Naspers Limited

Summarised consolidated financial results for the year ended 31 March

2016

COMMENTARY

Naspers delivered a satisfactory performance. Core headline earnings (which the board regards as the best indicator of sustainable earnings) grew 21% to US$1.2bn. Consolidated development spend reduced 14% to US$708m. The internet segment continued to expand. Improved competitive positions and scale provide a foundation for sustainable future returns. The video-entertainment segment, however, bore the brunt of a sharp fall in commodity prices, which weakened both African currencies and consumer sentiment.

In the internet segment Tencent again shone on the back of healthy mobile engagement. In classifieds, monetisation plans are on track and resulted in a reduction in trading losses for the core portfolio (excluding new markets, primarily through the mobile app-only classifieds platform, letgo). Avito is delivering ahead of plan. In etail, eMAG expanded with improved operating leverage. Equity-accounted etail investments Flipkart and Souq invested more than prior years to drive revenues and improve product offerings. PayU made progress in its payment service provider (PSP) business, as it consolidated technology and drove efficiencies which, in turn, reduced operating losses. ibibo's air business turned profitable and we boosted our investment to build a leadership position in the hotels segment in India. In LatAm, Movile's mobile food-ordering platform, iFood, expanded and consolidated its leadership.

In the video-entertainment segment, the South African customer base grew by 325 000 homes despite a tough economy. However, recently the South African rand (SA rand) has weakened substantially and a weak macroeconomic outlook could reduce growth and profitability. This segment earns revenues in local currency while incurring a major portion of costs (content and transponder capacity) in United States dollar (US dollar). When local currencies weaken, both margins and financial performance thus suffer. In sub-Saharan Africa, we implemented substantial price increases, given the large US dollar cost base and weakening currencies. This combination of higher prices and weaker consumer sentiment resulted in a loss of 288 000 direct-to-home (DTH) customers. To reinvigorate growth, the focus is now on managing costs, minimising further price increases to the consumer and strengthening content in the mid and lower segments. The digital terrestrial television (DTT) customer base reached 2.4m homes at year-end, and development spend has declined. Our new subscription video-on-demand service, ShowMax, recorded a good start in South Africa with a deeper and more customised content offering than competitors and a focus on service delivery.

The media segment (previously print) faced the negative effect of structural and macroeconomic challenges on revenue. The focus on cost containment has, however, enabled Media24 to improve profitability while investing further in digital and ecommerce initiatives.

As announced on 18 April 2016 and in view of the growing international spread of its business, the group has changed its presentation currency for financial reporting purposes from SA rand to US dollar. In these consolidated numbers the financial performances of our businesses were consolidated in their respective functional currencies and translated to US dollar. The weakness in emerging-market currencies over the past year means year-on-year performance was dampened by the translation impact. Unlike the severe earnings impact of falling currencies on the video-entertainment segment, in ecommerce this impact is less of a concern given the group's diverse geographic spread, plus the fact that costs are also usually incurred in local currencies.

Where relevant in this report, we have adjusted amounts and percentages for the effects of foreign currency and acquisitions and disposals. Such adjustments (pro forma financial information) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS).

The following financial commentary and segmental review has been prepared on an economic-interest basis, including consolidated subsidiaries and a proportionate consolidation of associated companies and joint ventures.

FINANCIAL REVIEW

Revenues grew 6% (22%) to US$12.2bn, driven by growth from Tencent and from ecommerce on the back of revenue growth in classifieds, travel and etail. Consolidated revenues were US$5.9bn – down 10% year on year – primarily due to the impact of currency translation. Excluding currency translation, as well as the impact of acquisitions and disposals, consolidated revenues improved 11%.

Development spend, measured on an economic-interest basis, was stable at US$961m, while consolidated development spend reduced 14% to US$708m. Classifieds development spend, excluding investment in new markets through letgo, declined by a meaningful US$59m, DTT development spend in the video-entertainment segment reduced US$143m and consolidated etail platforms development spend dropped US$26m, as all three businesses continued to increase monetisation and scale. New areas of investment include: ibibo's hotels offering; building new classifieds markets (primarily the US) via the mobile app-only letgo platform; ShowMax; and developing consumer-facing offerings in PayU. Together these accounted for development spend of US$192m. Losses in our equity-accounted etail investments widened by US$68m as they build their platforms and grow revenues to outpace competition.

Trading profit increased 18% (38%) to US$2.2bn, driven by expansion of 39% (43%) in the group's share of Tencent's trading profit. Lower losses in classifieds and DTT, combined with ibibo's air-travel business turning profitable and a reduction in PayU's PSP losses as it scales, also boosted growth. These positives were offset by new investments discussed above and a decline in video

COMMENTARY (continued)

entertainment's profitability. With significant US dollar costs, local currency revenues and a loss in sub-Saharan DTH customers, trading profit in the video-entertainment segment declined 17%.

IFRS operating profit declined from a positive US$161m to a negative US$177m in the current year, mainly due to the effects of currency weakness in the video-entertainment segment and impairments, as discussed below.

The group's share of equity-accounted results was 13% lower at US$1.3bn, largely due to one-off gains of US$498m in the prior-year figure. In the current year the group's share of equity-accounted earnings includes one-off gains of US$251m and impairment losses of US$180m recognised by our associates and joint ventures. The contribution to core headline earnings by equity-accounted investments, adjusted for these capital items, was up 25% to US$1.6bn.

The group recognised impairment losses of US$251m during the year, including US$53m relating to Nigerian equity-accounted etail investment, Konga. As reported in the first half, the group wrote off US$140m on its Brazilian online comparison shopping (OCS) business, Buscapé, which faced headwinds. As announced in February 2016, the group waived the preference share debt owed by Welkom Yizani Investments, the largest black economic empowerment structure in the South African print-media industry. This gave rise to an impairment of US$29m.

The group's Czech etail and ecommerce business, Netretail, and OCS platform, Heureka, were classified as held for sale on 30 September 2015. At year-end, the group recognised a writedown to fair value less costs of disposal of US$88m for Netretail. The sale of these businesses was subject to regulatory approval as at 31 March 2016. Subsequent to year-end, approval was received for the Heureka sale and we consequently recognised a gain on disposal of approximately US$61m.

Net interest expense on borrowings rose 19% to US$170m due to increased interest obligations after the US$1.2bn bond issued in July 2015.

Core headline earnings increased by 21% (49%) to US$1.2bn on the back of Tencent's contribution.

Consolidated free cash outflow of US$38m was recorded, marginally higher year on year. Lower capital expenditure in the video-entertainment business, a US$118m reduction in development spend and higher dividends from associates were offset by weaker cash flow from the sub-Saharan Africa video-entertainment business.

Following the US$2.5bn equity raise in December 2015, consolidated net gearing dropped to 12%. Some US$1.2bn of the proceeds was used for the acquisition of a controlling stake in Avito.

The company's external auditor has not audited, reviewed or reported on any forecasts in these summarised consolidated financial results.

SEGMENTAL REVIEW

Internet

The internet segment benefited from good growth in Tencent and ecommerce to deliver revenues of US$8.2bn, up 18% (31%) year on year. Trading profit was 38% higher year on year at US$1.6bn.

Tencent

For the year ended 31 December 2015, Tencent revenues were RMB102.9bn, up 30% annually. Non-GAAP profit attributable to shareholders (Tencent's measure of normalised performance) grew by 31% to RMB32.4bn.

Strong mobile engagement is at the core of Tencent's continued growth. Weixin monthly active users increased 39% year on year to 697m, while mobile games and online advertising revenues were up 53% and 110% respectively, with mobile accounting for 65% of total advertising revenues. The rapid adoption of Tencent's mobile wallet has come at some cost because of subsidising bank fees. Tencent recorded expansion of services embedded in Weixin as use of Weixin Pay grew, as well as from services provided by online and offline partners. Enhancements to premium content provided via subscription services such as video and music, boosted QQ subscription services and drove a 30% year-on-year increase in social network revenues.

Excellent leadership, continued investment and innovation, together with building strategic partnerships across its businesses, position Tencent well for the long term. More information on Tencent's results is available at www.tencent.com/en-us/ir.

Mail.ru

Mail.ru's revenue for the year ended December 2015 was up 11% to RUB36.3bn. Group aggregate segment EBITDA – Mail.ru's measure of normalised performance – was 8% higher at RUB18.1bn.

Improved monetisation in VKontakte and expansion of targeted advertising were key drivers. A weaker rouble and higher share-based compensation expenditure drove the decline in aggregate net profit. More information on Mail.ru's results is available at https://corp.mail.ru/en/investors/.

Ecommerce

This segment recorded a bright year. Revenue grew 6% (24%) to US$2.6bn. The general decline in emerging-market currencies versus the US dollar had a significant impact on translating the segment's performance into US dollars.

The ecommerce business model relies on the continued success of existing businesses and on integrating new acquisitions. Continued investment to drive growth and innovation, develop new markets and deliver superior customer experiences resulted in development spend of US$854m and a trading loss of US$693m.

Progress was made in the classifieds unit, which generated strong revenue growth of 35% (46%). Naspers has demonstrated its ability to outperform direct competitors and gained share in India, Argentina and other markets. Performance indicators in most businesses are trending ahead of expectations.

We continue to invest in long-term growth opportunities, as evidenced by an additional US$1.2bn for a controlling stake in Avito in December 2015. Given the evolution towards mobile, we spent US$100m on a controlling interest in letgo, a contemporary app-only product, allowing us to pursue new markets such as the US. The consolidation with Wallapop in the US subsequent to year-end will give letgo increased scale. The existing classifieds businesses have solid mobile positions, with listings primarily from mobile devices.

Marketplaces continued to deliver stable revenue, positive margins (39%) and surplus cash flow (US$104m). The focus remains on the mobile experience, expanding products and services, and extending consumer reach. The most recognised brand in Polish ecommerce, Allegro, has grown from a consumer-to-consumer (C2C) marketplace to a predominantly business-to-consumer (B2C) third-party (3P) marketplace, and is now transitioning to a structured marketplace that includes first-party (1P) sellers as well. The group concluded the sale of its Swiss marketplace business, the Ricardo group, in September 2015 with proceeds of CHF240m.

Etail grew revenue by 12% (27%) and remains a driver of revenue in the ecommerce segment. This is a solid performance given the aggressive competition in many of our markets. A big share of the growth came from Flipkart (India), Souq (Middle East and North Africa) and eMAG (Central and Eastern Europe (CEE)).

eMAG, the group's consolidated consumer platform in CEE, expanded gross margins through better supplier terms, a more favourable category mix and additional revenue streams such as advertising. The group's CEE fashion business, Fashion Days, merged with eMAG towards the end of the financial year.

Built through organic growth and selective acquisitions, the payments business now operates under one global brand, PayU, across 16 countries. It is organised in three regions: Latin America; Europe, Middle East and Africa (EMEA); and India. PayU reported revenue growth of 1% (20%). In the payment services provider (PSP) area, the focus was on consolidating and migrating technology platforms, increased automation and creating new features. This has allowed the PSP business to scale and reduce losses.

Online travel in India is a business opportunity for us – the estimated US$9bn current market size is expected to double by 2020. Improving its position in air ticketing and hotel bookings, our Indian online travel business, ibibo, generated revenue of US$91m. This is 67% higher in local currency, adjusted for acquisitions and disposals. While registering growth ahead of competitors, ibibo's air-ticketing business turned profitable in the review period. The priority for ibibo is now to expand its hotel segment. Currently only 13% of hotel transactions are online. This is expected to grow to 40% in the next two to three years, creating a large and profitable opportunity.

ibibo's bus-ticketing business, redBus, recorded robust revenue growth of 37% in local currency and is looking at opportunities to expand its footprint. Given the success of redBus in India, the ibibo team has internationalised the platform and strategy, and launched in Singapore and Malaysia.

Movile, a leading mobile services platform in Latin America, exceeded expectations despite the downturn in the Brazilian economy and a deteriorating Brazilian real. Additional investments during the year were focused around iFood (a leading food-delivery platform in Brazil) and PlayKids (mobile app for children). Movile has also made some promising investments in a number of offline-to-online platforms in Brazil and across Latin America.

Video entertainment

The video-entertainment segment generated revenues of US$3.4bn – down 11% (up 10%) year on year. As customers are billed in local currencies, the rapid weakening of currencies in many African markets, driven by a rout in commodity prices, resulted in lower US dollar revenues. However, costs did not decline in a similar way as a significant portion (content and transponder capacity) is US dollar-denominated. Increased competition for content also pushed up costs. The combination of lower revenues and a higher cost base saw trading profit decrease to US$610m – down 17% on the prior year.

Consolidated development spend of US$85m (2015: US$206m) declined year on year, due to DTT scaling further. ShowMax and DTT in sub-Saharan Africa comprise the bulk of the current year's development spend.

The total base closed at 10.4m customers – 185 000 net growth year on year. Macroeconomic headwinds are likely for a while longer. During the year ahead we will absorb the full impact of sub-Saharan currency and customer declines, which will continue to depress financial performance in the near term. Our strategy is to focus on the mid and lower segments of the market, where there is still room for growth. Early signs from consumers after content changes and a commitment to maintain pricing in most sub-Saharan markets are encouraging, but the outlook remains unclear given current volatility.

Given uncertainty related to analogue switchoffs (ASOs) – the process of migrating terrestrial television broadcasting from analogue to digital format – we have chosen to focus on content, service delivery, decoder sales and retention. ASOs in several African markets are expected to take place in the medium term and will then boost DTT customer growth.

Further enhancements were made to the ShowMax product in the second half of the year. The introduction of prepaid vouchers, download functionality and Apple AirPlay functionality has helped ShowMax. It offers deeper and

COMMENTARY (continued)

more compelling content than both local and international competition. International and local players continue to invest in this market, with global online players like Netflix launching during the year and others in the process of doing so.

Delivering great local and international content on multiple platforms, developing innovative products, driving customer retention, improving the total customer experience and driving general cost controls remain focus areas. Enhancements, competitive pricing and introducing bundled packages (subscriptions bundled with the Explora and installation) have seen personal video recorder (PVR) penetration increase to 20.6% of South African customers and 11% of customers in the rest of Africa.

Investing in local content remains important. We are proud to be the largest producer of and investor in local content in Africa. Over the past year we contributed US$325m to sport and general entertainment content.

The Eutelsat 36C satellite was successfully launched on 24 December 2015, providing additional capacity to MultiChoice Africa. More capacity was also acquired from Intelsat, with a new satellite expected to be launched in the 2017 financial year.

Our operations are regulated by various bodies across the continent. A number of competition and consumer investigations are under way and we continue to cooperate with regulators.

Media (previously print media)

Sectoral and macroeconomic headwinds affected Media24's topline growth with revenues declining 20% (2%). Year-on-year trading profit improved marginally to US$29m, despite continued investment in new initiatives. Media24's digital media and ecommerce businesses delivered topline growth of 8%.

Prospects

In the year ahead, the focus will be on continuing to deliver topline growth while scaling the more established ecommerce businesses. Naspers will invest in long-term growth opportunities such as ShowMax, letgo and ibibo and seek further new promising models. In video entertainment, the loss of DTH subscribers and falling currencies in sub-Saharan Africa will have a significant impact on earnings and cash flows. It could take some time before the plans implemented to reinvigorate growth and cut costs have a material positive impact.

DIVIDEND NUMBER 87

(all figures in South African cents)

The board recommends that the annual gross dividend be increased by 11% to 520 cents (previously 470 cents) per listed N ordinary share, and 104 cents (previously 94 cents) per unlisted A ordinary share. If confirmed by shareholders at the annual general meeting on Friday 26 August 2016, dividends will be payable to shareholders recorded in the books on Friday 16 September 2016. It will be paid on Monday 19 September 2016. The last date to trade cum dividend will be on Tuesday 13 September 2016 (shares therefore to trade ex-dividend from Wednesday 14 September 2016). Share certificates may not be dematerialised or rematerialised between Wednesday 14 September 2016 and Friday 16 September 2016, both dates inclusive.
The dividend will be declared from income reserves.
It will be subject to the dividend tax rate of 15%, yielding a net dividend of 442 cents per listed N ordinary share and 88.4 cents per unlisted A ordinary share to those shareholders not exempt from paying dividend tax. Such dividend tax will amount to 78 cents per listed N ordinary share and 15.6 cents per unlisted A ordinary share.
The issued ordinary share capital as at 24 June 2016 was 437 920 115 N ordinary shares and 907 128 A ordinary shares.
The company's income tax reference number is 9550138714.

DIRECTORATE

Guijin Liu and Hendrik du Toit were appointed as independent non-executive directors with effect from 1 April 2016.

Guijin Liu is highly experienced in international affairs. He is Dean of the China-Africa International Business School, Zhejiang Normal University and a past Chinese ambassador to South Africa (2001 to 2007).

Hendrik du Toit is chief executive of Investec Asset Management and a director of Investec plc and Investec Ltd. He holds an MPhil in economics and politics of development from Cambridge University and an MCom in economics from Stellenbosch University.

PREPARATION OF THE SUMMARISED CONSOLIDATED FINANCIAL RESULTS

The preparation of the summarised consolidated financial results was supervised by the financial director, Basil Sgourdos CA(SA). These results were made public on 24 June 2016.

On behalf of the board

Koos Bekker
Chair

Bob van Dijk
Chief executive

Cape Town
24 June 2016

Summarised consolidated income statement

for the year ended 31 March

	Notes	2016 US$'m	2015 Restated US$'m	% change
Revenue		**5 930**	6 569	(10)
Cost of providing services and sale of goods		**(3 392)**	(3 824)	
Selling, general and administration expenses		**(2 423)**	(2 525)	
Other gains/(losses) – net	7	**(292)**	(59)	
Operating (loss)/profit		**(177)**	161	(>100)
Interest received	5	**40**	45	
Interest paid	5	**(292)**	(247)	
Other finance income/(costs) – net	5	**(100)**	(49)	
Share of equity-accounted results	6	**1 289**	1 475	
– excluding net gain resulting from remeasurements*		**1 038**	977	6
– net gain resulting from remeasurements*		**251**	498	
Impairment of equity-accounted investments		**(55)**	(39)	
Dilution gains on equity-accounted investments		**104**	113	
Gains on acquisitions and disposals		**452**	139	
Profit before taxation	7	**1 261**	1 598	(21)
Taxation		**(260)**	(338)	
Profit for the year		**1 001**	1 260	(20)
Attributable to:				
Equity holders of the group		**994**	1 257	
Non-controlling interest		**7**	3	
		1 001	1 260	
Core headline earnings for the year (US$'m)	4	**1 246**	1 030	21
Core headline earnings per N ordinary share (US cents)		**298**	255	17
Fully diluted core headline earnings per N ordinary share (US cents)		**292**	249	18
Headline earnings for the year (US$'m)	4	**701**	674	4
Headline earnings per N ordinary share (US cents)		**168**	167	1
Fully diluted headline earnings per N ordinary share (US cents)		**162**	161	1
Earnings per N ordinary share (US cents)		**238**	311	(23)
Fully diluted earnings per N ordinary share (US cents)		**232**	305	(24)
Net number of shares issued ('000)				
– At year-end		**431 085**	411 998	
– Weighted average for the year		**417 575**	403 576	
– Fully diluted weighted average		**419 208**	405 171	

* *Remeasurements refer to business combination-related gains and losses and disposals of investments. Refer to note 2 for details of the restatement resulting from the group's change in presentation currency.*

Summarised consolidated statement of comprehensive income

for the year ended 31 March

	2016 US$'m	2015 Restated US$'m
Profit for the year	**1 001**	1 260
Total other comprehensive income, net of tax, for the year[1]	**374**	(1 164)
Translation of foreign operations[2]	**(309)**	(1 290)
Net fair value gains/(losses)	**11**	(2)
Cash flow hedges	**42**	34
Share of other comprehensive income and reserves of equity-accounted investments	**633**	101
Tax on other comprehensive income	**(3)**	(7)
Total comprehensive income for the year	**1 375**	96
Attributable to:		
Equity holders of the group	**1 406**	123
Non-controlling interest	**(31)**	(27)
	1 375	96

Notes

[1] These components of other comprehensive income may subsequently be reclassified to profit or loss except for gains of US$387m (2015: US$113m) included in the "Share of other comprehensive income and reserves of equity-accounted investments" as well as losses of US$nil (2015: US$2m) included in "Net fair-value gains/(losses)" relating to remeasurements on the group's post-employment benefit plans.

[2] 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 foreign operations.

Refer to note 2 for details of the restatement resulting from the group's change in presentation currency.

Summarised consolidated statement of changes in equity

for the year ended 31 March

	2016 US$'m	2015 Restated US$'m
Balance at the beginning of the year	**6 903**	6 477
Changes in share capital and premium		
Movement in treasury shares	**(68)**	94
Share capital and premium issued	**2 300**	310
Changes in reserves		
Total comprehensive income for the year	**1 406**	123
Movement in share-based compensation reserve	**120**	65
Movement in existing control business combination reserve	**9**	(86)
Movement in valuation reserve	**–**	31
Direct retained earnings movements	**–**	(11)
Dividends paid to Naspers shareholders	**(161)**	(160)
Changes in non-controlling interest		
Total comprehensive income for the year	**(31)**	(27)
Dividends paid to non-controlling shareholders	**(125)**	(128)
Movement in non-controlling interest in reserves	**301**	215
Balance at the end of the year	**10 654**	6 903
Comprising:		
Share capital and premium	**4 965**	2 733
Retained earnings	**6 110**	5 277
Share-based compensation reserve	**1 231**	724
Existing control business combination reserve	**(184)**	(193)
Hedging reserve	**35**	(2)
Valuation reserve	**573**	421
Foreign currency translation reserve	**(2 476)**	(2 312)
Non-controlling interest	**400**	255
Total	**10 654**	6 903

Refer to note 2 for details of the restatement resulting from the group's change in presentation currency.

Summarised consolidated statement of financial position

as at

	Notes	**31 March 2016 US$'m**	31 March 2015 Restated US$'m	1 April 2014 Restated US$'m
Assets				
Non-current assets		**13 486**	10 236	9 515
Property, plant and equipment		**1 443**	1 425	1 619
Goodwill	8	**2 818**	1 891	2 451
Other intangible assets		**1 190**	451	541
Investments in associates	9	**7 625**	6 058	4 535
Investments in joint ventures	9	**218**	228	164
Other investments and loans	9	**57**	78	113
Other receivables		**20**	–	–
Derivative financial instruments		**–**	8	–
Deferred taxation		**115**	97	92
Current assets		**3 237**	2 700	2 698
Inventory		**194**	262	274
Programme and film rights		**160**	154	188
Trade receivables		**393**	398	460
Other receivables and loans		**491**	438	458
Derivative financial instruments		**59**	37	20
Cash and cash equivalents		**1 714**	1 226	1 298
		3 011	2 515	2 698
Assets classified as held for sale	11	**226**	185	–
Total assets		**16 723**	12 936	12 213
Equity and liabilities				
Share capital and reserves		**10 254**	6 648	6 282
Share capital and premium		**4 965**	2 733	2 329
Other reserves		**(821)**	(1 362)	(238)
Retained earnings		**6 110**	5 277	4 191
Non-controlling shareholders' interest		**400**	255	195
Total equity		**10 654**	6 903	6 477
Non-current liabilities		**4 023**	3 852	3 471
Capitalised finance leases		**771**	617	643
Liabilities – interest bearing		**2 922**	3 057	2 601
– non-interest bearing		**8**	25	43
Other non-current liabilities		**3**	–	–
Post-employment medical liability		**13**	17	17
Derivative financial instruments		**20**	12	35
Deferred taxation		**286**	124	132
Current liabilities		**2 046**	2 181	2 265
Current portion of long-term debt		**227**	354	250
Trade payables		**437**	448	505
Accrued expenses and other current liabilities		**1 253**	1 295	1 327
Derivative financial instruments		**31**	47	80
Bank overdrafts and call loans		**1**	26	103
		1 949	2 170	2 265
Liabilities classified as held for sale	11	**97**	11	–
Total equity and liabilities		**16 723**	12 936	12 213
Net asset value per N ordinary share (US cents)		**2 379**	1 614	1 580

Refer to note 2 for details of the restatement resulting from the group's change in presentation currency.

Summarised consolidated statement of cash flows

for the year ended 31 March

	2016 **US$'m**	2015 Restated US$'m
Cash flows from operating activities		
Cash generated from operating activities	**454**	574
Interest income received	**46**	46
Dividends received from investments and equity-accounted companies	**146**	100
Interest costs paid	**(246)**	(227)
Taxation paid	**(322)**	(334)
Net cash generated from operating activities	**78**	159
Cash flows from investing activities		
Acquisitions and disposals of tangible and intangible assets	**(228)**	(292)
Acquisitions of subsidiaries, associates and joint ventures	**(1 426)**	(406)
Disposals of subsidiaries, associates and joint ventures	**289**	158
Cash movement in other investments and loans	**(19)**	(12)
Net cash utilised in investing activities	**(1 384)**	(552)
Cash flows from financing activities		
Proceeds from issue of share capital	**2 470**	–
Proceeds from long- and short-term loans raised	**2 000**	805
Repayments of long- and short-term loans	**(2 270)**	(204)
(Outflow)/inflow from share-based compensation transactions	**(13)**	171
Dividends paid by the holding company and its subsidiaries	**(254)**	(274)
Other movements resulting from financing activities	**(41)**	53
Net cash generated from financing activities	**1 892**	551
Net movement in cash and cash equivalents	**586**	158
Foreign exchange translation adjustments	**(73)**	(149)
Cash and cash equivalents at the beginning of the year	**1 200**	1 195
Cash and cash equivalents classified as held for sale	**–**	(4)
Cash and cash equivalents at the end of the year	**1 713**	1 200

Refer to note 2 for details of the restatement resulting from the group's change in presentation currency.

Segmental review

for the year ended 31 March

	Revenue 2016 US$'m	2015 Restated US$'m	% change
Internet	**8 237**	6 999	18
– Tencent	**5 417**	4 297	26
– Mail.ru	**173**	210	(18)
– Ecommerce	**2 647**	2 492	6
Video entertainment	**3 413**	3 830	(11)
Media	**608**	762	(20)
Corporate services	**1**	5	(80)
Intersegmental	**(35)**	(55)	36
Economic interest	**12 224**	11 541	6
Less: Equity-accounted investments	**(6 294)**	(4 972)	(27)
Consolidated	**5 930**	6 569	(10)

	EBITDA[1] 2016 US$'m	2015 Restated US$'m	% change
Internet	**1 845**	1 394	32
– Tencent	**2 415**	1 782	36
– Mail.ru	**78**	114	(32)
– Ecommerce	**(648)**	(502)	(29)
Video entertainment	**799**	920	(13)
Media	**52**	52	–
Corporate services	**(12)**	(30)	60
Economic interest	**2 684**	2 336	15
Less: Equity-accounted investments	**(2 261)**	(1 786)	(27)
Consolidated	**423**	550	(23)

	Trading profit 2016 US$'m	2015 Restated US$'m	% change
Internet	**1 619**	1 177	38
– Tencent	**2 246**	1 616	39
– Mail.ru	**66**	104	(37)
– Ecommerce	**(693)**	(543)	(28)
Video entertainment	**610**	732	(17)
Media	**29**	22	32
Corporate services	**(12)**	(30)	60
Economic interest	**2 246**	1 901	18
Less: Equity-accounted investments	**(2 067)**	(1 603)	(29)
Consolidated	**179**	298	(40)

Note

[1] *EBITDA refers to earnings before interest, taxation, depreciation and amortisation.*

Refer to note 2 for details of the restatement resulting from the group's change in presentation currency.

Reconciliation of trading profit to operating (loss)/profit

for the year ended 31 March

	2016 US$'m	2015 US$'m
Trading profit	**179**	298
Finance cost on transponder leases	**33**	34
Amortisation of other intangible assets	**(68)**	(68)
Other gains/(losses) – net	**(292)**	(59)
Retention option expense	**(2)**	(14)
Share-based incentives settled in treasury shares	**(27)**	(30)
Operating (loss)/profit	**(177)**	161

Note: For a reconciliation of operating profit to (loss)/profit before taxation, refer to the condensed consolidated income statement.

Notes to the summarised consolidated financial results

1. General information

Naspers Limited (Naspers) is a global internet and entertainment group and one of the largest technology investors in the world. Founded in 1915, we now operate in more than 130 countries and markets with long-term growth potential. Naspers builds leading companies that empower people and enrich communities. It runs some of the world's leading platforms in internet, video entertainment and media.

2. Basis of presentation and accounting policies

The summarised consolidated financial results for the year ended 31 March 2016 are prepared in accordance with the JSE Limited's stock exchange (JSE) Listings Requirements (the Listings Requirements) relevant to summarised financial statements and the provisions of the Companies Act. No 71 of 2008. The 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.

On 18 April 2016 Naspers announced that it had changed the presentation currency in its consolidated financial statements from the South African rand (SA rand) to the United States dollar (US dollar) with effect from the financial year ended on 31 March 2016.

Over the past 100 years the group has evolved from a single-country newspaper business and early investor in pay television to a video-entertainment leader and global internet and ecommerce group with operations in over 130 countries. Today more than 75% of revenue measured on an economic-interest basis (which includes the group's proportionate share of the revenue of associates and joint ventures) is sourced from outside of South Africa.

Coupled with the evolution of the business, the group's shareholder base now largely comprises foreign investors to whom financial reporting in SA rand is of limited relevance. Internally, the board also bases its performance evaluation and many investment decisions on US dollar financial information.

The board therefore believes that US dollar financial reporting provides more relevant presentation of the group's financial position, funding and treasury functions, financial performance and its cash flows.

Dividends will continue to be declared in SA rand, with the relevant exchange rate announced at the time of the dividend payment.

A change in presentation currency represents a change in an accounting policy in terms of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* requiring the restatement of comparative information. In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, the following methodology was followed in restating historical financial information from SA rand into US dollar:

- Non-US dollar assets and liabilities were translated at the relevant closing exchange rate at the end of the reporting period. Non-US dollar items of income and expenditure and cash flows were translated at actual transaction date exchange rates.
- The foreign currency translation reserve was reset to nil as at 1 April 2006, the date on which the group adopted IFRS, in line with IFRS 1 *First-time Adoption of International Financial Reporting Standards*. Share capital and premium and other reserves, as appropriate, were translated at the historic rates prevailing at the dates of underlying transactions.
- The effects of translating the group's financial results and financial position into US dollar were recognised in the foreign currency translation reserve.

Although actual transaction date exchange rates were used to translate previously reported SA rand earnings and cash flows into US dollar, the group has provided the average exchange rates of its major trading currencies relative to the US dollar as an approximation for these rates for reference in the following table. The closing exchange rates of the group's major trading currencies relative to the US dollar, used when translating the statements of financial position presented in this release into US dollar, are also detailed in this table.

Notes to the summarised consolidated financial results (continued)

	31 March 2015		31 March 2014	
	Average rate	**Closing rate**	Average rate	Closing rate
South African rand	0.0899	0.0824	0.0982	0.0950
Euro	1.2470	1.0743	1.3426	1.3774
Chinese yuan renminbi	0.1614	0.1613	0.1633	0.1609
Brazilian real	0.3997	0.3143	0.4412	0.4433
Polish zloty	0.2984	0.2635	0.3183	0.3304
Russian rouble	0.0215	0.0172	0.0301	0.0284

The group has adopted all new and amended accounting pronouncements issued by the IASB that are effective for financial years commencing 1 April 2015. None of the new or amended accounting pronouncements that are effective for the financial year commencing 1 April 2015 had a material impact on the group.

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 one-off and non-operating items. We believe it is a useful measure of the group's sustainable operating performance. However, this is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies.

3. Independent audit

The summarised consolidated financial results have been audited by the company's auditor, PricewaterhouseCoopers Inc. (PwC). The individual auditor assigned to perform the audit is Brendan Deegan. PwC's unqualified audit reports on the consolidated annual financial statements and summarised consolidated financial results are available for inspection at the registered office of the company. The auditor's report does not necessarily cover all the information contained in the summarised financial results. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's work, they should obtain a copy of that report, together with the consolidated annual financial statements from the registered office of the company. The consolidated annual financial statements, together with the integrated annual report, will be available on **www.naspers.com** on or about 22 July 2016.

4. Headline and core headline earnings

	Year ended 31 March 2016 US$'m	2015 US$'m
Net profit attributable to shareholders	**994**	1 257
Adjusted for:		
– insurance proceeds	**(1)**	(2)
– impairment of property, plant and equipment and other assets	**43**	44
– impairment of goodwill and other intangible assets	**155**	15
– loss on sale of assets	**3**	–
– loss on remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	**88**	–
– gains on acquisitions and disposals of investments	**(110)**	(150)
– remeasurement of previously held interest	**(348)**	(3)
– dilution gains on equity-accounted investments	**(104)**	(113)
– remeasurements included in equity-accounted earnings	**(125)**	(396)
– impairment of equity-accounted investments	**55**	39
	650	691
Total tax effects of adjustments	**54**	(9)
Total adjustment for non-controlling interest	**(3)**	(8)
Headline earnings	**701**	674
Adjusted for:		
– equity-settled share-based payment expenses	**218**	136
– (recognition)/reversal of deferred tax assets	**(1)**	20
– amortisation of other intangible assets	**230**	150
– fair-value adjustments and currency translation differences	**90**	26
– retention option expense	**2**	12
– business combination related losses	**6**	12
Core headline earnings	**1 246**	1 030

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$20m (2015: US$20m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

5. Interest received/(paid)

	Year ended 31 March 2016 US$'m	2015 US$'m
Interest received	**40**	45
– loans and bank accounts	**37**	39
– other	**3**	6
Interest paid	**(292)**	(247)
– loans and overdrafts	**(207)**	(182)
– transponder leases	**(33)**	(34)
– other	**(52)**	(31)
Other finance income/(cost) – net	**(100)**	(49)
– net foreign exchange differences and fair-value adjustments on derivatives	**(102)**	(53)
– preference dividends received	**2**	4

Notes to the summarised consolidated financial results (continued)

6. Equity-accounted results

The group's equity-accounted investments contributed to the summarised consolidated financial results as follows:

	Year ended 31 March 2016 US$'m	2015 US$'m
Share of equity-accounted results	**1 289**	1 475
– sale of assets	**–**	3
– disposal of investments	**(251)**	(498)
– impairment of investments	**180**	98
Contribution to headline earnings	**1 218**	1 078
– amortisation of other intangible assets	**174**	101
– equity-settled share-based payment expenses	**191**	106
– fair-value adjustments and currency translation differences	**6**	(10)
Contribution to core headline earnings	**1 589**	1 275
Tencent	**1 797**	1 316
Mail.ru	**45**	90
Other	**(253)**	(131)

7. Profit before taxation

In addition to the items already detailed, profit before taxation has been determined after taking into account, inter alia, the following:

	Year ended 31 March 2016 US$'m	2015 US$'m
Depreciation of property, plant and equipment	**186**	198
Amortisation	**94**	88
– other intangible assets	**67**	68
– software	**27**	20
Net realisable value adjustments on inventory, net of reversals[1]	**78**	55
Other gains/(losses) – net	**(292)**	(59)
– loss on sale of assets	**(3)**	–
– impairment of goodwill and other intangible assets	**(155)**	(15)
– impairment of property, plant and equipment and other assets	**(43)**	(44)
– remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	**(88)**	
– insurance proceeds	**1**	2
– fair-value adjustments on financial instruments	**(4)**	(2)
Gains on acquisitions and disposals	**452**	139
– profit on sale of investments	**110**	68
– gains recognised on loss of control transactions	**–**	82
– remeasurement of contingent consideration	**2**	2
– acquisition-related costs	**(8)**	(16)
– remeasurement of previously held interest	**348**	3

Note

[1] *Net realisable value writedowns relate primarily to set-top box subsidies in the video-entertainment segment.*

8. Goodwill

Goodwill is subject to an annual impairment assessment. Movements in the group's goodwill for the year are detailed below:

	Year ended 31 March 2016 US$'m	2015 US$'m
Goodwill		
– cost	**2 170**	2 792
– accumulated impairment	**(279)**	(341)
Opening balance	**1 891**	2 451
– foreign currency translation effects	**(26)**	(441)
– acquisitions of subsidiaries and businesses	**1 260**	105
– disposals of subsidiaries and businesses	**(7)**	(84)
– transferred to assets classified as held for sale	**(155)**	(138)
– impairment	**(145)**	(2)
Closing balance	**2 818**	1 891
– cost	**3 175**	2 170
– accumulated impairment	**(357)**	(279)

The impairment loss recognised during the current reporting period relates primarily to the group's investment in its online comparison shopping business, Buscapé. Buscapé forms part of the ecommerce segment. The impairment loss has been calculated on a value-in-use basis using a 10-year projected cash flow model, a growth rate of 4% and a discount rate of 20%. If the discount rate applied to cash flows were to increase by 5% and the growth rate used to extrapolate cash flows were to decrease by 5%, there would be no further significant impairments that would have to be recognised.

9. Investments and loans

The following relates to the group's investments and loans as at the end of the reporting period:

	Year ended 31 March 2016 US$'m	2015 US$'m
Investments and loans	**7 900**	6 364
– listed investments	**6 977**	5 291
– unlisted investments and loans	**923**	1 073

10. Commitments

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.

	Year ended 31 March 2016 US$'m	2015 US$'m
Commitments	**3 254**	2 918
– capital expenditure	**16**	41
– programme and film rights	**2 245**	1 650
– network and other service commitments	**176**	141
– transponder leases	**573**	909
– operating lease commitments	**207**	124
– set-top box commitments	**37**	53

The group has made certain restatements to transponder lease and programme and film rights commitments reported during the comparative period. These adjustments resulted in an increase in total commitments of US$445m.

Notes to the summarised consolidated financial results (continued)

11. Disposal groups classified as held for sale

The group classified the net assets and liabilities of Netretail, its Czech etail and ecommerce platform; Heureka, the group's Czech online comparison shopping platform, as well as the assets and liabilities of other smaller businesses as held for sale during the year ended 31 March 2016. The above-mentioned transactions are subject to regulatory approval.

The group concluded the disposals of its subsidiaries Ricardo.ch AG and Korbitec Proprietary Limited following the receipt of regulatory approval during September and November 2015 respectively. These businesses were previously classified as held for sale. Refer to note 12 for additional details regarding these disposals.

The carrying values of the assets and liabilities of all disposal groups classified as held for sale as at 31 March 2016 are detailed below:

	Year ended 31 March **2016** **US$'m**	2015 US$'m
Assets	**226**	185
Property, plant and equipment	**28**	8
Goodwill and other intangible assets	**124**	156
Investment in joint venture	**4**	-
Deferred taxation assets	**1**	6
Inventory	**38**	2
Trade and other receivables	**19**	9
Cash and cash equivalents	**12**	4
Liabilities	**97**	11
Deferred taxation liabilities	**9**	3
Long-term liabilities	**2**	-
Trade payables	**39**	2
Accrued expenses and other current liabilities	**35**	6
Bank overdrafts	**12**	–

The group recognised a loss of US$87.7m (2015: US$nil) on remeasuring the net assets of businesses classified as held for sale to their fair value less costs of disposal during the year. The fair value of the businesses was determined based on third-party sales prices. This represents a level 3 fair-value measurement.

12. Business combinations and other acquisitions

The group acquired an additional 49.0% interest in its associate Avito AB (Avito), the leading online classifieds platform in Russia, during December 2015. The additional investment resulted in the group holding a 67.5% interest in Avito on a fully diluted basis and was accounted for as a business combination. The total purchase consideration amounted to US$1.67bn representing cash paid to the former owners of Avito of US$1.23bn, the fair value of the group's previously held equity interest in Avito of US$411m, as well as the acquisition-date fair value of Avito's vested share-based incentive awards of US$22m. A gain of US$324m has been recognised in "Gains on acquisitions and disposals" in the income statement on the remeasurement of the group's previously held equity interest in Avito to its fair value. The purchase price allocation: property, plant and equipment US$6m; cash US$24m; trade and other receivables US$9m; deferred tax assets US$2m; intangible assets US$812m; trade and other payables US$18m; deferred tax liabilities US$161m and the balance of US$1.19bn to goodwill. The main classes of intangible assets recognised in the business combination were brand names, customer bases and software. The transaction gave rise to the recognition of a non-controlling interest of US$195m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of Avito as at the acquisition date.

In May 2015 the group invested US$10m in Ambatana Holdings B.V. (Ambatana), an entity operating a hyperlocal classifieds marketplace app under the letgo brand. The investment resulted in Ambatana being accounted for as an associate of the group. A further US$50m was invested in Ambatana during September 2015, resulting in the group holding a 67.5% interest on a fully diluted basis following the investment. The additional investment was accounted for as a business combination with an effective date of 30 September 2015. The total purchase consideration amounted to US$58m, representing the fair value of the group's previously held equity interest in Ambatana of US$34m and the fair value of a call option granted to the former owners of Ambatana amounting to US$24m. The cash invested and cash consideration still payable, in aggregate amounting to US$50m, remains within the group following the transaction and is accordingly not disclosed as part of the consideration transferred by the group or assets of Ambatana acquired, although it did affect the amount of goodwill recognised in the business combination. A gain of US$24m has been recognised in "Gains on acquisitions and disposals" in the income statement on the remeasurement of the group's previously held equity interest in Ambatana to its fair value. The purchase price allocation: cash US$1m; other receivables US$1m; trade and other payables US$3m and the balance of US$74m to goodwill. The transaction gave rise to the recognition of a non-controlling interest of US$15m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of Ambatana as at the acquisition date. On 31 March 2016 the call option granted to the former owners of Ambatana was settled, resulting in the group holding a 55.0% interest in Ambatana on a fully diluted basis at year-end.

Since the acquisition dates of the above business combinations, revenue of US$31m and net results (losses) of US$60m have been included in the income statement relating to Ambatana and Avito. Had the revenue and net results of Ambatana and Avito been included from 1 April 2015, group revenue and net profit would have amounted to US$6.01bn and US$1.02bn respectively.

The main factor contributing to the goodwill recognised in the acquisitions is the acquiree's market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$8m 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:

During April 2015 the group invested US$41m in its joint venture Konga Online Shopping Limited (Konga). Following the additional investment, the group continues to exert joint control over Konga with its 50.9% interest on a fully diluted basis.

The group's associate Flipkart Limited (Flipkart) undertook two funding rounds during April and July 2015 in which the group did not participate. The 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$61m in "Dilution gains on equity-accounted investments" in the income statement. Following the dilutions, the group now holds a 15.0% interest in Flipkart on a fully diluted basis.

During May 2015 the group invested US$10m in its joint venture Souq Group Limited (Souq) as part of a funding round. Souq undertook further 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 Souq and in the recognition of an aggregate net dilution gain of US$75m in "Dilution gains on equity-accounted investments" in the income statement. Following the dilutions, the group now holds a 36.4% interest in Souq on a fully diluted basis.

The group also recognised dilution losses of US$42m during the year relating to dilutions in its shareholding in Tencent on account of the exercise of share-based incentive awards by Tencent's employees.

The group invested US$20m in its available-for-sale investment Avenida Inc. (Avenida) during July 2015. The transaction resulted in Avenida becoming an associate, and the group now holds a 23.4% interest in Avenida on a fully diluted basis.

The group invested US$54m as part of a funding round of its associate Takealot Online (RF) Proprietary Limited (Takealot) during August 2015. The group holds a 42.4% interest in Takealot on a fully diluted basis.

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

During September 2015 the group disposed of its interest in its subsidiary Ricardo.ch AG following approval of the transaction by regulatory authorities. The proceeds on sale amounted to US$248m and a gain of US$76m was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction.

The group disposed of its interest in its subsidiary Korbitec Proprietary Limited during November 2015 for US$33m following the receipt of regulatory approval. A gain of US$24m was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction.

During March 2016 the group disposed of its interest in its subsidiary PayProp Group Services Proprietary Limited for US$10m. The disposal gave rise to the recognition of a gain of US$4m in "Gains on acquisitions and disposals" in the income statement.

The group disposed of its 9.9% interest in Beijing Media Corporation during August 2015 for a cash consideration of US$12m. The transaction resulted in the recognition of an aggregate gain on disposal of US$11m, which has been recognised in "Gains on acquisitions and disposals" in the income statement.

Investments acquired and funding rounds participated in were funded through the utilisation of existing credit facilities, proceeds received from disposals during the reporting period as well as the proceeds from the equity raise during December 2015.

Notes to the summarised consolidated financial results (continued)

13. Proceeds from placement of N ordinary shares and issue of listed bond

During December 2015 the group placed 18 167 848 new N ordinary shares with qualifying institutional investors at a price of R1 975 per share, thereby raising gross proceeds of approximately US$2.5bn before transaction costs. The placing represented approximately 4.3% of Naspers's issued N ordinary share capital prior to the share issuance. The proceeds raised were utilised to fund the group's acquisition of a controlling interest in Avito AB (refer to note 12), to repay certain amounts on the group's offshore revolving credit facility and the remainder will serve to fund the group's future growth strategy.

In July 2015 the group issued a 10-year US$1.2bn bond. The bond matures in July 2025 and carries a fixed interest rate of 5.5% per annum. The proceeds were utilised for general corporate purposes, including the repayment of certain amounts on the group's offshore revolving credit facility and to fund acquisitions and growth.

14. 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 2016 using:		
	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	**12**	**–**	**–**
Foreign exchange contracts	**–**	**48**	**–**
Currency devaluation features	**–**	**–**	**11**
Liabilities			
Foreign exchange contracts	**–**	**17**	**–**
Shareholders' liabilities	**–**	**–**	**13**
Earnout obligations	**–**	**–**	**22**
Interest rate swaps	**–**	**21**	**–**

	Fair-value measurements at 31 March 2015 using:		
	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	12	–	–
Foreign exchange contracts	–	45	–
Liabilities			
Foreign exchange contracts	–	2	–
Shareholders' liabilities	–	–	29
Earnout obligations	–	–	39
Interest rate swaps	–	28	–

There have been no transfers between levels 1, 2 or 3 during the reporting period, nor were there any significant changes to the valuation techniques and inputs used in measuring fair value.

14. Financial instruments (continued)

Financial instruments for which fair value is disclosed:

31 March 2016 **Financial liabilities**	**Carrying value US$'m**	**Fair value US$'m**
Capitalised finance leases	**836**	**865**
Publicly traded bonds	**2 900**	**3 035**

31 March 2015 **Financial liabilities**	Carrying value US$'m	Fair value US$'m
Capitalised finance leases	679	703
Publicly traded bonds	1 700	1 861

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.

A reconciliation of the movements in the carrying values of level 3 fair-value measurements is provided below:

Year ended 31 March 2016	**Currency devaluation features US$'m**	**Share holders' liabilities US$'m**	**Earnout obligations US$'m**	**Total US$'m**
Opening balance	**–**	**(29)**	**(39)**	**(68)**
Total gains/(losses) in the income statement	**8**	**(4)**	**3**	**7**
Total gains recognised as adjustments to the cost of programme and film rights	**3**	**–**	**–**	**3**
Additional obligations raised[(1)]	**–**	**(27)**	**(1)**	**(28)**
Cancellations/reclassifications	**–**	**4**	**–**	**4**
Settlements	**–**	**43**	**11**	**54**
Foreign currency translation effects	**–**	**–**	**4**	**4**
Closing balance	**11**	**(13)**	**(22)**	**(24)**

Note

[(1)] Includes an amount of US$2m relating to an obligation raised through the income statement.

Year ended 31 March 2015	Currency devaluation features US$'m	Share holders' liabilities US$'m	Earnout obligations US$'m	Total US$'m
Opening balance	–	(77)	(25)	(102)
Total (losses)/gains in the income statement	–	(4)	2	(2)
Additional obligations raised	–	–	(29)	(29)
Cancellations/reclassifications	–	45	–	45
Settlements	–	6	10	16
Foreign currency translation effects	–	1	3	4
Closing balance	–	(29)	(39)	(68)

Currency devaluation features relate to clauses in content acquisition agreements that provide the group with protection against significant currency devaluations. The fair value of currency devaluation features is measured through the use of discounted cash flow techniques.

The fair value of shareholders' liabilities is determined using a discounted cash flow model. Business-specific adjusted discount rates are applied to estimated future cash flows.

Notes to the summarised consolidated financial results (continued)

14. Financial instruments (continued)

For earnout 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 earnout 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.

15. 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.

16. Events after the reporting period

On 12 May 2016 the group announced the merger of the US operations of its mobile marketplace for second-hand goods, letgo, with Wallapop, another leader in the mobile classifieds sector. The transaction resulted in the absorption of Wallapop's US operations into letgo. The group retains control over letgo following the merger and will account for the absorption of Wallapop as a business combination in the 2017 financial year.

On 11 May 2016 the group announced its first investment targeting the education technology market by investing US$13m, through Naspers Ventures, in Brainly – a social learning network. Over 60m students in 35 countries interact with Brainly every month. In line with this strategy, the group also invested US$60m in Udemy, an online education marketplace with over 7m students enrolled and US$22m in Codecademy, a leading global platform focused on online coding education, both during June 2016.

In June 2016 the group received regulatory approval for the sale of its business classified as held for sale, Heureka. The group consequently recognised a gain on disposal of approximately US$61m.

17. 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 review report issued by the group's external auditor and which appears at the end of these summarised consolidated financial results does not extend to the pro forma financial information. 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.

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 periods ended 31 March 2016 and 31 March 2015 respectively. 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 used for the group's most significant functional currencies are listed in note 2.
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. 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:

17. **Pro forma financial information** (continued)

Year ended 31 March 2016

Transaction	**Basis of accounting**	**Reportable segment**	**Acquisition/ Disposal**
Disposal of the group's interest in Ricardo.ch AG	Subsidiary	Ecommerce	Disposal
Acquisition of the group's interest in Avito AB	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Ambatana Holdings B.V.	Subsidiary	Ecommerce	Acquisition
Disposal of the group's interest in 7Pixel Srl	Subsidiary	Ecommerce	Disposal
Disposal of Kalahari.com	Subsidiary	Ecommerce	Disposal
Merger of the group's subsidiary iFood with Just Eat Brazil	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Takealot Online (RF) Proprietary Limited	Associate	Ecommerce	Acquisition
Dilution of the group's interest in Tencent	Associate	Internet	Disposal
Dilution of the group's interest in Flipkart Limited	Associate	Ecommerce	Disposal
Disposal by Tencent of its ecommerce businesses to JD.com	Associate	Internet	Disposal
Acquisition of the group's additional interest in Konga Online Shopping Limited	Joint venture	Ecommerce	Acquisition
Dilution of the group's interest in Souq Group Limited	Joint venture	Ecommerce	Disposal

The net adjustment made for all acquisitions and disposals that took place during the year ended 31 March 2016 amounted to a negative adjustment of US$295m on revenue and a negative adjustment of US$24m on trading profit.

Year ended 31 March 2015

Transaction	Basis of accounting	Reportable segment	Acquisition/ Disposal
Acquisition of the group's controlling interest in redBus	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's controlling interest in Dubizzle Limited	Subsidiary	Ecommerce	Acquisition
Disposal of Kalahari.com	Subsidiary	Ecommerce	Disposal
Acquisition of the group's additional interest in Flipkart Limited	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Neralona Investments Limited (eSky.ru)	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in SimilarWeb Limited	Associate	Ecommerce	Acquisition
Disposal by Tencent of its ecommerce businesses to JD.com	Associate	Internet	Disposal
Acquisition of the group's additional interest in Souq Group Limited	Joint venture	Ecommerce	Acquisition

The net adjustment made for all acquisitions and disposals that took place during the year ended 31 March 2015 amounted to a negative adjustment of US$288m on revenue and a positive adjustment of US$3m on trading profit.

Notes to the summarised consolidated financial results (continued)

17. 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:

	2015 A IFRS US$'m	2016 B Foreign currency adjustment US$'m	2016 C Group composition adjustment US$'m	Year ended 31 March 2016 D Local currency growth US$'m	2016 E[(2)] IFRS US$'m	2016 F[(3)] Local currency growth % change	2016 G[(4)] IFRS % change
Revenue[(1)]							
Internet	6 999	(628)	(298)	2 164	**8 237**	31	18
– Tencent	4 297	(154)	(280)	1 554	**5 417**	36	26
– Mail.ru	210	(77)	20	20	**173**	10	(18)
– Ecommerce	2 492	(397)	(38)	590	**2 647**	24	6
Video entertainment	3 830	(811)	-	394	**3 413**	10	(11)
Media	762	(142)	3	(15)	**608**	(2)	(20)
Corporate services	5	–	–	(4)	**1**	(80)	(80)
Intersegmental	(55)	5	-	15	**(35)**	27	36
Economic interest	11 541	(1 576)	(295)	2 554	**12 224**	22	6
Trading profit[(1)]							
Internet	1 177	(52)	(24)	518	**1 619**	44	38
– Tencent	1 616	(63)	(8)	701	**2 246**	43	39
– Mail.ru	104	(30)	9	(17)	**66**	(16)	(37)
– Ecommerce	(543)	41	(25)	(166)	**(693)**	(31)	(28)
Video entertainment	732	(307)	–	185	**610**	25	(17)
Media	22	(6)	–	13	**29**	59	32
Corporate services	(30)	3	–	15	**(12)**	50	60
Economic interest	1 901	(362)	(24)	731	**2 246**	38	18
Other metrics reported							
Development spend[(5)]							
– economic interest	953	(121)	–	129	**961**	14	1
– consolidated	820	(103)	–	(9)	**708**	(1)	(14)
Consolidated revenue	6 569	(1 263)	(80)	704	**5 930**	11	(10)
Core headline earnings	1 030	(285)	–	501	**1 246**	49	21
Classifieds revenue	161	(33)	15	74	**217**	46	35
Marketplace revenue	336	(41)	(4)	47	**338**	14	1
Payments revenue	138	(25)	–	27	**140**	20	1
Etail revenue	1 476	(203)	(18)	395	**1 650**	27	12
Travel revenue	58	(6)	–	39	**91**	67	57

Notes

(1) *All figures are presented on an economic-interest basis unless otherwise indicated.*

(2) *A + B + C + D.*

(3) *D/A x 100.*

(4) *[(E/A) – 1] x 100.*

(5) *Development spend is not an IFRS measure and accordingly does not have a corresponding IFRS equivalent and therefore has been excluded from the assurance report issued by the group's external auditor.*

17. 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			
	2014 A IFRS US$'m	2015 B Foreign currency adjustment US$'m	2015 C Group composition adjustment US$'m	2015 D Local currency growth US$'m	2015 E[(2)] IFRS US$'m	2015 F[(3)] Local currency growth % change	2015 G[(4)] IFRS % change
Revenue[(1)]							
Internet	5 573	(306)	(303)	2 035	**6 999**	**37**	**26**
– Tencent	3 351	(50)	(338)	1 334	**4 297**	**40**	**28**
– Mail.ru	236	(71)	6	39	**210**	**17**	**(11)**
– Ecommerce	1 986	(185)	29	662	**2 492**	**33**	**25**
Video entertainment	3 582	(317)	-	565	**3 830**	**16**	**7**
Media	829	(70)	15	(12)	**762**	**(1)**	**(8)**
Corporate services	1	–	–	4	**5**	**400**	**400**
Intersegmental	(66)	–	–	11	**(55)**	**17**	**17**
Economic interest	9 919	(693)	(288)	2 603	**11 541**	**26**	**16**
Trading profit[(1)]							
Internet	658	(31)	3	547	**1 177**	**83**	**79**
– Tencent	1 059	(18)	(7)	582	**1 616**	**55**	**53**
– Mail.ru	115	(34)	2	21	**104**	**18**	**(10)**
– Ecommerce	(516)	21	8	(56)	**(543)**	**(11)**	**(5)**
Video entertainment	841	(29)	-	(80)	**732**	**(10)**	**(13)**
Media	53	(2)	-	(29)	**22**	**(55)**	**(58)**
Corporate services	(16)	3	-	(17)	**(30)**	**(106)**	**(88)**
Economic interest	1 536	(59)	3	421	**1 901**	**27**	**24**

Notes

(1) All figures are presented on an economic-interest basis.
(2) A + B + C + D.
(3) D/A x 100.
(4) [(E/A) – 1] x 100.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF NASPERS LIMITED

The summarised consolidated financial statements of Naspers Limited, contained in the accompanying provisional report, which comprise the summarised consolidated statement of financial position as at 31 March 2016, the summarised consolidated income statements, and summarised 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 2016. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 24 June 2016. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: "Other Reports Required by the Companies Act" (refer below).

The summarised 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 summarised consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Naspers Limited.

Directors' Responsibility for the Summarised Consolidated Financial Statements

The directors are responsible for the preparation of these summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 2 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the summarised consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the summarised consolidated financial statements derived from the audited consolidated financial statements of Naspers Limited for the year ended 31 March 2016 are consistent, in all material respects, with those consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 2 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other Reports Required by the Companies Act

The "Other Reports Required by the Companies Act" paragraph in our audit report dated 24 June 2016 states that as part of our audit of the consolidated financial statements for the year ended 31 March 2016, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summarised consolidated financial statements or our opinion thereon.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: Brendan Deegan
Registered Auditor
Cape Town, South Africa
24 June 2016

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Administration and corporate information

Naspers Limited
Incorporated in the Republic of South Africa
(Registration number 1925/001431/06)
(Naspers)
JSE share code: NPN ISIN: ZAE000015889
LSE share code: NPSN ISIN: US 6315121003

Directors
J P Bekker (chair), B van Dijk (chief executive), C L Enenstein, D G Eriksson, G Liu, R C C Jafta, F L N Letele, D Meyer, R Oliveira de Lima, S J Z Pacak, T M F Phaswana, V Sgourdos, M R Sorour, J D T Stofberg, H J du Toit, B J van der Ross

Company secretary
G Kisbey-Green

Registered office
40 Heerengracht, Cape Town 8001, South Africa
(PO Box 2271, Cape Town 8000, South Africa)

Transfer secretaries
Link Market Services South Africa Proprietary Limited
13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein 2001, South Africa
(PO Box 4844, Johannesburg 2000, South Africa)

ADR programme
Bank of New York Mellon maintains a GlobalBuyDIRECT 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 – GlobalBuyDIRECT SM, Church Street Station, PO Box 11258, New York, NY 10286-1258, USA.

Important information
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. 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. These include factors that could adversely affect our businesses and financial performance. We are not under any obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

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