle Limited (Dubizzle) for US$190m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Dubizzle and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective and fully diluted interest in Dubizzle.

In August 2018 the group's subsidiary Letgo Global B.V. (previously named Ambatana Holdings B.V.) acquired the share capital held by non-controlling shareholders of Letgo USA B.V. for US$189m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in the business and the derecognition of the related non-controlling interest. Following a US$150m funding round in June 2018, the group's shareholding in Letgo Global B.V. increased from an effective 73.4% at 31 March 2018 to 80% (77% fully diluted) at 31 March 2019.

In January 2019 the group acquired the share capital held by non-controlling shareholders of its subsidiary Avito AB (Avito) for US$1.16bn. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Avito and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective interest (99.5% fully diluted) in Avito.

In March 2019 the group acquired an additional interest in its subsidiary Silver Indonesia JVCo B.V. (Silver Indonesia) from non-controlling shareholders for US$46m. Following the acquisition, the group holds a 66% effective interest in Silver Indonesia.

The following relates to the group's investments in its equity-accounted investees:

In May 2018 the group invested US$35m for a 16% effective interest (15% fully diluted) in Honor Technology, Inc. (Honor) a comprehensive home-care company for older adults in the US. The group accounts for its interest as an investment in an associate.

In May 2018 the group invested US$89m in Frontier Car Group, Inc. (Frontier Car Group), an online car marketplace headquartered in Berlin and currently operating in eight countries, for a 36% effective (35% fully diluted) shareholding. The group accounts for its interest as an investment in an associate. The group also entered into a collaboration with Frontier Car Group in India during February 2019 through an investment of US$25m in the group's subsidiary India Used Car Group B.V.

In July 2018 the group invested an additional US$12m in PaySense Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Following this investment, the group holds a 19% effective interest (17% fully diluted) in PaySense. The group now accounts for its interest in PaySense as an investment in an associate.

The group invested an additional US$79m in Bundl Technologies Private Limited (Swiggy), a leading online food-ordering and delivery platform in India, during July 2018, followed by a further investment of US$637m in January 2019. Following these investments, the group holds a 39% effective interest (35% fully diluted) in Swiggy. The group continues to account for its interest as an investment in an associate.

In December 2018 the group invested US$383m in Think & Learn Private Limited (BYJU'S) for a 12% effective (12% fully diluted) shareholding in India's largest education company and the creator of India's largest personalised learning app. The group accounts for its interest as an investment in an associate.

The following relates to significant disposals by the group during the reporting period:

During May 2018 the group announced the disposal of its 12% effective interest (11% fully diluted) in Flipkart Limited – its equity-accounted etail investment in India – to US-based retailer Wal-Mart International Holdings, Inc. for US$2.2bn (inclusive of applicable withholding taxes and amounts held in escrow). Amounts held in escrow following the disposal have been included as part of "Other receivables and loans" in the statement of financial position. The transaction was concluded in August 2018 following regulatory approval. A gain on disposal of US$1.6bn has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement. This gain includes the reclassification of a foreign currency translation reserve of US$97m to the income statement. Related income tax expenses of US$177m have been included as part of "Taxation" in the income statement.

Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

Business combinations, other acquisitions and disposals continued

In September 2018 the group concluded the sale of its 52% interest in Tek Travels Private Limited, its online business-to-business (B2B) travel distribution business, for US$37m. A gain on disposal of US$6m has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement.

Following its listing on the JSE in February 2019, the group distributed its shares in its Video Entertainment business, MultiChoice Group Limited (MultiChoice Group), to shareholders as a pro rata distribution in specie (the distribution). MultiChoice Group and, accordingly, the group's Video Entertainment segment, have been presented as a discontinued operation in these consolidated annual financial statements. The group recorded a gain of US$2.49bn as part of "Profit from discontinued operations" in the income statement following the distribution, being the difference between the fair value of MultiChoice Group shares distributed, measured using its listed share price, and the book value of the net assets derecognised. The gain recognised is presented net of the reclassification of reserves (primarily foreign currency translation and hedging reserves) of US$546m (losses) to the income statement following the distribution. The distribution reduced retained earnings by US$3.83bn being the fair value of the distributed MultiChoice Group shares. The group calculated the gain on distribution based on the fair value of MultiChoice Group as at the date of distribution. In calculating the fair value, the group determined that the share price of MultiChoice Group for the first 15 days of trading did not represent an orderly transaction on account of the trading volumes during this period and the fact that there was no exposure to the market before the measurement date. Consequently, the group used the 15-day volume-weighted average share price of MultiChoice Group and excluded the first 15 days of trading as this was considered more representative of the fair value of MultiChoice Group in an orderly transaction. This is consequently a level 2 fair value measurement.

Financial instruments

The fair values of the group's financial instruments that are measured at fair value at each reporting period are categorised as follows:

		Fair-value measurements at 31 March 2019 using:		
	Carrying value US$'m	Quoted prices in active markets for identical assets or liabilities (level 1) US$'m	Significant other observable inputs (level 2) US$'m	Significant unobservable inputs (level 3) US$'m
Assets				
Financial assets at fair value through other comprehensive income[1]	122	73	3	46
Foreign exchange contracts	4	–	4	–
Derivatives embedded in leases	1	–	–	1
Liabilities				
Foreign exchange contracts	3	–	3	–
Earn-out obligations	7	–	–	7
Cross-currency swap	33	–	33	–

Note

[1] *Includes assets classified as held for sale.*

Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

Financial instruments continued

	Fair-value measurements at 31 March 2018 using:			
	Carrying value US$'m	Quoted prices in active markets for identical assets or liabilities (level 1) US$'m	Significant other observable inputs (level 2) US$'m	Significant unobservable inputs (level 3) US$'m
Assets				
Available-for-sale investments	35	33	2	–
Foreign exchange contracts	9	–	9	–
Derivatives embedded in leases	1	–	–	1
Currency devaluation features	2	–	–	2
Liabilities				
Foreign exchange contracts	162	–	162	–
Earn-out obligations	58	–	–	58
Interest rate and cross-currency swaps	124	–	124	–

There have been no transfers between levels 1 or 2 during the reporting period, nor were there any significant changes to the valuation techniques and inputs used in measuring fair value.

Currency devaluation features related to clauses in content acquisition agreements within the Video Entertainment business that provided the group with protection against significant currency devaluations. The group distributed the MultiChoice Group to shareholders during the current year. The fair value of currency devaluation features was measured through the use of discounted cash flow techniques.

For earn-out obligations, current forecasts of the extent to which management believes performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments are used.

Changes in these assumptions could affect the reported fair value of these financial instruments.

The fair value of level 2 financial instruments is determined with the use of exchange rates quoted in active markets and interest rate extracts from observable yield curves.

The group discloses the fair values of the following financial instruments as their carrying values are not a reasonable approximation of their fair values:

Financial liabilities	Carrying value US$'m	Fair value US$'m
31 March 2019		
Publicly traded bonds	3 200	3 350
31 March 2018		
Capitalised finance leases[1]	1 158	1 125
Publicly traded bonds	3 200	3 357

Note

[1] *Related primarily to MultiChoice Group which was distributed to shareholders during the current year.*

The fair values of the capitalised finance leases have been determined through discounted cash flow analysis. The fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments as at the end of the reporting period.

Related party transactions and balances

The group entered into various related party transactions in the ordinary course of business. There have been no significant changes in related party transactions and balances since the previous reporting period.

Events after the reporting period

In April 2019 the group contributed 100% of the issued share capital of its subsidiary Netrepreneur Connections Enterprises Inc. (Sulit) as well as cash with an aggregate value of US$56.1m to Carousell Private Limited (Carousell) in exchange for a 12% (10% fully diluted) interest in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces. The companies will merge their operations in the Philippines, a process that is expected to conclude in the second half of the 2019 calendar year. The group will classify its interest in Carousell as an investment in an associate on account of its representation on the board of Carousell.

In April 2019 the group announced the exchange of its 43% interest in its online travel associate MakeMyTrip Limited for an approximate 6% interest in Ctrip.com International Limited (Ctrip), a well-known provider of online travel and related services headquartered in China. The transaction is expected to be finalised in the second half of the 2019 calendar year and is subject to regulatory approval. The group will classify its interest in Ctrip as an investment at fair value.

Notes to the summarised consolidated financial statements continued

for the year ended 31 March

Events after the reporting period continued

In April 2019 the group signed an agreement to invest US$70m for a 100% effective and fully diluted interest in Wibmo, Inc. (Wibmo) a digital payment company providing payment security, mobile payment solutions and processing services in India. The transaction is subject to regulatory approval. The group will account for the acquisition of its interest in Wibmo as a business combination and will classify the investment as an investment in a subsidiary.

In May 2019 the group announced the sale of its 100% effective interest in its subsidiary BuscaPé Company Informaçao e Technologia Limitada. The transaction is subject to regulatory approval.

In June 2019 the group signed an agreement to invest approximately US$131m for a 85% effective interest (79% fully diluted) in İyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (Iyzico), a leading payment service provider in Turkey. The transaction is subject to regulatory approval. The group will account for the acquisition of its interest in Iyzico as a business combination and will classify the investment as an investment in a subsidiary.

Pro forma financial information

The group has presented certain revenue and trading profit metrics in local currency, excluding the effects of changes in the composition of the group (the pro forma financial information) in the following tables. The pro forma financial information is the responsibility of the board of directors (the board) of Naspers Limited and is presented for illustrative purposes. Information presented on a pro forma basis has been extracted from the group's management accounts, the quality of which the board is satisfied with.

Shareholders are advised that, due to the nature of the pro forma financial information and the fact that it has been extracted from the group's management accounts, it may not fairly present the group's financial position, changes in equity, results of operations, or cash flows.

The pro forma financial information has been prepared to illustrate the impact of changes in foreign exchange rates and changes in the composition of the group on its results for the year ended 31 March 2019. The following methodology was applied in calculating the pro forma financial information:

1. Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the US dollar) used for the group's most significant functional currencies, were: South African rand (2019: 0.0723; 2018: 0.0774), Polish zloty (2019: 0.2684; 2018: 0.2794), Russian rouble (2019: 0.0153; 2018: 0.0173), Chinese yuan renminbi (2019: 0.1485; 2018: 0.1517), Indian rupee (2019: 0.0143; 2018: 0.0155), Brazilian real (2019: 0.2622; 2018: 0.3097), Angolan kwanza (2019: 0.0035; 2018: 0.0056), and Nigerian naira (2019: 0.0028; 2018: 0.0028).
2. Adjustments made for changes in the composition of the group relate to acquisitions and disposals of subsidiaries and equity-accounted investments, as well as to changes in the group's shareholding in its equity-accounted investments. For mergers, the group composition adjustments include a portion of the prior year results of the entity with which the merger took place. The following significant changes in the composition of the group during the respective reporting periods have been adjusted for in arriving at the pro forma financial information:

Year ended 31 March 2019

Transaction	Basis of accounting	Reportable segment	Acquisition/Disposal
Continuing operations			
Dilution of the group's interest in Tencent	Associate	Social and internet platforms	Disposal
Disposal of the group's interest in Flipkart	Associate	Ecommerce	Disposal
Effect of merger of ibibo with MakeMyTrip	Associate	Ecommerce	Acquisition and disposal
Acquisition of the group's interest in Delivery Hero	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Swiggy	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Frontier Car Group	Associate	Ecommerce	Acquisition
Disposal of the group's interest in Souq	Joint venture	Ecommerce	Disposal
Disposal of the group's interest in Tek Travels	Subsidiary	Ecommerce	Disposal
Acquisition of the group's interest in Takealot	Subsidiary	Ecommerce	Acquisition
Distribution of the group's interest in Novus to shareholders	Subsidiary	Media	Disposal
Discontinued operations			
Distribution of MultiChoice Group to shareholders	Subsidiary	Video Entertainment	Disposal
Disposal of the group's interest in MWEB	Subsidiary	Video Entertainment	Disposal

The net adjustment made for all acquisitions and disposals that took place during the year ended 31 March 2019 amounted to a negative adjustment of US$1.4bn on revenue and a negative adjustment of US$181m on trading profit.

An assurance report issued in respect of the pro forma financial information, by the group's external auditor, is available at the registered office of the company.

Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

Pro forma financial information continued

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

	Year ended 31 March							
	2018 A	2019 B	2019 C	2019 D	2019 E	2019 F[2]	2019 G[3]	2019 H[4]
	Restated IFRS[1] US$'m	Group composition disposal adjustment US$'m	Group composition acquisition adjustment US$'m	Foreign currency adjustment US$'m	Local currency growth US$'m	IFRS[1] US$'m	Local currency growth % change	IFRS % change
CONTINUING								
Revenue								
Internet	15 863	(1 248)	324	(663)	4 402	18 678	30	18
Ecommerce	3 582	(493)	324	(277)	798	3 934	26	10
– Classifieds	628	(1)	85	(67)	230	875	37	39
– Payments and Fintech	294	(1)	25	(40)	82	360	28	22
– Food Delivery	166	–	149	(33)	95	377	57	>100
– Etail	2 060	(476)	53	(102)	312	1 847	20	(10)
– Travel	211	(15)	–	(1)	39	234	20	11
– Other	223	–	12	(34)	40	241	18	8
Social and internet platforms	12 281	(755)	–	(386)	3 604	14 744	31	20
– Tencent	12 024	(753)	–	(348)	3 534	14 457	31	20
– Mail.ru	257	(2)	–	(38)	70	287	27	12
Media	507	(145)	–	(22)	(14)	326	(4)	(36)
Corporate segment	2	–	–	–	–	2	–	–
Intersegmental	(20)			1	3	(16)		
Economic interest	16 352	(1 393)	324	(684)	4 391	18 990	29	16
DISCONTINUED								
Video Entertainment	3 677	(373)	4	(195)	211	3 324	6	(10)
Group economic interest	20 029	(1 766)	328	(879)	4 602	22 314	25	11

Notes

[1] Figures presented on an economic-interest basis as per the segmental review.
[2] A + B + C + D + E.
[3] E/(A + B) x 100.
[4] (F/A) – 1 x 100.

Refer to the segmental review and basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

	Year ended 31 March							
	2018 A	2019 B	2019 C	2019 D	2019 E	2019 F[2]	2019 G[3]	2019 H[4]
	Restated IFRS[1] US$'m	Group composition disposal adjustment US$'m	Group composition acquisition adjustment US$'m	Foreign currency adjustment US$'m	Local currency growth US$'m	IFRS[1] US$'m	Local currency growth % change	IFRS % change
CONTINUING								
Trading profit								
Internet	3 013	(142)	(108)	(49)	625	3 339	22	11
Ecommerce	(713)	88	(108)	26	94	(613)	15	14
– Classifieds	(114)	2	(14)	–	128	2	>100	>100
– Payments and Fintech	(64)	–	(20)	(2)	43	(43)	67	33
– Food Delivery	(30)	–	(56)	12	(97)	(171)	>(100)	>(100)
– Etail	(270)	93	(9)	11	25	(150)	14	44
– Travel	(61)	(7)	–	–	31	(37)	46	39
– Other[5]	(174)	–	(9)	5	(36)	(214)	(21)	(23)
Social and internet platforms	3 726	(230)	–	(75)	531	3 952	15	6
– Tencent	3 675	(230)	–	(72)	556	3 929	16	7
– Mail.ru	51	–	–	(3)	(25)	23	(49)	(55)
Media	3	(26)	–	2	7	(14)	(30)	>(100)
Corporate segment	(22)	–	–	5	(4)	(21)	(18)	5
Group economic interest	2 994	(168)	(108)	(42)	628	3 304	22	10
DISCONTINUED								
Video Entertainment[6]	410	16	79	(94)	101	512	24	25
Economic interest	3 404	(152)	(29)	(136)	729	3 816	22	12

Notes

[1] Figures presented on an economic-interest basis as per the segmental review.
[2] A + B + C + D + E.
[3] E/(A + B) x 100.
[4] (F/A) – 1 x 100.
[5] The group historically allocated a portion of its corporate costs to the Video Entertainment segment. Following the distribution of MultiChoice Group to shareholders in the current year, and the consequent presentation of the Video Entertainment segment as a discontinued operation, corporate costs are now allocated to the ecommerce business. The group views these corporate costs as primarily relating to the support of the ecommerce business. In line with IFRS 8 Operating Segments the group has accordingly presented the comparative information contained in the segmental review on a similar basis.
[6] Includes an adjustment for depreciation and amortisation which the group ceased recognising on classification of MultiChoice Group as held for sale at 30 September 2018 in terms of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations up to the date of distribution to shareholders.

Refer to the segmental review and basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

Pro forma financial information continued

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

	Year ended 31 March							
	2018 A	2019 B	2019 C	2019 D	2019 E	2019 F[1]	2019 G[2]	2019 H[3]
	IFRS US$'m	Group composition disposal adjustment US$'m	Group composition acquisition adjustment US$'m	Foreign currency adjustment US$'m	Local currency growth US$'m	IFRS US$'m	Local currency growth % change	IFRS % change
Other metrics reported								
Consolidated Avito revenue	284	–	–	(42)	80	322	28	13

Core headline earnings, calculated on a constant-currency basis, amounted to US$3.0bn.

Notes

(1) A + B + C + D + E.

(2) E/(A + B) x 100.

(3) (F/A) – 1 x 100.

Refer to the segmental review and basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

Further information

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Notice of annual general meeting

Notice is hereby given in terms of the Companies Act No 71 of 2008, as amended (the Act), that the 105th annual general meeting of Naspers Limited (the company or Naspers) will be held on the 2nd floor, Daisy Room, Cape Town International Convention Centre 2 (CTICC2), corner of Heerengracht and Rua Bartholomeu Dias, Foreshore, Cape Town, South Africa on Friday 23 August 2019 at 11:15.

Record date, attendance and voting

The record date for the meeting (being the date used to determine which shareholders are entitled to participate in and vote at the meeting) is 16 August 2019.

Votes at the annual general meeting will be taken by way of a poll and not on a show of hands.

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in their place. A proxy need not be a shareholder of the company.

Before any person may attend or participate in a shareholders' meeting, they must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder or as proxy for a shareholder, has been reasonably verified. Forms of identification include valid identity document, driver's licence and passport.

A form of proxy, which includes the relevant instructions for its completion, is attached for the use of holders of certificated shares and 'own name' dematerialised shareholders who wish to be represented at the annual general meeting. Completing a form of proxy will not preclude that shareholder from attending and voting (in preference to their proxy) at the annual general meeting.

Holders of dematerialised shares, other than 'own name' dematerialised shareholders, who wish to vote at the annual general meeting, must instruct their central securities depository participant (CSDP) or broker accordingly in the manner and cut-off time stipulated by their CSDP or broker.

Holders of dematerialised shares, other than 'own name' dematerialised shareholders, who wish to attend the annual general meeting in person, need to arrange the necessary authorisation as soon as possible through their CSDP or broker.

A shareholder may appoint a proxy at any time. For practical purposes, the form appointing a proxy and the authority (if any) under which it is signed, must reach the transfer secretaries of the company (Link Market Services South Africa Proprietary Limited, 13th floor, 19 Ameshoff Street, Braamfontein 2001 or PO Box 4844, Johannesburg 2000) by no later than 11:15 on Wednesday 21 August 2019 to allow time to process the proxy. Should you hold Naspers A ordinary shares, the signed proxy must reach the registered office of the company by 11:15 on Wednesday 21 August 2019 to allow for processing. A form of proxy is enclosed with this notice. The form of proxy may also be obtained from the registered office of the company or on the company website as a separate pdf download in the 2019 integrated annual report available under investors. All other proxies must be handed to the company secretary before the start of the meeting.

Purpose of meeting

The purpose of the meeting is to:

- present the directors' report and audited annual financial statements of the company for the immediate preceding financial year, an audit committee report and the social and ethics committee report
- consider and, if approved, adopt with or without amendment, resolutions set out below, and
- consider any matters raised by shareholders of the company, with or without advance notice to the company.

Electronic participation

Shareholders entitled to attend and vote at the meeting or their proxies will be entitled to participate in the meeting (but not vote) by electronic communication. Should a shareholder wish to participate in the meeting by electronic communication, they should advise the company by 09:00 on Friday 16 August 2019 by submitting via registered mail addressed to the company (for the attention of Mrs Gillian Kisbey-Green) relevant contact details, as well as full details of the shareholder's title to securities issued by the company and proof of identity, in the form of certified copies of identity documents and share certificates (in the case of materialised shares) and (in the case of dematerialised shares) written confirmation from the shareholder's CSDP, confirming their title to the dematerialised shares. On receipt of the required information, the shareholder will be given a secure code and instructions to access electronic communication during the annual general meeting. Shareholders must note that access to the electronic communication will be at their expense.

Integrated annual report

The integrated annual report of the company for the year ended 31 March 2019 is available on **www.naspers.com** or on request during business hours at Naspers's registered address, 40 Heerengracht, Cape Town 8000 (contact person Ms Yasmin Abrahams) and in Johannesburg at MultiChoice City, 144 Bram Fischer Drive, Randburg 2194 (contact person Mrs Toni Lutz).

Ordinary resolutions

For the ordinary resolutions below to be adopted, the support of a majority of votes exercised by shareholders present or represented by proxy at this meeting is required. Ordinary resolutions numbers 10 and 11 require the support of at least 75% of the total number of votes exercised by shareholders present or represented by proxy at this meeting.

1. To consider and accept the financial statements of the company and the group for the twelve (12) months ended 31 March 2019 and the reports of the directors, auditor, audit committee, and social and ethics committee. The summarised form of the financial statements is attached to this notice.
   A copy of the complete annual financial statements of the company for the financial year ended 31 March 2019 can be obtained from **www.naspers.com** or on request during business hours at Naspers's registered address, 40 Heerengracht, Cape Town 8000 (contact person Ms Yasmin Abrahams) and in Johannesburg at MultiChoice City, 144 Bram Fischer Drive, Randburg 2194 (contact person Mrs Toni Lutz).
2. To confirm and approve payment of dividends in relation to the N ordinary and A ordinary shares of the company as authorised by the board after having applied the solvency and liquidity tests contemplated in the Act.
3. To reappoint, on the recommendation of the company's audit committee, the firm PricewaterhouseCoopers Inc. as independent registered auditor of the company (noting that Mrs V Myburgh is the individual registered auditor of that firm who will undertake the audit) for the period until the next annual general meeting of the company.
4. To approve the appointment of Mr F L N Letele as non-executive director from 27 February 2019. His abridged curriculum vitae appear on page 56 of the integrated annual report. The board unanimously recommends approval of the appointment of the director in question.
5. To elect Messrs J P Bekker, S J Z Pacak, J D T Stofberg, B J van der Ross and Prof D Meyer who retire by rotation and, being eligible, offer themselves for re-election as directors of the company. Their abridged curricula vitae appear on pages 56 and 57 of the integrated annual report.
   The board unanimously recommends that the re-election of directors in terms of resolution number 5 be approved by shareholders of the company.
   The appointments of the director in ordinary resolution number 4 and re-election of directors in ordinary resolution number 5 will be conducted as a series of votes, each being for the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised may be exercised once.
6. To appoint audit committee members as required in terms of the Act and as recommended by the King Report for Corporate Governance for South Africa 2016 (King IV) (Principle 8).
   The board and nomination committee are satisfied that the company's audit committee members are suitably skilled and experienced independent non-executive directors. Collectively, they have sufficient qualifications and experience to fulfil their duties, as contemplated in regulation 42 of the Companies Regulations 2011. Collectively, they have a comprehensive understanding of financial reporting, internal financial controls, risk management and

Notice of annual general meeting

continued

governance processes in the company, as well as International Financial Reporting Standards (IFRS) and other regulations and guidelines applicable to the company. They keep up to date with developments affecting their required skills set. The board and nomination committee therefore unanimously recommend Messrs D G Eriksson and B J van der Ross and Prof R C C Jafta for election to the audit committee. Their abridged curricula vitae appear on pages 56 and 57 of the integrated annual report. The appointment of members of the audit committee will be conducted by way of a separate vote for each individual.

7. To endorse the company's remuneration policy, as set out in the 2019 remuneration report on pages 14 to 20, by way of a non-binding advisory vote.
8. To approve the implementation of the remuneration policy as set out on pages 21 to 30 of the 2019 remuneration report, by way of a non-binding advisory vote.
9. To place the authorised but unissued share capital of the company under the control of directors and to grant, until the conclusion of the next annual general meeting of the company, an unconditional authority to directors to allot and issue at their discretion (but subject to the provisions of the Act and the JSE Listings Requirements, and the rules of any other exchange on which the shares of the company may be quoted or listed from time to time, and the memorandum of incorporation of the company), the unissued shares of the company, on such terms and conditions and to such persons, whether they be shareholders or not, as the directors in their discretion deem fit.
10. Subject to a minimum of 75% of the votes of shareholders of the company present in person or by proxy at the annual general meeting and entitled to vote, voting in favour, the directors be and are hereby authorised to issue unissued shares of a class of shares already in issue in the capital of the company for cash as the opportunity arises, subject to the requirements of the JSE, including:
    - This authority will not endure beyond the earlier of the next annual general meeting of the company or beyond fifteen (15) months from the date of this meeting.
    - That a paid press announcement giving full details, including intended use of the funds, will be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of shares of that class in issue prior to the issue.
    - The aggregate issue of any particular class of shares in any financial year will not exceed 5% (21 932 802) of the issued number of that class of shares (including securities that are compulsorily convertible into shares of that class).
    - That in determining the price at which an issue of shares will be made in terms of this authority, the discount at which the shares may be issued, may not exceed 10% of the weighted average traded price of the shares in question, as determined over the thirty (30) business days prior to the date that the price of the issue is determined.
    - That the shares will only be issued to 'public shareholders' as defined in the JSE Listings Requirements, and not to related parties.
11. To approve amendments to the trust deed constituting the Naspers Restricted Stock Plan Trust (the trust deed) and the share scheme envisaged by such trust deed (the scheme), as laid before the meeting, with effect from the date of this resolution.

Reason for and effect of ordinary resolution 11

Schedule 14 of the JSE Listings Requirements (Schedule 14) governs share option schemes and share incentive schemes involving the issue of equity securities by issuers to, or for the benefit of, employees and other persons involved in the business of the Naspers group (the group) and which result in a dilution of the shareholding of equity securities holders in the issuer. This includes the issue of equity securities from the issuer's authorised, but unissued, share capital, as well as the use of equity securities held as treasury shares. Schedule 14 is applicable to the scheme and the trust deed. The scheme and the trust deed were originally approved in terms of Schedule 14.

In order to bring the scheme in line with market standards, the board proposes certain amendments to the scheme and the trust deed. These amendments will be effective on and as from the date on which they are approved by shareholders.

The trust deed currently contemplates the granting of awards to defined employees in the group, being conditional rights awarded to employees to the delivery or distribution of Naspers N ordinary shares in the company (or cash in lieu thereof) from the trust. Subject to the provisions of the trust deed (including applicable leaver provisions) such awards vest in four equal tranches over a four-year period and is not subject to the satisfaction of any performance conditions (such awards hereinafter the RSU awards). It is proposed that the trust deed be amended to allow for a second type of award to be awarded to employees (such proposed awards hereinafter the PSU awards). PSU awards will be the same as existing RSU awards in all respects, except for the following differences:

(i) Performance condition: PSU awards will have a performance condition attached to them, being a condition which is specified by the board in the relevant award letter (RSU awards are not subject to the satisfaction of any performance conditions).

(ii) Vesting: subject to the provisions of the trust deed (including applicable leaver provisions), PSU awards will vest on the vesting date as set out in the relevant award letter or, if later, the date on which the board determines whether or not the performance condition for the relevant measurement period has been satisfied (in whole or in part), and only to the extent that the performance condition is satisfied (subject to the provisions of the trust deed (including applicable leaver provisions) RSU awards vest in four equal tranches over a four-year period).

(iii) Annual awards limit: a separate aggregate maximum will apply in respect of the number of PSU awards that may be granted in any financial year of the company, namely such number as determined by the board in its discretion (the current aggregate maximum number of RSU awards that may be granted in any financial year will continue to apply).

(iv) Individual limit: a separate individual limit (being the aggregate maximum number of shares at any time allocated in respect of unvested awards to any one employee) will apply in respect of PSU awards, namely 400 000 N ordinary shares in the company, subject to adjustments made in terms of the trust deed (the individual limit in respect of RSU awards will continue to apply).

(v) Leaver provisions: death, ill health and disability: if the employment of a beneficiary under a PSU award terminates prior to the vesting date due to any of these reasons, the vesting of such PSU award will be accelerated on the termination date assuming at target achievement of any performance condition and, if following the end of the period over which the performance condition is measured, the board determines that the performance condition has been satisfied above target, an additional amount (payable in cash or shares) will be due to the beneficiary or his/her heirs equal to the difference in value between at target and actual achievement of the performance condition (in such instances under the RSU awards, vesting will also be accelerated but no additional amount will be due based on the satisfaction of any performance condition).

Notice of annual general meeting

continued

(vi) Leaver provisions: other event, matter, fact or circumstance as determined by the board: if the employment of a beneficiary under a PSU award terminates prior to the vesting date due to any of these reasons, the board may determine that all or only a portion of the relevant PSU award will vest on the termination date, subject to the achievement of any performance condition as determined by the board (in such instances under the RSU awards, the same provisions regarding vesting will apply, provided that such vesting will not be subject to the achievement of any performance condition).

(vii) Leaver provisions: jurisdictional issues, retrenchment, retirement, transfer of employment pursuant to a transaction entered into by an employer company: if the employment of a beneficiary under a PSU award terminates prior to the vesting date due to any of these reasons, the PSU award will be accelerated and will vest on the termination date, but on a pro rata basis based on the proportion of the period between the award date to the vesting date that the relevant beneficiary has worked as at the termination date, subject to the achievement of any performance condition as determined by the board (in such instances under the RSU awards, the portion of the beneficiary's RSU award which would have vested on the next vesting date will be accelerated and vest on the termination date, but on a pro rata basis based on the year that the relevant beneficiary has worked as at the termination date).

(viii) Leaver provisions: employer company ceases to form part of the group: if, prior to the vesting date of a PSU award, an employer company ceases to form part of the group, then the vesting of the relevant PSU award will be accelerated on a pro rata basis based on the proportion of the period between the award date to the vesting date that the employer company remained part of the group, subject to the achievement of any performance condition as determined by the board (in such instances under the RSU awards, unless the board continues to designate the relevant company as an employer company, in respect of each beneficiary who has been granted RSU awards from such company, the vesting of the unvested awards in the year that the employer company ceases to form part of the group will be accelerated on a pro rata basis on the date on which the employer company ceases to be part of the group, based on the proportion of the year that the employer company remained part of the group, provided that the accelerated portion to be vested will only be that portion of the RSU award which would have vested on the following vesting date).

Furthermore, the trust deed does not currently provide for the acceleration of awards where a change of control or demerger is implemented in respect of the company. It is proposed that the trust deed be amended to provide that in the case of a demerger or if control of the company passes to a person or persons acting in concert in whom control did not vest before, the RSU awards and PSU awards will vest on the date control is obtained or the demerger is implemented, but on a pro rata basis based on the proportion of the period between the award date to the vesting date that the beneficiary has worked as at the date control is obtained or the demerger is implemented and subject to the achievement of any performance condition, as determined by the board, in the case of PSU awards. For this purpose, a demerger is a restructure of the company that results in the segregation of its business activities into one or more components which are under the same control immediately before and after the segregation, and control is the beneficial ownership of more than 50% of the combined voting power of the issued voting securities of the company.

This ordinary resolution number 11 will only be effective if passed by a majority of 75% or more of the votes cast by all shareholders present or represented by proxy, excluding any votes exercised in respect of any treasury shares held by the group and any shares held by share schemes of the group.

The trust deed will be made available for inspection by shareholders during normal business hours at the company's registered address, 40 Heerengracht, Cape Town 8000 (contact person Ms Yasmin Abrahams) and in Johannesburg at MultiChoice City, 144 Bram Fischer Drive, Randburg 2194 (contact person Mrs Toni Lutz) for a period of not less than fourteen (14) days prior to the annual general meeting.

Notice of annual general meeting

continued

Special resolutions

The special resolutions set out below require the support of at least 75% of votes exercised by shareholders present or represented by proxy at this meeting to be adopted.

Special resolutions numbers 1.1 to 1.13

The approval of the remuneration of non-executive directors for the year ending 31 March 2021 (up to 5% increase on fees for 31 March 2020 already approved by shareholders at the annual general meeting on 24 August 2018), as follows:

Board			31 March 2021[(1)] (proposed up to 5% increase year on year)
1.1	Chair[(2)]		2.5 times member
1.2	Member		US$209 297
	All members: Daily fees when travelling to and attending meetings outside home country		US$3 500
	Committees		
1.3	Audit committee:	Chair	2.5 times member
1.4		Member	US$51 566
1.5	Risk committee:	Chair	2.5 times member
1.6		Member	US$30 629
1.7	Human resources and remuneration committee:	Chair	2.5 times member
1.8		Member	US$36 236
1.9	Nomination committee:	Chair	2.5 times member
1.10		Member	US$19 530
1.11	Social and ethics committee:	Chair	2.5 times member
1.12		Member	US$26 805
	Other		
1.13	Trustee of group share schemes/ other personnel funds		R56 448

Notes

(1) *In the 2020 financial year, subject to the proposed listing of Prosus on Euronext Amsterdam, Naspers non-executive directors will serve on the boards of both companies. As a result of the non-executive directors assuming these dual responsibilities, going forward, the proposed fees will be split between Naspers and Prosus, on a 30/70 basis.*

(2) *The chair of Naspers does not receive additional remuneration for attending meetings, or being a member of or chairing any committee of the board.*

The reason for and effect of special resolution numbers 1.1 to 1.13 is to grant the company the authority to pay remuneration to its directors for their services as directors.

Each of the special resolution numbers 1.1 to 1.13, in respect of the proposed 31 March 2021 remuneration, will be considered by way of a separate vote.

Special resolution number 2

That the board may authorise the company to generally provide any financial assistance in the manner contemplated in and subject to the provisions of section 44 of the Act to a director or prescribed officer of the company or of a related or interrelated company, subject to (ii) below, or to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, pursuant to the authority hereby conferred upon the board for these purposes. This authority shall: (i) include and also apply to the granting of financial assistance to the Naspers share incentive scheme, the other existing group share-based incentive schemes (details of which appear on pages 150 to 152 in the annual financial statements) and such group share-based incentive schemes that are established in future (collectively the Naspers group share-based incentive schemes) and participants thereunder (which may include directors, future directors, prescribed officers and future prescribed officers of the company or of a related or interrelated company) (participants) for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company, pursuant to the administration and implementation of the Naspers group share-based incentive schemes, in each instance on the terms applicable to the Naspers group share-based incentive scheme in question; and (ii) be limited, in respect of directors and prescribed officers, to financial assistance in relation to the acquisition of securities as contemplated in (i).

The reason for and effect of special resolution number 2 is to approve generally the provision of financial assistance to the potential recipients as set out in the resolution.

Special resolution number 3

That the company, as authorised by the board, may generally provide, in terms of and subject to the requirements of section 45 of the Act, any direct or indirect financial assistance to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, pursuant to the authority hereby conferred upon the board for these purposes.

The reason for and effect of special resolution number 3 is to approve generally the provision of financial assistance to the potential recipients as set out in the resolution.

Special resolution number 4

That the company or any of its subsidiaries be and are hereby authorised to acquire N ordinary shares issued by the company from any person (including any director or prescribed officer of the company or any person related to any director or prescribed officer of the company), in terms of and subject to the Act and in terms of the rules and requirements of the JSE, being that:

- Any such acquisition of N ordinary shares will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement.
- This general authority will be valid until the company's next annual general meeting, provided that it will not extend beyond fifteen (15) months from the date of passing of this special resolution.

Notice of annual general meeting

continued

- An announcement will be published as soon as the company or any of its subsidiaries have acquired N ordinary shares constituting, on a cumulative basis, 3% of the number of N ordinary shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions.
- Acquisitions of N ordinary shares in aggregate in any one financial year may not exceed 20% of the company's N ordinary issued share capital as at the date of passing of this special resolution.
- In determining the price at which N ordinary shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such N ordinary shares may be acquired will not exceed 10% of the weighted average of the market value at which such N ordinary shares are traded on the JSE as determined over the five (5) business days immediately preceding the date of repurchase of such N ordinary shares by the company or any of its subsidiaries.
- At any point, the company may only appoint one agent to effect any repurchase on its behalf.
- The company and/or its subsidiaries may not repurchase any N ordinary shares during a prohibited period as defined by the JSE Listings Requirements, unless a repurchase programme is in place where dates and quantities of shares to be traded during the prohibited period are fixed, and full details of the programme have been submitted to the JSE in writing prior to the start of the prohibited period.
- Authorisation for the repurchase is given by the company's memorandum of incorporation.

A resolution has been passed by the board authorising the repurchase, and confirming that the company and its subsidiaries passed the solvency and liquidity test and that, from the time that the test was done, there have been no material changes to the financial position of the group. Before the general repurchase is effected, the directors, having considered the effects of the repurchase of the maximum number of N ordinary shares in terms of the foregoing general authority, will ensure that for a period of twelve (12) months after the date of the notice of the annual general meeting:

- The company and the group will be able, in the ordinary course of business, to pay their debts.
- The assets of the company and the group, fairly valued in accordance with IFRS, will exceed the liabilities of the company and the group.
- The company and the group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

Additional information on the following appears in the integrated annual report and in the annual financial statements, and is provided in terms of the JSE Listings Requirements for purposes of the general authority:

- Major shareholders.
- Share capital of the company.

Directors' responsibility statement

The directors, whose names appear in the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 4 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 4 contains all information required by the applicable JSE Listing Requirements.

Material changes

Other than the facts and developments disclosed in the integrated annual report and annual financial statements, except for the purposes of the group's share-based incentive schemes, there have been no material changes in the affairs or financial position of the company and its subsidiaries between the date of signature of the audit report to the date of this notice.

The directors have no specific intention, at present, for the company to repurchase any of its N ordinary shares, but believe that such a general authority should be put in place in case an opportunity presents itself during the year, which is in the best interests of the company and its shareholders.

The reason for and effect of special resolution number 4 is to grant the company the authority in terms of the Act and JSE Listings Requirements for the acquisition by the company, or a subsidiary of the company, of the company's N ordinary shares.

Special resolution number 5

That the company or any of its subsidiaries be and are hereby authorised to acquire A ordinary shares issued by the company from any person (including any director or prescribed officer of the company or any person related to any director or prescribed officer of the company), in terms of and subject to the Act.

The reason for and effect of special resolution number 5 is to grant the company the authority in terms of the Act for the acquisition by the company, or a subsidiary of the company, of the company's A ordinary shares.

Special resolution number 6

That the company be and is hereby specifically authorised, for a period of fifteen (15) months from the date of adoption of this resolution, to acquire up to 10% of the number of issued N ordinary shares immediately following the implementation of the proposed capitalisation issue by the company (announced on 25 March 2019), through structured repurchase mechanisms implemented by or on behalf of the company, including through a modified Dutch auction process and/or reverse bookbuild process (as described below), from holders of N ordinary shares at the time of implementing any such repurchase (including any director or prescribed officer of the company or any person related to any director or prescribed officer of the company) but not exclusively from a single Naspers shareholder or related party (as envisaged in the JSE Listings Requirements) at a price to be determined through such structured repurchase mechanisms but which price shall not exceed the higher of: (i) 10% above the weighted average of the market value of the N ordinary shares for the five (5) trading days immediately preceding the date on which the structured repurchase mechanism is implemented; and (ii) 10% above the spot price of the N ordinary shares on the date on which the structured repurchase mechanism is implemented (Specific Repurchase Authorisation). Any repurchase under the Specific Repurchase Authorisation will be implemented in accordance with the JSE Listings Requirements applicable to specific repurchases, which requirements currently require, inter alia, that:

- Authorisation for the repurchase is given by the company's memorandum of incorporation.
- If the company has announced that it will make a specific repurchase, it must pursue the proposal, unless the JSE permits the company not to do so.
- The company or a subsidiary may not repurchase securities during a prohibited period (as defined in the JSE Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company must instruct an independent third party, which makes its investment decisions in relation to the issuer's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.

Notice of annual general meeting

continued

The company will comply with the applicable provisions of the Act and the JSE Listings Requirements prior to implementing any repurchase in terms of the Specific Repurchase Authorisation. In particular, the board will comply with the applicable requirements of section 48 of the Act read with section 4 of the Act and the board will, in its approval of any repurchase that is to be implemented under the Specific Repurchase Authorisation, confirm that:

- The company and the Naspers group will be able in the ordinary course of business to pay their debts for a period of twelve (12) months after the date of any such board approval.
- The assets of the company and the Naspers group will be in excess of the liabilities of the company and the Naspers group for a period of twelve (12) months after the date of any such board approval.
- The share capital and reserves of the company and the Naspers group will be adequate for ordinary business purposes for a period of twelve (12) months after the date of any such board approval.
- The working capital of the company and the Naspers group will be adequate for ordinary business purposes for a period of twelve months after the date of any such board approval.

Additional information in respect of the major shareholders, share capital of the company and directors' interests in the company appear in the integrated annual report and annual financial statements of the company and is provided in terms of the JSE Listings Requirements for purposes of the Specific Repurchase Authorisation. The company has not incurred any preliminary expenses as envisaged in the JSE Listings Requirements in relation to the Specific Repurchase Authorisation as at the date hereof.

Material changes

Other than the facts and developments reported on in the integrated annual report and annual financial statements, except for the purposes of the group's share-based incentive schemes, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

Directors' responsibility statement

The directors, whose names appear in the list of directors contained in the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 6 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 6 contains all information required by the applicable JSE Listings Requirements.

The reason and effect of special resolution number 6 is to grant the company the authority, in terms of the JSE Listings Requirements and the Act, as applicable, to acquire N ordinary shares through structured mechanisms on an expedited basis (despite the Specific Repurchase Authorisation being valid for fifteen (15) months from the date on which it is granted), including through a modified Dutch auction process and/or a reverse bookbuild process. The Specific Repurchase Authorisation is intended to provide the company with additional flexibility and thus enable the board to drive shareholder value.

Should the board determine to implement any structured repurchase in terms of the Specific Repurchase Authorisation, any structured repurchase implemented will involve the company announcing the ambit of any proposed structured repurchase including the number of N ordinary shares to be acquired in terms of such structured repurchase within the parameters set in the Specific Repurchase Authorisation. The structured repurchase will then be open for a period of time for all holders of N ordinary shares to tender shares in terms of the structured repurchase proposed, which offer period will be open for sufficient time to allow all holders of N ordinary shares to participate in the structured repurchase. Thereafter, a clearing price will be determined by the company for any such structured repurchase having regard to tenders received that allows the company to acquire the number of N ordinary shares proposed to be repurchased.

The Specific Repurchase Authorisation is separate from and in addition to the general authority proposed for approval in special resolution number 4 and any repurchase made under this Specific Repurchase Authorisation (if granted) will not affect any authority granted under special resolution number 4.

Ordinary resolution

12. Each of the directors of the company or the company secretary is hereby authorised to do all things, perform all acts and sign all documentation necessary to effect the implementation of the ordinary and special resolutions adopted at this annual general meeting.

Other business

To transact such other business as may be transacted at an annual general meeting.

By order of the board

G Kisbey-Green
Company secretary

19 July 2019
Cape Town

Form of proxy

Naspers Limited

Incorporated in the Republic of South Africa
Registration number: 1925/001431/06
JSE share code: NPN ISIN: ZAE000015889 LSE share code: NPSN ISIN: US 6315121003
(the company)

105th annual general meeting of shareholders
For use by holders of certificated shares or 'own name' dematerialised shareholders at the 105th annual general meeting of shareholders of the company to be held on the 2nd floor, Daisy Room, Cape Town International Convention Centre 2 (CITCC2), corner of Heerengracht and Rua Bartholomeu Dias, Foreshore, Cape Town, South Africa on Friday 23 August 2019 at 11:15.

I/We (please print)			
of			
being a holder of		certificated shares or	
'own name' dematerialised shares of Naspers and entitled to (see note 1)		votes, hereby appoint	
1.			or, failing him/her,
2.			or, failing him/her,

3. the chair of the annual general meeting as my/our proxy to act for me/us at the annual general meeting, which will be held in the boardroom on the 2nd floor, Daisy Room, Cape Town International Convention Centre 2 (CITCC2), corner of Heerengracht and Rua Bartholomeu Dias, Foreshore, Cape Town, South Africa on Friday 23 August 2019 at 11:15 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement, and to vote for or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the company registered in my/our name(s) (see note 2) as follows:

	In favour of	Against	Abstain
Ordinary resolutions			
1. Acceptance of annual financial statements			
2. Confirmation and approval of payment of dividends			
3. Reappointment of PricewaterhouseCoopers Inc. as auditor			
4. To confirm the appointment of F L N Letele as a non-executive director			
5. To re-elect the following directors:			
5.1 J P Bekker			
5.2 S J Z Pacak			
5.3 J D T Stofberg			
5.4 B J van der Ross			
5.5 D Meyer			
6. Appointment of the following audit committee members:			
6.1 D G Eriksson			
6.2 B J van der Ross			
6.3 R C C Jafta			
7. To endorse the company's remuneration policy			
8. To approve the implementation report of the remuneration report			
9. Approval of general authority placing unissued shares under the control of the directors			
10. Approval of general issue of shares for cash			
11. Approval of amendments to the Naspers Restricted Stock Plan Trust			
12. Authorisation to implement all resolutions adopted at the annual general meeting			
Special resolution number 1			
Approval of the remuneration of the non-executive directors			
Proposed financial year 31 March 2021:			
1.1 Board: Chair			
1.2 Board: Member			
1.3 Audit committee: Chair			
1.4 Audit committee: Member			
1.5 Risk committee: Chair			
1.6 Risk committee: Member			
1.7 Human resources and remuneration committee: Chair			
1.8 Human resources and remuneration committee: Member			
1.9 Nomination committee: Chair			
1.10 Nomination committee: Member			
1.11 Social and ethics committee: Chair			
1.12 Social and ethics committee: Member			
1.13 Trustees of group share schemes/other personnel funds			

Form of proxy

continued

	In favour of	Against	Abstain
Special resolution number 2			
Approve generally the provision of financial assistance in terms of section 44 of the Act			
Special resolution number 3			
Approve generally the provision of financial assistance in terms of section 45 of the Act			
Special resolution number 4			
General authority for the company or its subsidiaries to acquire N ordinary shares in the company			
Special resolution number 5			
General authority for the company or its subsidiaries to acquire A ordinary shares in the company			
Special resolution number 6			
Granting the Specific Repurchase Authority			

and generally to act as my/our proxy at the said annual general meeting (tick whichever is applicable. If no indication is given, the proxy holder will be entitled to vote or to abstain from voting as the proxy holder deems fit).

Signed at……………………………………………….. on this ………….. day of ………………………………..……….2019

Signature………………………………. Assisted by (where applicable) …………………………………..………..………

Notes to the form of proxy

1. 1 The following provisions apply to proxies:
   1.1 A shareholder of the company may appoint any individual (including an individual who is not a shareholder of the company) as a proxy to participate in, speak and vote at the annual general meeting of the company.
   1.2 A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
   1.3 A proxy instrument must be in writing, dated and signed by the shareholder.
   1.4 A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
   1.5 A copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at the annual general meeting.
   1.6 Irrespective of the form of instrument used to appoint the proxy: i) if the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in exercising any rights as a shareholder; ii) the appointment is revocable unless the proxy appointment expressly states otherwise; and iii) if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and the company.
   1.7 The proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the memorandum of incorporation of the company, or the instrument appointing the proxy, provides otherwise.
2. A certificated or 'own name' dematerialised shareholder may insert the names of two alternative proxies of their choice in the space provided, deleting "the chair of the annual general meeting". The person whose name appears first on the form of proxy and whose name has not been deleted and who attends the meeting, will be entitled and authorised to act as proxy to the exclusion of those whose names follow.
3. A shareholder's instructions to the proxy must be indicated by that shareholder in the appropriate space provided, failing which the proxy will not be entitled to vote at the annual general meeting in respect of the shareholder's votes exercisable at that meeting, provided where the proxy is the chair, failure to so comply will be deemed to authorise the chair to vote in favour of the resolutions.
4. A shareholder may appoint a proxy at any time. For practical purposes, forms of proxy for Naspers N ordinary shares must be lodged at or posted to the transfer secretaries of the company, Link Market Services South Africa Proprietary Limited, 13th floor, 19 Ameshoff Street, Braamfontein 2001 or PO Box 4844, Johannesburg 2000. Forms of proxy for Naspers A ordinary shares must be lodged at or posted to the registered office of the company, 40 Heerengracht, Cape Town 8001 or PO Box 2271, Cape Town 8000. Forms of proxy lodged in this manner are to be received by not later than 11:15 on Wednesday 21 August 2019, or such later date if the annual general meeting is postponed to allow for processing of such proxies. All other proxies must be handed to the company secretary prior to the start of the meeting.
5. The completion and lodging of this form of proxy will not preclude the certificated shareholder or 'own name' dematerialised shareholder from attending the annual general meeting and speaking and voting in person at the meeting to the exclusion of any appointed proxy.
6. An instrument of proxy will be valid for any adjournment or postponement of the annual general meeting, as well as for the meeting to which it relates, unless the contrary is stated therein, but will not be used at the resumption of an adjourned annual general meeting if it could not have been used at the annual general meeting from which it was adjourned for any reason other than that it was not lodged timeously for the meeting from which the adjournment took place.

Notes to the form of proxy

continued

7. A vote cast or act done in accordance with the terms of a form of proxy will be deemed to be valid despite:
   - the death, insanity, or any other legal disability of the person appointing the proxy, or
   - revocation of the proxy, or
   - transfer of a share for which the proxy was given, unless notice on any of the above-mentioned matters has been received by the company at its registered office or by the chair of the annual general meeting at the place of the annual general meeting, if not held at the registered office, before the commencement or resumption (if adjourned) of the annual general meeting at which the vote was cast or the act was done or before the poll on which the vote was cast.
8. The authority of a person signing the form of proxy:
   8.1 under a power of attorney, or
   8.2 on behalf of a company or close corporation or trust, must be attached to the form of proxy unless the full power of attorney has already been received by the company or the transfer secretaries.
9. Where shares are held jointly, all joint holders must sign.
10. Dematerialised shareholders, other than by 'own name' registration, must NOT complete this form of proxy and must provide their central securities depository participant (CSDP) or broker of their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP and/or broker.

Shareholder and corporate information

Administration and corporate information

Company secretary
Gillian Kisbey-Green
MultiChoice City
144 Bram Fischer Drive
Randburg 2194
South Africa
Companysecretariat@naspers.com
Tel: +27 (0)11 289 3032

Registered office
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Cape Town 8001
South Africa
PO Box 2271
Cape Town 8000
South Africa
Tel: +27 (0)21 406 2121
Fax: +27 (0)21 406 3753

Registration number
1925/001431/06
Incorporated in South Africa

Auditor
PricewaterhouseCoopers Inc.

Transfer secretaries
Link Market Services South Africa Proprietary Limited
(Registration number: 2000/007239/07)
PO Box 4844
Johannesburg 2000
South Africa
Tel: +27 (0)11 630 0800
Fax: +27 (0)11 834 4398

ADR programme
Bank of New York Mellon maintains a Global BuyDIRECT℠ plan for Naspers Limited.

For additional information, visit Bank of New York Mellon's website at www.globalbuydirect.com or call Shareholder Relations at 1-888-BNY-ADRS or 1-800-345-1612 or write to:

Bank of New York Mellon
Shareholder Relations Department –
Global BuyDIRECT℠
Church Street Station
PO Box 11258
New York
NY 10286-1258
USA

Sponsor
Investec Bank Limited
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PO Box 785700
Sandton 2146
South Africa
Tel: +27 (0)11 286 7326
Fax: +27 (0)11 286 9986

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Johannesburg 2107
South Africa

Werksmans Inc.
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Cape Town 8000
South Africa

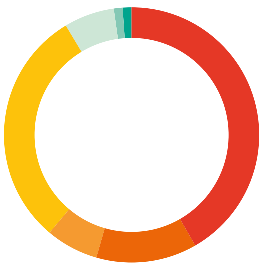
Investor relations
Eoin Ryan
InvestorRelations@naspers.com
Tel: +1 347-210-4305

Analysis of shareholders and shareholders' diary

Analysis of N ordinary shareholders

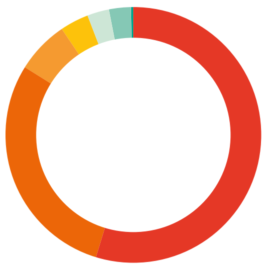
Size of holdings	Number of shareholders	Number of N ordinary shares owned
1 – 100 shares	61 516	2 064 873
101 – 1 000 shares	23 238	7 084 794
1 001 – 5 000 shares	3 212	7 026 933
5 001 – 10 000 shares	694	5 047 256
More than 10 000 shares	1 490	417 432 203
	90 150	**438 656 059**

GEOGRAPHIC DISPERSION



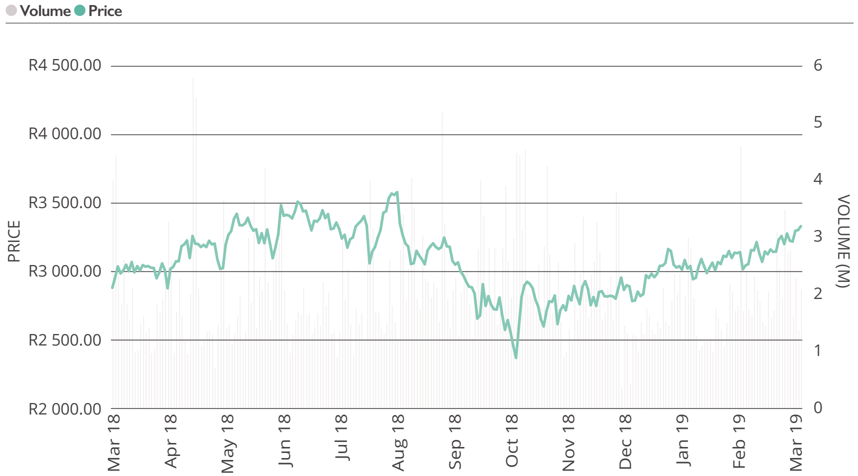
	%
SOUTH AFRICA	41.78
UK	12.87
EUROPE (excluding UK)	6.77
NORTH AMERICA	30.26
ASIA	6.34
REST OF THE WORLD	1.20
OTHER	0.94

SHAREHOLDER TYPES



	%
FOREIGN INSTITUTIONS	54.43
DOMESTIC INSTITUTIONS	29.10
PRIVATE STAKEHOLDERS/INVESTORS	6.64
DOMESTIC BROKERS	3.51
EMPLOYEES, ETC	2.74
UNKNOWN	2.80
OTHER	0.94

PRICE AND VOLUME



The following shareholders hold 5% or more of the N ordinary issued share capital of the company:

Name	% of N ordinary shares held	Number of N ordinary shares owned
Public Investment Corporation of South Africa	13.33	58 484 062

Public shareholder spread (N ordinary shares)

To the best knowledge of the directors, the spread of public shareholders under section 4.25 of the JSE Listings Requirements at 31 March 2019 was 96.95%, represented by 90 138 shareholders holding 425 285 532 N ordinary shares in the company. The non-public shareholders of the company comprising 12 shareholders representing 13 370 527 N ordinary shares are analysed as follows:

Category	Number of N ordinary shares	% of N ordinary issued share capital
Naspers share-based incentive schemes	3 023 498	0.69%
Directors	6 914 703	1.58%
Group companies	3 432 326	0.78%

Shareholders' diary

Annual general meeting	August
Reports	
Interim for half-year to September	November
Announcement of annual results	June
Annual financial statements	July
Dividend	
Declaration	August
Payment	September
Financial year-end	March

Naspers's voting control structure

Aim

The aim of the Naspers voting control structure is to ensure the continued independence of the group. When entering foreign countries in the broad media or communications spheres, and when dealing with regulators, it is critical that we give an assurance of our continuity of identity: in other words, that we will not, after we have entered a territory or secured a licence, be taken over by unknown entities with whom the country or regulator may be uncomfortable. We believe that this assurance of independence and continuity is critical for our entry into, and operation in, many markets.

International

Differentiated voting rights and control structures are commonly used in the media and internet sectors to secure independence and deter raids and efforts to seize control. Many international media and technology companies have differentiated rights or control structures. Some well-known examples include: Schibsted and Tele2 in Norway, Altice in The Netherlands, MTG in Sweden, Daily Mail and General Trust in the United Kingdom, JD.Com and Alibaba in China, and Alphabet (Google), Facebook, LinkedIn, 21st Century Fox, News Corporation, Discovery, Liberty Global, Snap Inc, Zillow and Zynga in the United States. Recently, many internet and tech companies in particular have implemented similar structures.

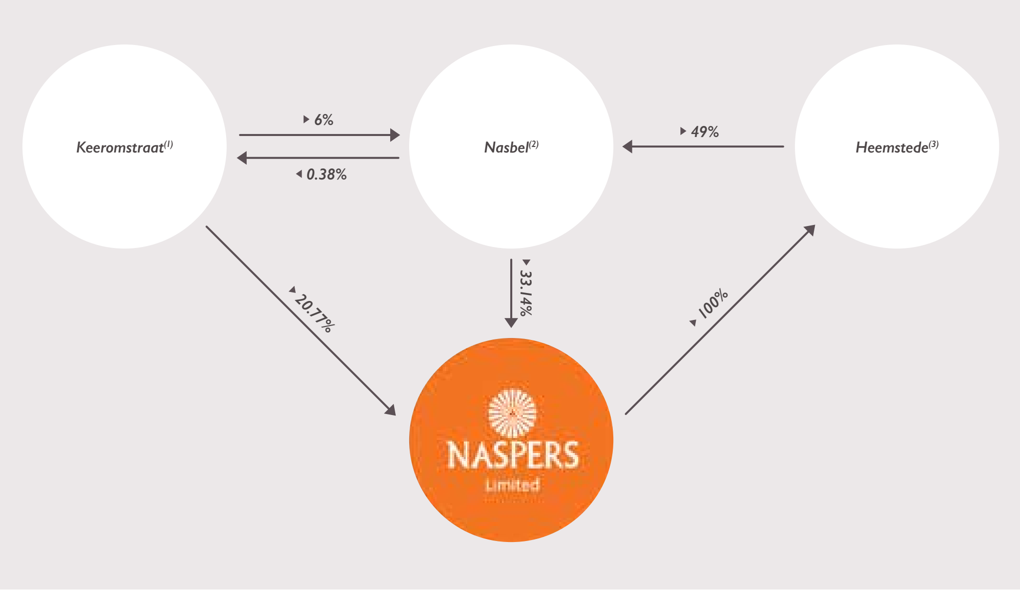
Structure

The issued share capital of Naspers comprises two classes of shares:

- N class ordinary shares that have one vote per share and are listed on the JSE Limited (JSE). As at 31 March 2019, there are **438 656 059** N ordinary shares in issue
- Unlisted A class ordinary shares, that have 1 000 votes per share, but have relatively insignificant economic participation. (The dividends declared to A ordinary shareholders are equal to one fifth of the dividends per share to which N ordinary shareholders are entitled.) As at 31 March 2019, there are **907 128** A ordinary shares in issue.

For more information visit **www.naspers.com/about/control-structure**

A majority of A class ordinary shares is held by two companies that together comprise the control structure of Naspers. The effective voting interests of these two companies are shown below:



Keerom[1] and Nasbel[2] hold such A class ordinary shares that together they control over 50% (currently 53%) of the voting rights in Naspers. These two companies exercise such rights in consultation with one another. No other entities are part of the control structure.

Keerom has 2 846 shareholders and its constitutional documents provide that no shareholder is entitled to exercise more than 50 votes regardless of shareholding.

Nasbel has 2 614 shareholders, one of which is Heemstede[3] (a subsidiary of Naspers) that holds 49% of the shares in Nasbel.

The board of directors of Keerom and the board of directors of Nasbel operate independently.

History

The voting control structure has been in place since the original listing of the Naspers group on the JSE more than two decades ago. It was approved by Naspers shareholders and the JSE and is entrenched in the Naspers memorandum of incorporation.

Designed and produced by MerchantCantos
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NASPERS

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