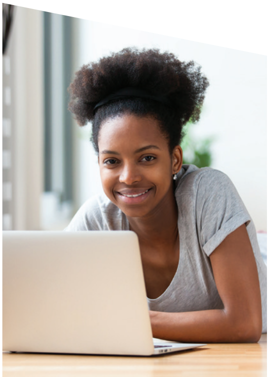
NASPERS

Condensed consolidated interim report
for the six months ended 30 September 2017

COMMENTARY

Naspers delivered a solid performance for the six months to 30 September 2017 with group revenue, measured on an economic-interest basis, increasing 33% year on year to US$9.0bn (or 39% in local currency and adjusted for acquisitions and disposals). This is a 17% increase on last year's growth rate with the ecommerce businesses being key drivers of the acceleration. Group trading profit increased by 40% (or 52% in local currency and adjusted for acquisitions and disposals) to US$2.1bn due to a healthy boost from Tencent and increased profitability in the ecommerce businesses – most notably classifieds. With this as backdrop, group core headline earnings, the board's measure of sustainable operating performance, was US$1.5bn – a 65% increase year on year.

Ecommerce accelerated its topline growth and reduced losses (in local currency and adjusted for acquisitions and disposals) as it increased its scale. Classifieds (excluding letgo) turned profitable and our payment service platforms within PayU also scaled, reducing losses and moving closer to profitability. Notably, the group strengthened its presence in online food delivery with significant investments in Delivery Hero and Swiggy. Tencent produced another excellent set of results. Video entertainment, although still navigating weak African macroeconomic conditions – particularly weak currencies – stabilised its losses in sub-Saharan Africa and saw a significant improvement in cash remittances from Nigeria.

The group's geographic footprint, across more than 120 countries and markets, exposes it to significant foreign exchange volatility. This materially impacts on reported revenue and trading profit metrics, especially in video entertainment where revenues are earned in local currencies but costs are predominantly US dollar based. The internet businesses are less severely affected given their largely local currency denominated revenue and cost bases. Where relevant in this report we have adjusted amounts and percentages for the effects of foreign currency 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). A reconciliation of pro forma financial information to the equivalent IFRS metrics is provided in note 16 of this condensed consolidated interim report.

The following financial commentary and segmental reviews are prepared on an economic-interest basis (including consolidated subsidiaries and a proportionate consolidation of associated companies and joint ventures), unless otherwise stated.

FINANCIAL REVIEW

On a consolidated basis, excluding equity-accounted investments, group revenue increased 5% (15%) due to accelerating ecommerce growth, the latter growing revenue 33% in local currency and adjusted for acquisitions and disposals (notably the disposals of Allegro and Netretail). Consolidated trading profit improved by 56% (165%) to US$70m.

Development spend has reduced year on year on both a consolidated and economic-interest basis. Development spend of consolidated businesses was down 18% from the prior year as earlier-stage investments improved their competitive positions, therefore requiring lower investment while continuing to scale. Excluding the investment in controlled newer initiatives such as letgo and Showmax, which totalled US$155m, development spend on older investments decreased 12%.

The group's share of the results of associates and joint ventures increased 59% year on year to US$1.5bn. Included in this figure are once-off gains of US$414m and impairment losses of US$121m recognised by these entities. In aggregate, these equity-accounted investments contributed US$1.7bn to core headline earnings, an improvement of 52% year on year.

Net interest expense on borrowings was down 27% to US$54m due to lower utilisation of credit facilities, the impact of the proceeds from the Allegro disposal, and the 4.85% coupon achieved by the group on the US$1bn bond issued in July 2017. Net debt was US$140m at 30 September 2017, reflecting gearing of 1%.

Consolidated free cash outflow of US$96m was recorded, benefiting from dividend income of US$247m from Tencent.

The company's external auditor has not reviewed or reported on forecasts included in the condensed consolidated interim report.

SEGMENTAL REVIEW

Internet

Robust growth saw internet revenues increasing 42% (52%) year on year to US$6.9bn. Boosted by classifieds and another exceptional performance by Tencent, trading profit for the internet segment was US$1.8bn – up 47% (61%) year on year. This segment now contributes 77% of group revenue, compared to 72% last year.

Ecommerce

Revenue in ecommerce increased 15% year on year to US$1.6bn. However, when measured in local currency and adjusted for acquisitions and disposals, growth was 38% – an acceleration of 14 percentage points on last year's growth rate. This growth was fuelled by strong performances by classifieds, food delivery, payments and etail. Overall trading losses increased 9% to US$318m, with equity-accounted investments contributing 44% of the loss. Measured in local currency and adjusted for acquisitions and disposals – in particular the US$83m in trading profits generated by Allegro last year – ecommerce trading losses decreased by a meaningful 17%.

Trading losses declined in several ecommerce units including classifieds and payments. The group's profitable ecommerce businesses delivered US$465m in revenues and US$170m in trading profits, growing these metrics by 50% (36%) and 55% (52%) respectively.

Classifieds continued to gain traction across the portfolio. Excluding the additional investment in letgo, the business turned profitable during the reporting period. Revenue grew 47% (38%) year on year with OLX Europe benefiting from tailwinds in the vertical businesses, and Avito showing consistent growth. OLX Brazil is on track to reach break-even by the end of the financial year.

Etail revenues increased 16% year on year in nominal terms. However, in local currency and before the impact of acquisitions and disposals, revenue was up 37% with strong year-on-year growth from Takealot and Flipkart.

eMAG powered growth in its home market of Romania and across Central and Eastern Europe with gross merchandise value (GMV) increasing year on year by 33% in Romania, 50% in Hungary and 27% in Bulgaria.

Flipkart, the group's equity-accounted investment in India, continued its growth acceleration and further solidified its market leadership. During the recent festive season sales period, Flipkart captured around 70% of the total ecommerce market. Flipkart has also secured substantial capital from investors – including Tencent and Softbank – to continue building its position as a leading business-to-consumer (B2C) platform in the fast-growing Indian market.

In August 2017 the group invested an additional US$74m to acquire a controlling stake in South Africa's leading etailer, Takealot, resulting in the business now being consolidated. Takealot made strong progress over the reporting period, recording GMV growth of 72%, a significant acceleration on last year.

Since the merger of the group's travel business ibibo with MakeMyTrip in January 2017, the travel business has maintained its rapid growth – increasing revenue by 91% (24%) year on year.

The group's payments and financial services business, PayU, continued to perform well in the key regions of India, Europe, the Middle East and Africa, and Latin America. Revenue growth of 52% (36%) was recorded on the back of a 75% increase in transaction volumes year on year. India is PayU's fastest growing market, representing 47% of total payment volumes and growing payment volumes by 120% year on year. Overall, PayU processed payment volumes of US$11.7bn during the first six months of the year.

PayU continues to realise scale efficiencies following the consolidation in India with Citrus Pay and from its drive to automate and consolidate platforms in other markets. With healthy revenue growth and a focus on cost management, the core payments service provider business is well on track to achieve break-even by the end of the financial year.

Executing on its strategy to expand into consumer credit, PayU invested US$99m for a non-controlling stake in Kreditech, a credit-scoring business. PayU plans to extend these consumer credit services in its key markets.

The group is expanding its online food-delivery footprint. iFood, majority-owned by Movile, generated revenue growth of 145% (135%) year on year. The group also invested an initial US$426m in Delivery Hero in May 2017, followed by an additional US$47m top-up when Delivery

Hero successfully listed on the Frankfurt stock exchange. Delivery Hero reported 96% year-on-year revenue growth in its second quarter results. In September 2017 the group entered into a further agreement, subject to regulatory approval, to acquire an additional stake in Delivery Hero for €660m (approximately US$775m), taking the group's total ownership to around 24% on a fully diluted basis. The group also led an investment round in Swiggy, a leading online food-delivery business in India, in May 2017, investing US$61m for a 14.8% fully diluted interest.

Naspers Ventures has strengthened its position in the education technology sector with increased investments in Udemy and Brainly, both global learning platforms in which the group originally invested during the 2017 financial year.

Tencent

Tencent had an outstanding six months, with revenues growing 57% year on year to RMB106.2bn and non-GAAP operating profit increasing 37% year on year to RMB38.6bn. Smartphone and PC games, online advertising, digital content subscriptions and payment-related services, all remain growth drivers. Margins contracted due to high channel costs for smartphone games, revenue mix changes to low-margin products and increased investments in content.

Online games revenue increased by 36% year on year to RMB46.7bn, primarily driven by more smartphone game users and a higher proportion of paying users, as well as increased average revenue per user (ARPU) from key PC games titles. In the second quarter of 2017, smartphone titles (including the titles attributable to the social network business) generated more revenue than PC-based titles for the first time. It is expected that PC client game revenue growth will decelerate in future.

Online advertising revenues increased by 52% year on year, boosted by increased traffic on video and growth in advertising on Weixin, mobile browsers and other platforms. Digital-content revenue recorded rapid growth over the period, primarily driven by the strong performance of video and music services subscriptions and virtual gifting within live broadcasts.

At the end of June 2017, Weixin and WeChat monthly active users (MAU) reached 963m, growing 19% year on year. Total MAU for QQ was 850m, down around 5% from last year due to fewer casual users, while engagement with core users increased.

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

Mail.ru

Mail.ru grew overall revenues 33% year on year to RUB26.3bn, reflecting an improving Russian economic environment and solid growth in advertising and online games revenues. Advertising revenue increased 26% over the period to RUB10.3bn, driven by growth in advertising on social networks, video and mobile. Massively multiplayer online (MMO) games revenue was up 53% to RUB7.8bn year on year, the result of both ongoing success in existing titles and new releases such as HAWK and the console version of Skyforge. Internet value-added services (IVAS) revenue declines were reversed and saw year-on-year growth of 19%, closing at RUB7.3bn, primarily on the back of cross-platform subscription offerings. VKontakte remains the largest social network platform in Russia with 60m daily active users. Investments in leveraging Mail.ru's existing user engagement, including in food delivery and classifieds, are encouraging.

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

Video entertainment

Overall, the video-entertainment business recorded modest subscriber growth over the period with the total subscriber base closing at 12.2m households on 30 September 2017.

In South Africa, DStv had a stable performance and continued to deliver healthy profits and cash flows. A further development was the combination of the group's Showmax offering with DStv Now, which is showing encouraging early results. However, the business still operates against a difficult and weakening economic backdrop.

Outside South Africa, losses in the sub-Saharan African video-entertainment business stabilised year on year, with most African currencies, except the Nigerian naira, showing less weakness than in the prior year. Assuming no further significant currency weakness and continued momentum in subscriber growth, the group will be on track to bring the business back to profitability in the coming years.

In October 2017, Zambia commenced the process of migrating terrestrial television broadcasting from an analogue to a digital format – a process commonly referred to as analogue switchoff (ASO). The Zambian business is well prepared to capitalise on this opportunity. Digital terrestrial television (DTT) networks have been rolled out in Mozambique, Nigeria and Ghana although release dates for the ASO have not been confirmed in these territories.

Although monetary policy in several African economies continues to restrict liquidity due to the limited supply of foreign currency, there has been a marked improvement in liquidity in Nigeria. This has allowed the group to regularly remit cash. At 30 September 2017 cash balances of US$166m, held in Angola, Nigeria, Zimbabwe and Mozambique, remain exposed to weakening currencies. This balance is down 43% since the end of March 2017.

The expansion of Showmax in Poland continued and a sharp focus on local content is showing traction in this market.

With the above as backdrop, the segment reported revenues of US$1.8bn, up 8% (7%) on the prior year. Trading profit was up marginally by 4% (3%). Persistent currency weakness in Nigeria, where the naira weakened significantly year on year, translated to lower US dollar revenues.

Management continues to engage regulators and participate in several regulatory reviews in various markets.

Media

Media24 (excluding Novus) achieved satisfactory results with the structural decline in traditional revenue streams offset by significant cost-reduction initiatives throughout the business. Revenue increased 11% (5%) year on year to US$315m, while trading profit grew 75%.

The growth businesses, largely the ecommerce and digital media initiatives, contributed 8% of total revenue and grew 24% over the period in local currency. The segment's focus on audience migration to digital formats and cost containment remains.

In September 2017 the group unbundled the majority of Media24's investment in the listed South African print business Novus, to Naspers's shareholders. Post unbundling, Media24 retained a 19% interest in Novus and accordingly no longer consolidates the business. Media24's remaining portfolio comprises newspapers, magazine and book publishing, ecommerce, digital media, online job classifieds and online travel.

Prospects

Going forward, the group will continue to drive scale to bring its ecommerce business to profitability and cash generation. In addition, it will manage macro challenges in the more mature businesses through tight cost controls and continued innovation and repositioning of businesses to counter increasing competition by global players. The group will also continue to invest in emerging businesses that may power future growth. Naspers's balance sheet remains strong and the group's current business plan is fully funded.

PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM REPORT

The preparation of the condensed consolidated interim report was supervised by the group's financial director, Basil Sgourdos CA(SA). These results were made public on 29 November 2017.

Condensed consolidated income statement

	Notes	Six months ended 30 September 2017 Reviewed US$'m	2016 Reviewed US$'m	Year ended 31 March 2017 Audited US$'m
Revenue		**3 107**	2 958	6 098
Cost of providing services and sale of goods		**(1 824)**	(1 627)	(3 574)
Selling, general and administration expenses		**(1 252)**	(1 334)	(2 827)
Other gains/(losses) – net		**(20)**	(27)	(57)
Operating profit/(loss)		**11**	(30)	(360)
Interest received	5	**54**	29	70
Interest paid	5	**(132)**	(136)	(278)
Other finance income/(costs) – net	5	**(47)**	(58)	(259)
Share of equity-accounted results	7	**1 447**	912	1 829
Impairment of equity-accounted investments		**(17)**	–	–
Dilution losses on equity-accounted investments		**(41)**	(71)	(119)
(Losses)/gains on acquisitions and disposals		**(51)**	39	2 169
Profit before taxation	6	**1 224**	685	3 052
Taxation		**(148)**	(144)	(244)
Profit for the period		**1 076**	541	2 808
Attributable to:				
Equity holders of the group		**1 098**	554	2 921
Non-controlling interest		**(22)**	(13)	(113)
		1 076	541	2 808
Core headline earnings for the period (US$'m)	4	**1 510**	914	1 752
Core headline earnings per N ordinary share (US cents)		**350**	212	406
Diluted core headline earnings per N ordinary share (US cents)		**344**	209	399
Headline earnings for the period (US$'m)	4	**916**	555	772
Headline earnings per N ordinary share (US cents)		**212**	129	179
Diluted headline earnings per N ordinary share (US cents)		**207**	126	173
Earnings per N ordinary share (US cents)		**254**	129	677
Diluted earnings per N ordinary share (US cents)		**249**	125	670
Net number of shares issued ('000)				
– at period-end		**431 690**	431 290	431 540
– weighted average for the period		**431 540**	431 085	431 207
– diluted weighted average		**433 191**	432 715	432 684

Condensed consolidated statement of comprehensive income

	Six months ended 30 September 2017 Reviewed US$'m	2016 Reviewed US$'m	Year ended 31 March 2017 Audited US$'m
Profit for the period	**1 076**	541	2 808
Total other comprehensive income, net of tax, for the period[1]	**842**	291	1 545
Translation of foreign operations[2]	**7**	(115)	326
Net fair value (losses)/gains	**(2)**	4	(1)
Cash flow hedges	**12**	(43)	(85)
Share of other comprehensive income and reserves of equity-accounted investments	**836**	438	1 293
Tax on other comprehensive income	**(11)**	7	12
Total comprehensive income for the period	**1 918**	832	4 353
Attributable to:			
Equity holders of the group	**1 974**	896	4 492
Non-controlling interest	**(56)**	(64)	(139)
	1 918	832	4 353

Notes

[1] *These components of other comprehensive income may subsequently be reclassified to profit or loss except for gains of US$142m (2016: US$141m and 31 March 2017: US$292m) included in the "Share of other comprehensive income and reserves of equity-accounted investments".*

[2] *The movement on the foreign currency translation reserve relates primarily to the effects of foreign exchange rate fluctuations related to the translation of the group's investments in its foreign operations.*

Condensed consolidated statement of financial position

	Notes	30 September Reviewed 2017 US$'m	Reviewed 2016 US$'m	31 March Audited 2017 US$'m
Assets				
Non-current assets		**19 111**	15 080	16 291
Property, plant and equipment		**1 556**	1 861	1 638
Goodwill	8	**2 497**	3 041	2 442
Other intangible assets		**1 137**	1 104	1 104
Investments in associates		**13 563**	8 670	10 784
Investments in joint ventures		**84**	200	79
Other investments and loans		**102**	62	82
Other receivables		**28**	23	32
Derivative financial instruments		**5**	–	2
Deferred taxation		**139**	119	128
Current assets		**4 960**	3 144	5 639
Inventory		**214**	222	154
Programme and film rights		**413**	400	193
Trade receivables		**470**	465	420
Other receivables and loans		**669**	472	456
Derivative financial instruments		**23**	14	6
Cash and cash equivalents		**3 171**	1 545	4 007
		4 960	3 118	5 236
Assets classified as held for sale	10	**–**	26	403
Total assets		**24 071**	18 224	21 930
Equity and liabilities				
Share capital and reserves		**16 574**	11 103	14 958
Share capital and premium		**4 954**	4 939	4 944
Other reserves		**1 199**	(320)	518
Retained earnings		**10 421**	6 484	9 496
Non-controlling interest		**278**	348	403
Total equity		**16 852**	11 451	15 361
Non-current liabilities		**4 707**	4 486	3 641
Capitalised finance leases		**1 111**	1 167	1 142
Liabilities – interest bearing		**3 193**	3 005	2 198
– non-interest bearing		**34**	13	9
Post-employment medical liability		**15**	14	14
Derivative financial instruments		**76**	23	13
Deferred taxation		**278**	264	265
Current liabilities		**2 512**	2 287	2 928
Current portion of long-term debt		**355**	222	915
Trade payables		**675**	599	487
Accrued expenses and other current liabilities		**1 426**	1 341	1 333
Derivative financial instruments		**50**	86	119
Bank overdrafts and call loans		**6**	34	4
		2 512	2 282	2 858
Liabilities classified as held for sale	10	**–**	5	70
Total equity and liabilities		**24 071**	18 224	21 930
Net asset value per N ordinary share (US cents)		**3 839**	2 574	3 466

Condensed consolidated statement of changes in equity

	Six months ended 30 September 2017 Reviewed US$'m	2016 Reviewed US$'m	Year ended 31 March 2017 Audited US$'m
Balance at the beginning of the period	**15 361**	10 654	10 654
Changes in share capital and premium			
Movement in treasury shares	**(74)**	(77)	(77)
Share capital and premium issued	**84**	51	56
Changes in reserves			
Total comprehensive income for the period	**1 974**	896	4 492
Movement in share-based compensation reserve	**(74)**	66	(376)
Movement in existing control business combination reserve	**(121)**	61	47
Direct retained earnings and other reserve movements	**88**	10	720
Dividends paid to Naspers shareholders	**(261)**	(158)	(158)
Changes in non-controlling interest			
Total comprehensive income for the period	**(56)**	(64)	(139)
Dividends paid to non-controlling shareholders	**(124)**	(96)	(116)
Movement in non-controlling interest in reserves	**55**	108	258
Balance at the end of the period	**16 852**	11 451	15 361
Comprising:			
Share capital and premium	**4 954**	4 939	4 944
Retained earnings	**10 421**	6 484	9 496
Share-based compensation reserve	**1 216**	1 438	1 147
Existing control business combination reserve	**(257)**	(123)	(137)
Hedging reserve	**(33)**	6	(30)
Valuation reserve	**1 873**	819	1 387
Foreign currency translation reserve	**(1 600)**	(2 460)	(1 849)
Non-controlling interest	**278**	348	403
Total	**16 852**	11 451	15 361

Condensed consolidated statement of cash flows

	Notes	Six months ended 30 September 2017 Reviewed US$'m	2016 Reviewed US$'m	Year ended 31 March 2017 Audited US$'m
Cash flows from operating activities				
Cash generated from operating activities		**(68)**	92	294
Interest income received		**46**	27	63
Dividends received from investments and equity-accounted companies		**250**	193	193
Interest costs paid		**(123)**	(126)	(257)
Taxation paid		**(175)**	(157)	(333)
Net cash (utilised in)/generated from operating activities		**(70)**	29	(40)
Cash flows from investing activities				
Acquisitions and disposals of tangible and intangible assets		**(45)**	(78)	(173)
Acquisitions of subsidiaries, associates and joint ventures	11	**(857)**	(127)	(397)
Disposals of subsidiaries, businesses, associates and joint ventures	11	**179**	159	3 383
Cash movement in other investments and loans		**2**	4	1
Net cash (utilised in)/generated from investing activities		**(721)**	(42)	2 814
Cash flows from financing activities				
Proceeds from long- and short-term loans raised		**1 114**	122	584
Repayments of long- and short-term loans		**(703)**	(24)	(602)
Outflow from share-based compensation transactions		**(9)**	(8)	(36)
Dividends paid by the holding company and its subsidiaries		**(313)**	(261)	(281)
Other movements resulting from financing activities		**(88)**	4	(76)
Net cash generated from/(utilised in) financing activities		**1**	(167)	(411)
Net movement in cash and cash equivalents		**(790)**	(180)	2 363
Foreign exchange translation adjustments on cash and cash equivalents		**(48)**	(19)	(50)
Cash and cash equivalents at the beginning of the period		**4 003**	1 713	1 713
Cash and cash equivalents classified as held for sale		**–**	(3)	(23)
Cash and cash equivalents at the end of the period		**3 165**	1 511	4 003

Segmental review

	Revenue Six months ended 30 September 2017 Reviewed US$'m	2016 Reviewed US$'m	% change	Year ended 31 March 2017 Audited US$'m
Internet	**6 938**	4 889	42	10 621
Social network services	**5 357**	3 510	53	7 692
– Tencent	**5 241**	3 426	53	7 506
– Mail.ru	**116**	84	38	186
Ecommerce	**1 581**	1 379	15	2 929
– Etail	**877**	753	16	1 659
– Travel	**128**	67	91	123
– Marketplaces	**–**	193	(100)	327
– Payments	**126**	83	52	186
– Classifieds	**289**	196	47	426
– Food delivery	**56**	20	>100	53
– Other	**105**	67	57	155
Video entertainment	**1 777**	1 645	8	3 401
Media[2]	**315**	284	11	588
Corporate services	**1**	1	–	2
Intersegmental	**(10)**	(31)	68	(50)
Economic interest	**9 021**	6 788	33	14 562
Less: Equity-accounted investments	**(5 914)**	(3 830)	(54)	(8 464)
Consolidated	**3 107**	2 958	5	6 098

	EBITDA[1] Six months ended 30 September 2017 Reviewed US$'m	2016 Reviewed US$'m	% change	Year ended 31 March 2017 Audited US$'m
Internet	**1 966**	1 365	44	2 706
Social network services	**2 258**	1 632	38	3 388
– Tencent	**2 227**	1 593	40	3 312
– Mail.ru	**31**	39	(21)	76
Ecommerce	**(292)**	(267)	(9)	(682)
– Etail	**(123)**	(116)	(6)	(258)
– Travel	**(29)**	(58)	50	(87)
– Marketplaces	**–**	89	(100)	146
– Payments	**(32)**	(29)	(10)	(66)
– Classifieds	**(38)**	(113)	66	(319)
– Food delivery	**(7)**	2	>(100)	5
– Other	**(63)**	(42)	(50)	(103)
Video entertainment	**363**	331	10	520
Media[2]	**25**	21	19	40
Corporate services	**(8)**	(6)	(33)	(14)
Economic interest	**2 346**	1 711	37	3 252
Less: Equity-accounted investments	**(2 128)**	(1 535)	(39)	(3 180)
Consolidated	**218**	176	24	72

Notes

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

[2] *Includes revenue of US$133.0m (2016: US$107.9m and 31 March 2017: US$222.4m), EBITDA of US$33.3m (2016: US$29.1m and 31 March 2017: US$55.1m) and trading profit of US$33.3m (2016: US$22.4m and 31 March 2017: US$40.3m) 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 10).*

	Trading profit Six months ended 30 September 2017 Reviewed US$'m	2016 Reviewed US$'m	% change	Year ended 31 March 2017 Audited US$'m
Internet	**1 820**	1 241	47	2 454
Social network services	**2 138**	1 533	39	3 185
– Tencent	**2 115**	1 501	41	3 125
– Mail.ru	**23**	32	(28)	60
Ecommerce	**(318)**	(292)	(9)	(731)
– Etail	**(134)**	(128)	(5)	(281)
– Travel	**(31)**	(58)	47	(88)
– Marketplaces	**–**	83	(100)	137
– Payments	**(33)**	(30)	(10)	(69)
– Classifieds	**(45)**	(117)	62	(328)
– Food delivery	**(8)**	1	>(100)	5
– Other	**(67)**	(43)	(56)	(107)
Video entertainment	**234**	226	4	287
Media[2]	**21**	12	75	19
Corporate services	**(8)**	(6)	(33)	(14)
Economic interest	**2 067**	1 473	40	2 746
Less: Equity-accounted investments	**(1 997)**	(1 428)	(40)	(2 960)
Consolidated	**70**	45	56	(214)

Notes

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

[2] Includes revenue of US$133.0m (2016: US$107.9m and 31 March 2017: US$222.4m), EBITDA of US$33.3m (2016: US$29.1m and 31 March 2017: US$55.1m) and trading profit of US$33.3m (2016: US$22.4m and 31 March 2017: US$40.3m) 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 10).

Reconciliation of trading profit/(loss) to operating profit/(loss)

	Six months ended 30 September 2017 Reviewed US$'m	2016 Reviewed US$'m	Year ended 31 March 2017 Audited US$'m
Trading profit/(loss)	**70**	45	(214)
Finance cost on transponder leases	**26**	20	46
Amortisation of other intangible assets	**(47)**	(46)	(99)
Other gains/(losses) – net	**(20)**	(27)	(57)
Retention option expense	**–**	(1)	(1)
Share-based incentives settled in treasury shares	**(18)**	(21)	(35)
Operating profit/(loss)	**11**	(30)	(360)

Note

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

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 120 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 condensed consolidated interim financial statements for the six months ended 30 September 2017 have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council as well as the requirements of the Companies Act of South Africa and the JSE Limited Listings Requirements.

The condensed consolidated interim financial statements 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 used in preparing the condensed consolidated interim financial statements are consistent with those applied in the previous annual financial statements.

The group has adopted all new and amended accounting pronouncements issued by the IASB that are effective for financial years commencing 1 April 2017. None of the new or amended accounting pronouncements that are effective for the financial year commencing 1 April 2017 had a material impact on the group.

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 once-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. Review by the independent auditor

This condensed consolidated interim report has been reviewed by the company's auditor, PricewaterhouseCoopers Inc., whose unqualified report appears at the end of the condensed consolidated interim report.

4. Calculation of headline and core headline earnings

	Six months ended 30 September		Year ended 31 March
	2017 Reviewed US$'m	2016 Reviewed US$'m	2017 Audited US$'m
Net profit attributable to shareholders	**1 098**	554	2 921
Adjusted for:			
– impairment of property, plant and equipment and other assets	**18**	2	26
– impairment of goodwill and other intangible assets	**1**	24	28
– (profit)/loss on sale of assets	**(3)**	(1)	1
– loss on remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	**–**	2	2
– losses/(gains) on disposals of investments	**62**	(40)	(2 219)
– remeasurement of previously held interest	**(21)**	–	–
– dilution losses on equity-accounted investments	**41**	71	119
– remeasurements included in equity-accounted earnings	**(292)**	(57)	(102)
– impairment of equity-accounted investments	**17**	–	–
	921	555	776
Total tax effects of adjustments	**–**	(1)	(17)
Total adjustment for non-controlling interest	**(5)**	1	13
Headline earnings	**916**	555	772
Adjusted for:			
– equity-settled share-based payment expenses	**173**	124	296
– amortisation of other intangible assets	**398**	177	467
– fair-value adjustments and currency translation differences	**13**	56	172
– retention option expense	**–**	1	1
– business combination losses	**10**	1	44
Core headline earnings	**1 510**	914	1 752

The diluted earnings, headline earnings and core headline earnings per share figures presented on the face of the condensed consolidated income statement include a decrease of US$20m (2016: US$11m and 31 March 2017: US$24m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

5. Interest received/(paid)

	Six months ended 30 September 2017 Reviewed US$'m	2016 Reviewed US$'m	Year ended 31 March 2017 Audited US$'m
Interest received	**54**	29	70
– loans and bank accounts	**46**	26	56
– other	**8**	3	14
Interest paid	**(132)**	(136)	(278)
– loans and overdrafts	**(100)**	(100)	(198)
– transponder leases	**(26)**	(20)	(46)
– other	**(6)**	(16)	(34)
Other finance income/(costs) – net	**(47)**	(58)	(259)
– net foreign exchange differences and fair-value adjustments on derivatives	**(47)**	(58)	(259)

6. Profit before taxation

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

	Six months ended 30 September 2017 Reviewed US$'m	2016 Reviewed US$'m	Year ended 31 March 2017 Audited US$'m
Depreciation of property, plant and equipment	**108**	99	214
Amortisation	**62**	59	128
– other intangible assets	**47**	46	99
– software	**15**	13	29
Net realisable value adjustments on inventory, net of reversals[1]	**6**	15	51
Other gains/(losses) – net	**(20)**	(27)	(57)
– profit/(loss) on sale of assets	**3**	1	(1)
– impairment of goodwill and other intangible assets	**(1)**	(24)	(30)
– impairment of property, plant and equipment and other assets	**(18)**	(2)	(26)
– dividends received on investments	**2**	1	1
– remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	**–**	(2)	(2)
– fair-value adjustments on financial instruments	**(6)**	(1)	1
(Losses)/gains on acquisitions and disposals	**(51)**	39	2 169
– (losses)/gains on disposal of investments	**(56)**	40	1 990
– gains recognised on loss of control transactions	**–**	–	228
– remeasurement of contingent consideration	**(6)**	1	1
– acquisition-related costs	**(10)**	(2)	(50)
– remeasurement of previously held interest	**21**	–	–

Note

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

7. Equity-accounted results

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

	Six months ended 30 September 2017 Reviewed US$'m	Six months ended 30 September 2016 Reviewed US$'m	Year ended 31 March 2017 Audited US$'m
Share of equity-accounted results	**1 447**	912	1 829
– sale of assets	**–**	8	3
– disposal of investments	**(414)**	(206)	(381)
– impairment of investments	**121**	145	268
Contribution to headline earnings	**1 154**	859	1 719
– amortisation of other intangible assets	**376**	150	404
– equity-settled share-based payment expenses	**157**	106	268
– fair-value adjustments and currency translation differences	**3**	(3)	–
Contribution to core headline earnings	**1 690**	1 112	2 391
Tencent	**1 827**	1 183	2 535
Mail.ru	**20**	27	52
Other	**(157)**	(98)	(196)

8. Goodwill

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

	Six months ended 30 September 2017 Reviewed US$'m	Six months ended 30 September 2016 Reviewed US$'m	Year ended 31 March 2017 Audited US$'m
Goodwill			
– cost	**2 790**	3 175	3 175
– accumulated impairment	**(348)**	(357)	(357)
Opening balance	**2 442**	2 818	2 818
– foreign currency translation effects	**(30)**	95	210
– acquisitions of subsidiaries and businesses	**85**	138	244
– disposals of subsidiaries and businesses	**–**	–	(786)
– transferred to assets classified as held for sale	**–**	(7)	(37)
– impairment	**–**	(3)	(5)
– remeasurement to fair value less costs of disposal	**–**	–	(2)
Closing balance	**2 497**	3 041	2 442
– cost	**2 845**	3 416	2 790
– accumulated impairment	**(348)**	(375)	(348)

9. 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.

	Six months ended 30 September		Year ended 31 March
	2017	2016	2017
	Reviewed	Reviewed	Audited
	US$'m	US$'m	US$'m
Commitments	**2 626**	2 322	2 464
– capital expenditure	**14**	24	13
– programme and film rights	**2 132**	1 856	2 015
– network and other service commitments	**123**	166	158
– transponder leases	**–**	17	–
– operating lease commitments	**198**	187	163
– set-top box commitments	**159**	72	115

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. Our current assessment of possible withholding and other tax exposures, including interest and potential penalties, amounts to approximately US$155.5m (2016: US$243.8m and 31 March 2017: US$256.7m). No provision has been made as at 30 September 2017 and 30 September 2016 for these possible exposures.

10. Disposal groups classified as held for sale

During the year ended 31 March 2017, the group announced the unbundling of the majority of its shareholding in its subsidiary Novus Holdings Limited (Novus), operating in the print industry in South Africa. The assets and liabilities of Novus were classified as held for distribution as at 31 March 2017. In August 2017 the group received regulatory approval for the unbundling which was finalised during September 2017. Refer to note 11 for further details.

In May 2017 the group concluded the disposal of its joint venture Souq Group Limited (Souq), following the receipt of regulatory approval. Souq was classified as held for sale as at 31 March 2017. Refer to note 11 for further details.

The group also concluded the disposals of various other smaller units of which the assets and liabilities were classified as held for sale as at 31 March 2017.

The group had no assets and liabilities classified as held for sale as at 30 September 2017. Assets and liabilities classified as held for sale in prior periods are detailed in the following table:

10. Disposal groups classified as held for sale (continued)

	Six months ended 30 September 2017 Reviewed US$'m	2016 Reviewed US$'m	Year ended 31 March 2017 Audited US$'m
Assets	–	26	403
Property, plant and equipment	–	6	176
Goodwill and other intangible assets	–	7	35
Investment in joint venture	–	–	102
Deferred taxation assets	–	3	7
Inventory	–	2	26
Trade and other receivables	–	5	34
Cash and cash equivalents	–	3	23
Liabilities	–	5	70
Deferred taxation liabilities	–	1	19
Long-term liabilities	–	–	6
Trade payables	–	1	–
Accrued expenses and other current liabilities	–	3	18
Bank overdraft	–	–	27

The group recognised a loss of US$nil (2016: US$1.6m and 31 March 2017: US$1.6m) on remeasuring the net assets of businesses classified as held for sale to their fair value less costs of disposal. Fair value was determined based on third-party sales prices and accordingly represent level 3 fair-value measurements.

11. Business combinations, other acquisitions and disposals

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 holds a 58% effective interest (54% fully diluted) 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 "(Losses)/gains 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.

The main factor contributing to the goodwill recognised in the acquisition is Takealot's market presence. The goodwill that arose is not expected to be deductible for income tax purposes.

11. Business combinations, other acquisitions and disposals (continued)

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

In May 2017 the group invested US$426m in Delivery Hero AG (Delivery Hero), a global online food-ordering and delivery marketplace. 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 holds an 11% effective interest (10% fully diluted) in Delivery Hero. In June 2017 the group invested US$61m in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food-delivery marketplace in India. Following the investment, the group holds a 16% effective interest (15% fully diluted) in Swiggy. The group accounts for its interests in these investees as investments in associates on account of its board representation.

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 committed to provide convertible loan funding of up to €20m to Kreditech in future. 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 reporting period 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$11m in "Dilution losses on equity-accounted investments" in the income statement. Following the dilutions, the group holds a 14% effective interest (13% fully diluted) in Flipkart.

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% shareholding in Novus and accounts for its interest as an available-for-sale investment.

12. Issue of listed bond

The group issued a 10-year US$1bn international bond in July 2017. The bond matures in July 2027 and carries a fixed interest rate of 4.85% per annum. The proceeds were partially utilised to repay the group's US$700m international bond which matured in July 2017. The remaining proceeds will be utilised for general corporate purposes, including acquisitions.

13. Financial instruments

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.

The condensed consolidated interim report does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual financial statements for the year ended 31 March 2017. There have been no material changes in the group's credit, liquidity, market risks or key inputs used in measuring fair value since 31 March 2017.

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 30 September 2017 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	40	2	–
Forward exchange contracts	–	24	–
Currency devaluation features	–	–	4
Liabilities			
Forward exchange contracts	–	50	–
Earn-out obligations	–	–	64
Interest rate and cross-currency swaps	–	74	–

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.

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.

13. Financial instruments (continued)

	Fair-value measurements at 31 March 2017 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	11	2	–
Forward exchange contracts	–	2	–
Currency devaluation features	–	–	6
Liabilities			
Forward exchange contracts	–	106	–
Shareholders' liabilities	–	–	18
Earn-out obligations	–	–	24
Interest rate swaps	–	8	–

The group discloses the fair values of the following financial instruments, as their carrying values are not a reasonable approximation of their fair values:

	30 September 2017	
Financial liabilities	**Carrying value US$'m**	**Fair value US$'m**
Capitalised finance leases	**1 177**	**1 171**
Publicly traded bonds	**3 200**	**3 423**

	31 March 2017	
Financial liabilities	Carrying value US$'m	Fair value US$'m
Capitalised finance leases[1]	1 211	1 199
Publicly traded bonds	2 900	3 041

Note

[1] *Includes financial liabilities classified as held for sale.*

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.

14. 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.

15. Events after the reporting period

The group signed an agreement to invest €660m (approximately US$775m) in its associate Delivery Hero AG (Delivery Hero) during September 2017. The transaction is subject to regulatory approval. Following the investment, the group will hold an approximate 24% interest in Delivery Hero on a fully diluted basis.

In October 2017 the group committed to an investment of US$100m in Remitly Inc. (Remitly), the largest independent digital remittance company in North America. The transaction is subject to regulatory approval. Following the investment, the group will hold an approximate 20% interest in Remitly on a fully diluted basis.

Following the receipt of regulatory approval in November 2017, the group acquired a 100% interest in The Car Trader Proprietary Limited (Auto Trader) for cash consideration of R514m (approximately US$36m).

16 . Pro forma financial information

The group has presented certain revenue and trading profit metrics on a constant currency, organic basis (the pro forma financial information) in the tables below. 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 periods ended 30 September 2017 and 30 September 2016 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 organic pro forma 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 most significant currencies were: South African rand (2017: 0.0757; 2016: 0.0690); Polish zloty (2017: 0.2714; 2016: 0.2572); Russian rouble (2017: 0.0172; 2016: 0.0154); Chinese yuan renminbi (2017: 0.1483; 2016: 0.1512); Indian rupee (2017: 0.0155; 2016: 0.0149); Brazilian real (2017: 0.3134; 2016: 0.3000); and Nigerian naira (2017: 0.0028; 2016: 0.0037).
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:

Period ended 30 September 2017

Transaction	Basis of accounting	Reportable segment	Acquisition/ Disposal
Dilution of the group's interest in Tencent	Associate	Social network services	Disposal
Dilutions of the group's interest in Flipkart	Associate	Ecommerce	Disposal
Disposal of the group's interest in Souq	Joint venture	Ecommerce	Disposal
Acquisition of the group's interest in Delivery Hero	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Kreditech	Associate	Ecommerce	Acquisition
Effect of merger of ibibo with MakeMyTrip	Associate	Ecommerce	Acquisition and disposal
Acquisition of the group's interest in Swiggy	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Takealot	Subsidiary	Ecommerce	Acquisition
Disposal of the group's interest in Novus	Subsidiary	Media	Disposal
Disposal of Allegro and Ceneo	Subsidiary	Ecommerce	Disposal
Disposal of Netretail	Subsidiary	Ecommerce	Disposal

The net adjustment made for all acquisitions and disposals that took place during the period ended 30 September 2017 amounted to a negative adjustment of US$298m on revenue and a negative adjustment of US$101m 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.

16. 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:

	Six months ended 30 September							
	2016 A	**2017 B**	**2017 C**	**2017 D**	**2017 E**	**2017 F[2]**	**2017 G[3]**	**2017 H[4]**
	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**
Revenue								
Internet	4 889	(345)	82	(36)	2 348	6 938	**52**	**42**
Social network services	3 510	(29)	14	(81)	1 943	5 357	**56**	**53**
– Tencent	3 426	(26)	–	(93)	1 934	5 241	**57**	**53**
– Mail.ru	84	(3)	14	12	9	116	**11**	**38**
Ecommerce	1 379	(316)	68	45	405	1 581	**38**	**15**
– Etail	753	(163)	51	17	219	877	**37**	**16**
– Travel	67	52	(20)	1	28	128	**24**	**91**
– Marketplaces	193	(193)	–	–	–	–	**–**	**(100)**
– Payments	83	(5)	17	3	28	126	**36**	**52**
– Classifieds	196	–	–	18	75	289	**38**	**47**
– Food delivery	20	–	8	1	27	56	**>100**	**>100**
– Other	67	(7)	12	5	28	105	**47**	**57**
Video entertainment	1 645	(28)	–	40	120	1 777	**7**	**8**
Media	284	(7)	–	24	14	315	**5**	**11**
Corporate services	1	–	–	–	–	1	**–**	**–**
Intersegmental	(31)	–	–	–	21	(10)	**68**	**68**
Economic interest	6 788	(380)	82	28	2 503	9 021	**39**	**33**
Trading profit								
Internet	1 241	(69)	(37)	(34)	719	1 820	**61**	**47**
Social network services	1 533	(12)	(6)	(38)	661	2 138	**43**	**39**
– Tencent	1 501	(11)	–	(41)	666	2 115	**45**	**41**
– Mail.ru	32	(1)	(6)	3	(5)	23	**(16)**	**(28)**
Ecommerce	(292)	(57)	(31)	4	58	(318)	**17**	**(9)**
– Etail	(128)	23	(14)	(3)	(12)	(134)	**(11)**	**(5)**
– Travel	(58)	11	4	–	12	(31)	**26**	**47**
– Marketplaces	83	(83)	–	–	–	–	**–**	**(100)**
– Payments	(30)	(6)	(8)	(1)	12	(33)	**33**	**(10)**
– Classifieds	(117)	–	–	8	64	(45)	**55**	**62**
– Food delivery	1	–	(8)	1	(2)	(8)	**>(100)**	**>(100)**
– Other	(43)	(2)	(5)	(1)	(16)	(67)	**(36)**	**(56)**
Video entertainment	226	(3)	–	4	7	234	**3**	**4**
Media	12	–	8	1	–	21	**–**	**75**
Corporate services	(6)	–	–	–	(2)	(8)	**(33)**	**(33)**
Economic interest	1 473	(72)	(29)	(29)	724	2 067	**52**	**40**

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.*

16. Pro forma financial information (continued)

	Six months ended 30 September							
	2016 A IFRS US$'m	**2017 B Group composition disposal adjustment US$'m**	**2017 C Group composition acquisition adjustment US$'m**	**2017 D Foreign currency adjustment US$'m**	**2017 E Local currency growth US$'m**	**2017 F[(1)] IFRS US$'m**	**2017 G[(2)] Local currency growth % change**	**2017 H[(3)] IFRS % change**
Other metrics reported								
Development spend								
– economic interest	496	–	(9)	12	(29)	470	**(6)**	**(5)**
– consolidated	387	–	(57)	11	(10)	331	**(3)**	**(14)**
Consolidated revenue	2 958	(403)	69	94	389	3 107	**15**	**5**
Consolidated ecommerce revenue	1 068	(370)	69	32	232	1 031	**33**	**(3)**
Consolidated trading profit	45	(19)	(11)	12	43	70	**165**	**56**

Core headline earnings, calculated on a constant currency basis, amounted to US$1.53bn.

Development spend is not an IFRS measure and has therefore been excluded from the assurance report issued by the group's external auditor.

Notes

(1) A + B + C + D + E.

(2) [E/(A+B)] x 100.

(3) [(F/A)−1] x 100.

Independent auditor's review report on interim financial statements

TO THE SHAREHOLDERS OF NASPERS LIMITED

We have reviewed the condensed consolidated interim financial statements of Naspers Limited in the accompanying interim report, which comprise the condensed consolidated statement of financial position as at 30 September 2017 and the related condensed consolidated income statement and condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes 1 to 15.

Directors' responsibility for the interim financial statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council 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 interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Naspers Limited for the six months ended 30 September 2017 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Other matter

We have not reviewed future financial performance and expectations expressed by the directors included in the commentary in the accompanying interim financial statements and accordingly do not express an opinion thereon.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: Brendan Deegan
Registered Auditor

Cape Town
29 November 2017

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), E M Choi, H J du Toit, C L Enenstein, D G Eriksson, R C C Jafta, F L N Letele, G Liu, D Meyer, R Oliveira de Lima, S J Z Pacak, T M F Phaswana, V Sgourdos, M R Sorour, J D T Stofberg, B J van der Ross

Company secretary
G Kisbey-Green

Registered office
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(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)

Sponsor
Investec Bank Limited

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

Important information
The 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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