NASPERS

Naspers Limited

Condensed consolidated interim report for the six months ended 30 September

2016

COMMENTARY

Naspers had a strong six months to 30 September 2016. Operating performance, mainly driven by continued performance from the ecommerce businesses and Tencent, is encouraging. As part of regular portfolio reviews, four notable transactions were concluded by the date of this report. In Poland the agreed sale of the Allegro business for US$3.25bn realises a solid return on investment. The merger of the ibibo platform with MakeMyTrip creates a leading business in the Indian travel segment. The acquisition of Citrus Pay drives consolidation in the Indian online payments space, while the consolidation with Wallapop gives mobile-only classifieds platform, letgo, increased scale in the United States (US). The video-entertainment segment experienced weak African currencies. However, the team delivered a pleasing return to subscriber growth, with subscribers closing at 11m.

Currency has again had a significant impact. Unlike the earnings effect of falling currencies on the video-entertainment segment, in ecommerce this impact is diffused by the group's diverse geographic spread and the fact that costs are mainly incurred in local currencies. Where relevant in this report, we have adjusted amounts and percentages for the effects of foreign currency moves as well as acquisitions and disposals. Such adjustments (pro forma financial information) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS). A reconciliation of pro forma financial information to the equivalent IFRS metrics is provided in note 15 of this condensed consolidated interim report.

Tencent and the ecommerce businesses, excluding currency impacts, accelerated our revenue growth. Revenues were US$6.8bn on an economic-interest basis, growing 16%. Excluding the impact of currency translation, and acquisitions and disposals, growth was 27%. In ecommerce, the classifieds operation, ibibo, Allegro and eMAG, all improved topline growth and earnings as a result of increased scale. PayU delivered good results across its portfolio in Eastern Europe, India and Latin America. Core headline earnings, which the board believes to be the best measure of sustainable operating performance, was US$914m – up 31% on the prior period.

The following financial commentary and segmental reviews were 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, revenue declined marginally by 1% (up 11%), largely due to the effects of currency translation. Disposals concluded in the first six months of the year, notably the Czech ecommerce units, Netretail and Heureka, also reduced year-on-year revenue growth.

Consolidated development spend increased 38% (42%) year on year to US$387m as new growth initiatives were pursued. This includes letgo, predominantly operating in the US, building the hotel offering in the Indian travel business and our subscription video-on-demand unit, ShowMax, launched in August 2015. Development spend on these new initiatives totalled US$188m. Across the rest of the portfolio, development spend declined by US$40m, as the ecommerce businesses, particularly classifieds, increased scale and profitability.

Trading profit increased 21% (42%) to US$1.5bn, boosted by the group's share of Tencent's trading profit. Trading profit was further boosted by a contraction in losses of etail assets and increased profitability in Allegro. A lower opening subscriber base in sub-Saharan Africa, coupled with the effects of foreign exchange, saw video-entertainment trading profits decline some 43% (14%) to US$226m.

IFRS operating profit declined from a positive US$67m to a negative US$30m, mainly due to currency weakness in the video-entertainment segment and increased development spend to pursue growth initiatives.

The group's share of equity-accounted results increased 44% year on year to US$912m and includes once-off gains of US$206m and impairment losses of US$145m. Once-off gains relate primarily to dilutions of Tencent's interest in certain of its associates, and gains arising on disposals of other investees and impairment losses relate to writedowns by Tencent of certain of its investments. The contribution to core headline earnings by associates and joint ventures was up 47% to US$1.1bn after adjusting for these non-recurring items.

Net interest expense on borrowings was down 18% to US$74m after the repayment of the group's revolving credit facility. On 30 September 2016 net gearing stood at 13%.

Lower profitability of the sub-Saharan Africa video-entertainment business and higher consolidated development spend were the main causes of a marginal US$1m consolidated free cash outflow.

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

SEGMENTAL REVIEW

Internet

Ecommerce businesses and Tencent contributed to strong growth in the internet segment with revenues of US$4.9bn – up 30% (40%) year on year. After adjusting for the impact of currency translation and acquisitions and disposals, it is 12% better than last year's growth. Trading profits increased 54% (71%) on the back of Tencent's performance as well as contraction of losses in many of the ecommerce businesses. The internet segment now contributes 72% of group revenues measured on an economic-interest basis, up from 64% a year ago.

Tencent

Tencent continues to expand its ecosystem with excellent revenue and user growth recorded in the social network, online games, digital content, advertising as well as payment platforms. Revenues were RMB67.7bn for the period, up 48% year on year.

Tencent's social networks business grew revenues through growth in mobile games and payments, and a solid 24% increase in subscribers to its digital content subscription services. Online media platform traffic and advertising revenue continue to lift with most traffic, representing about 80% of revenue, now generated on mobile platforms.

Tencent implemented several strategic initiatives to advance its ecosystem and improve entertainment content for users. Tencent invested in Supercell, the Finnish-based mobile game studio, thereby expanding its upstream presence in the global game industry. QQ Music was merged with China Music Corporation to create a more useful online music platform. Tencent also boosted its online video offerings via investments in content.

During the reporting period, Tencent made good progress in building its mobile ecosystem by growing monthly active Weixin/WeChat users by 34%. It also improved Weixin/WeChat's enterprise communications products, expanded its cloud services capabilities and simplified its payment solutions for merchant transactions.

Mail.ru

Despite continued challenges to the Russian economy, Mail.ru revenues grew 11% year on year to RUB18.8bn. Advertising revenue, especially that of mobile, grew as a result of higher mobile audiences and advertising inventory as well as the implementation of new advertising technologies. The social network VK grew engagement and audiences, however, online games and internet value-added services revenues were weaker.

Ecommerce

Volatility of emerging-market currencies reduced performance when translated to US dollars. Ecommerce businesses are growing rapidly, with revenues increasing 14% (24%) to US$1.4bn. Trading losses declined to US$292m, a 1% (14%) improvement on the prior year. Higher development spend on new opportunities was offset by growth in established businesses. Within this portfolio, the group now has 23 profitable businesses – up from 18 a year ago.

Classifieds revenue grew 115% (76%) year on year, driven by strong performances across the portfolio and boosted in particular by Avito. Excluding the investments in letgo, trading losses (and thus development spend) reduced across the classifieds portfolio as we grew and gained market share. Solid results were evident, particularly in monetising markets.

Avito performed ahead of expectations and improved its presence in Russian ecommerce.

In May 2016 the US operations of letgo merged with the local component of Wallapop. Shareholders collectively injected US$100m into the merged business to accelerate growth. Results to date are encouraging and further substantial investment will follow.

Growth in car, and in some markets, real estate verticals, coupled with the launch of mobile apps, combined to strengthen classifieds.

Etail revenues grew 3% (16%), powered by assets in Central and Eastern Europe (CEE), where online penetration is rising. Growth was lower in etail associates, as third-party sales (where we book a take rate only) continued to grow faster than first-party sales. There was also a reduction in subsidies and a focus on improving gross margins.

In CEE, the consolidated etail platform eMAG performed well, growing revenues year on year by 33%. Romania is approaching sustained profitability.

Amazon, on the back of heavy investment, closed the gap on Flipkart by taking significant share from Snapdeal in the Indian etail segment. Flipkart nevertheless maintains its firm lead on the mobile app. Recent strategic initiatives delivered healthy numbers over the peak Diwali sales period. In the Middle East, Souq continued to gain share in Saudi Arabia and Egypt, while remaining the market leader in the United Arab Emirates.

Allegro, the marketplace platform in Poland, grew revenue by 30% to US$193m. In October 2016 the group announced the sale of Allegro and Ceneo for US$3.25bn. The transaction is subject to regulatory approval and is expected to close in 2017.

ibibo, the Indian travel business, had an excellent six months with revenue increasing 68% (75%) to US$67m. This was fuelled by growth in hotel room nights and a profitable air-travel business. After the reporting period the group entered into a transaction to merge ibibo with MakeMyTrip Limited. The merger will result in a combined business that provides a one-stop shop for Indian travellers. Through a jointly owned holding company (91% held by Naspers and 9% by Tencent), the group will have a 40% stake in the merged business as its single largest shareholder.

The group's payments business, PayU, performed well across all operating regions. Revenue grew 22% (29%) year on year to US$83m on the same cost base. This was achieved through improved operating leverage which, in turn, was driven by transaction volumes and ticket-size improvements. In India, PayU acquired a controlling interest in Citrus Pay after the reporting period. This will see PayU becoming a leading payment service provider in India.

We are now identifying new pockets of long-term growth for the group in one entity, Naspers Ventures. Ventures invested in three early-stage educational technology companies: Udemy, an online marketplace for learning; Codecademy, a leading online interactive coding platform; and Brainly, a social learning network. Each company focuses on a different section of the education market and has an innovative approach to increasing the utility and value of education.

COMMENTARY (continued)

Movile, the leading Latin American mobile services platform, continues to grow its offline-to-online businesses. Brazilian online food-delivery business, iFood, expanded successfully into Mexico, Brazil and Colombia. After growing revenues by some 211% year on year, the business turned profitable during this reporting period.

Video entertainment

Action taken in response to a weaker macroeconomic backdrop yielded positive results with the direct-to-home (DTH) business recording positive growth, adding some 591 968 subscribers. This is an improvement on the decline of 164 300 subscribers for the same period in the previous year. The DTT business also added 149 875 subscribers. The total customer base closed at 11m on 30 September 2016.

The segment reported revenues of US$1.6bn, down 8% (up 6%) on the prior year. Trading profit declined by 43% year on year to US$226m. As the group bills in local currencies, the continued weakness of currencies and economies in many African countries resulted in lower US dollar revenues. A sizeable portion of content costs are US dollar-denominated which, coupled with the reduction in revenues and our investment in ShowMax, impacted trading profit. Constrictions in foreign exchange availability in Nigeria, Angola and Mozambique have resulted in cash balances of US$202m being trapped in these countries. These balances remain exposed to further currency depreciation.

Development spend was US$40m, down marginally year on year. This was attributable to the decrease in spend as a result of the completion of the digital terrestrial television (DTT) rollout, offset by new investments to scale ShowMax.

ShowMax is growing steadily in a very competitive environment. It is available on all major platforms and can now be accessed through connected Explora devices. ShowMax was also launched in a number of sub-Saharan markets.

Our focus remains on providing the best quality local and international content while managing costs, improving customer service and retaining subscribers in an environment where there is intensifying competition from global players such as Amazon, Netflix, Apple and Google. DStv Catch Up was made available to Compact customers, as well as a decoder payment plan, which boosted the uptake of our personal video recorders (PVRs). Connecting the PVR to the internet delivers a better user experience. The ‘TV everywhere’ product, DStv Now, is showing good levels of adoption across all platforms.

Management continues to engage regulators and participate in a number of regulatory reviews in various markets.

Media

Revenue in the media segment declined 13% (1%), with trading profit down 25% (31%). Although Media24 continues to face the effects of structural declines in its traditional print business, revenue performance of its ecommerce initiatives was positive, benefiting from fresh product offerings.

Prospects

In the second half of the financial year we hope to deliver revenue growth and scale the more established ecommerce businesses. The group will continue to invest in long-term opportunities such as letgo, and seek further promising models within the internet segment. We expect to accelerate letgo’s development spend to further strengthen its position in the US classifieds market. In African video entertainment, a tough environment at present, we aim to grow DTH customers by offering increased value and reducing costs to counter the impact of falling currencies. Earnings and cash flows in this segment will continue to be constrained in the foreseeable future.

Preparation of the condensed consolidated interim report

The preparation of the condensed consolidated interim report was supervised by the financial director, Basil Sgourdos CA(SA). These results were made public on 25 November 2016.

On behalf of the board

Koos Bekker
Chair

Bob van Dijk
Chief executive

Cape Town
25 November 2016

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 September 2016 Reviewed US$'m	2015 Reviewed US$'m	Year ended 31 March 2016 Audited US$'m
Revenue		**2 958**	2 983	5 930
Cost of providing services and sale of goods		**(1 627)**	(1 644)	(3 392)
Selling, general and administration expenses		**(1 334)**	(1 133)	(2 423)
Other gains/(losses) – net		**(27)**	(139)	(292)
Operating (loss)/profit		**(30)**	67	(177)
Interest received	5	**29**	21	40
Interest paid	5	**(136)**	(137)	(292)
Other finance income/(costs) – net	5	**(58)**	(40)	(100)
Share of equity-accounted results	7	**912**	635	1 289
Impairment of equity-accounted investments		**–**	(1)	(55)
Dilution (losses)/gains on equity-accounted investments		**(71)**	129	104
Gains on acquisitions and disposals		**39**	108	452
Profit before taxation	6	**685**	782	1 261
Taxation		**(144)**	(146)	(260)
Profit for the period		**541**	636	1 001
Attributable to:				
Equity holders of the group		**554**	610	994
Non-controlling interest		**(13)**	26	7
		541	636	1 001
Core headline earnings for the period (US$'m)	4	**914**	696	1 246
Core headline earnings per N ordinary share (US cents)		**212**	169	298
Fully diluted core headline earnings per N ordinary share (US cents)		**209**	166	292
Headline earnings for the period (US$'m)	4	**555**	468	701
Headline earnings per N ordinary share (US cents)		**129**	114	168
Fully diluted headline earnings per N ordinary share (US cents)		**126**	111	162
Earnings per N ordinary share (US cents)		**129**	148	238
Fully diluted earnings per N ordinary share (US cents)		**125**	145	232
Net number of shares issued ('000)				
– at period-end		**431 290**	412 555	431 085
– weighted average for the period		**431 085**	411 998	417 575
– fully diluted weighted average		**432 715**	413 746	419 208

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 September		Year ended 31 March
	2016	2015	2016
	Reviewed	Reviewed	Audited
	US$'m	US$'m	US$'m
Profit for the period	**541**	636	1 001
Total other comprehensive income, net of tax, for the period[1]	**291**	(226)	374
Translation of foreign operations[2]	**(115)**	(497)	(309)
Net fair-value gains	**4**	1	11
Cash flow hedges	**(43)**	44	42
Share of other comprehensive income and reserves of equity-accounted investments	**438**	230	633
Tax on other comprehensive income	**7**	(4)	(3)
Total comprehensive income for the period	**832**	410	1 375
Attributable to:			
Equity holders of the group	**896**	424	1 406
Non-controlling interest	**(64)**	(14)	(31)
	832	410	1 375

Notes

[1] *These components of other comprehensive income may subsequently be reclassified to profit or loss, except for gains of US$141m (2015: US$58m and 31 March 2016: US$387m) included in the "Share of other comprehensive income and reserves of equity-accounted investments" as well as losses of US$nil (2015: US$1m and 31 March 2016: US$nil) included in "Net fair-value gains" relating to remeasurements on the group's post-employment benefit plans.*

[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 2016 US$'m	Reviewed 2015 US$'m	31 March Audited 2016 US$'m
Assets				
Non-current assets		**15 080**	10 458	13 486
Property, plant and equipment		**1 861**	1 268	1 443
Goodwill	8	**3 041**	1 579	2 818
Other intangible assets		**1 104**	398	1 190
Investments in associates	9	**8 670**	6 755	7 625
Investments in joint ventures	9	**200**	293	218
Other investments and loans	9	**62**	67	57
Other receivables		**23**	–	20
Derivative financial instruments	13	**–**	9	–
Deferred taxation		**119**	89	115
Current assets		**3 144**	2 787	3 237
Inventory		**222**	223	194
Programme and film rights		**400**	321	160
Trade receivables		**465**	405	393
Other receivables and loans		**472**	440	491
Derivative financial instruments	13	**14**	78	59
Cash and cash equivalents		**1 545**	1 003	1 714
		3 118	2 470	3 011
Assets classified as held for sale	11	**26**	317	226
Total assets		**18 224**	13 245	16 723
Equity and liabilities				
Share capital and reserves		**11 103**	6 952	10 254
Share capital and premium		**4 939**	2 733	4 965
Other reserves		**(320)**	(1 529)	(821)
Retained earnings		**6 484**	5 748	6 110
Non-controlling shareholders' interest		**348**	225	400
Total equity		**11 451**	7 177	10 654
Non-current liabilities		**4 486**	3 920	4 023
Capitalised finance leases		**1 167**	591	771
Liabilities – interest-bearing		**3 005**	3 190	2 922
– non-interest-bearing		**13**	18	8
Other non-current liabilities		**–**	–	3
Post-employment medical liability		**14**	14	13
Derivative financial instruments	13	**23**	11	20
Deferred taxation		**264**	96	286
Current liabilities		**2 287**	2 148	2 046
Current portion of long-term debt		**222**	208	227
Trade payables		**599**	528	437
Accrued expenses and other current liabilities		**1 341**	1 243	1 253
Derivative financial instruments	13	**86**	50	31
Bank overdrafts and call loans		**34**	17	1
		2 282	2 046	1 949
Liabilities classified as held for sale	11	**5**	102	97
Total equity and liabilities		**18 224**	13 245	16 723
Net asset value per N ordinary share (US cents)		**2 574**	1 685	2 379

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Six months ended 30 September 2016 Reviewed US$'m	Six months ended 30 September 2015 Reviewed US$'m	Year ended 31 March 2016 Audited US$'m
Balance at the beginning of the period	**10 654**	6 903	6 903
Changes in share capital and premium			
Movement in treasury shares	**(77)**	(57)	(68)
Share capital and premium issued	**51**	57	2 300
Changes in reserves			
Total comprehensive income for the period	**896**	424	1 406
Movement in share-based compensation reserve	**66**	29	120
Movement in existing control business combination reserve	**61**	(10)	9
Direct retained earnings and other reserve movements	**10**	–	–
Dividends paid to Naspers shareholders	**(158)**	(139)	(161)
Changes in non-controlling interest			
Total comprehensive income for the period	**(64)**	(14)	(31)
Dividends paid to non-controlling shareholders	**(96)**	(110)	(125)
Movement in non-controlling interest in reserves	**108**	94	301
Balance at the end of the period	**11 451**	7 177	10 654
Comprising:			
Share capital and premium	**4 939**	2 733	4 965
Retained earnings	**6 484**	5 748	6 110
Share-based compensation reserve	**1 438**	811	1 231
Existing control business combination reserve	**(123)**	(203)	(184)
Hedging reserve	**6**	35	35
Valuation reserve	**819**	593	573
Foreign currency translation reserve	**(2 460)**	(2 765)	(2 476)
Non-controlling interest	**348**	225	400
Total	**11 451**	7 177	10 654

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 September 2016 Reviewed US$'m	Six months ended 30 September 2015 Reviewed US$'m	Year ended 31 March 2016 Audited US$'m
Cash flows from operating activities			
Cash generated from operating activities	**92**	269	454
Interest income received	**27**	23	46
Dividends received from investments and equity-accounted companies	**193**	147	146
Interest costs paid	**(126)**	(106)	(246)
Taxation paid	**(157)**	(152)	(322)
Net cash generated from operating activities	**29**	181	78
Cash flows from investing activities			
Acquisitions and disposals of tangible and intangible assets	**(78)**	(102)	(228)
Acquisitions of subsidiaries, associates and joint ventures	**(127)**	(187)	(1 426)
Disposals of subsidiaries, associates and joint ventures	**159**	238	289
Cash movement in other investments and loans	**4**	(20)	(19)
Net cash utilised in investing activities	**(42)**	(71)	(1 384)
Cash flows from financing activities			
Proceeds from issue of share capital	**–**	–	2 470
Proceeds from long- and short-term loans raised	**122**	1 517	2 000
Repayments of long- and short-term loans	**(24)**	(1 499)	(2 270)
Outflow from share-based compensation transactions	**(8)**	(6)	(13)
Dividends paid by the holding company and its subsidiaries	**(261)**	(249)	(254)
Other movements resulting from financing activities	**4**	5	(41)
Net cash (utilised in)/generated from financing activities	**(167)**	(232)	1 892
Net movement in cash and cash equivalents	**(180)**	(122)	586
Foreign exchange translation adjustments	**(19)**	(90)	(73)
Cash and cash equivalents at the beginning of the period	**1 713**	1 200	1 200
Cash and cash equivalents classified as held for sale	**(3)**	(2)	–
Cash and cash equivalents at the end of the period	**1 511**	986	1 713

SEGMENTAL REVIEW

	Revenue			
	Six months ended 30 September			Year ended 31 March
	2016	2015		2016
	Reviewed	Reviewed	%	Audited
	US$'m	US$'m	change	US$'m
Internet	**4 889**	3 763	30	8 237
– Tencent	**3 426**	2 461	39	5 417
– Mail.ru	**84**	92	(9)	173
– Ecommerce	**1 379**	1 210	14	2 647
Video entertainment	**1 645**	1 790	(8)	3 413
Media	**284**	325	(13)	608
Corporate services	**1**	–	100	1
Intersegmental	**(31)**	(17)	(82)	(35)
Economic interest	**6 788**	5 861	16	12 224
Less: Equity-accounted investments	**(3 830)**	(2 878)	(33)	(6 294)
Consolidated	**2 958**	2 983	(1)	5 930

	EBITDA[1]			
	Six months ended 30 September			Year ended 31 March
	2016	2015		2016
	Reviewed	Reviewed	%	Audited
	US$'m	US$'m	change	US$'m
Internet	**1 365**	916	49	1 845
– Tencent	**1 593**	1 150	39	2 415
– Mail.ru	**39**	42	(7)	78
– Ecommerce	**(267)**	(276)	3	(648)
Video entertainment	**331**	492	(33)	799
Media	**21**	28	(25)	52
Corporate services	**(6)**	(6)	–	(12)
Economic interest	**1 711**	1 430	20	2 684
Less: Equity-accounted investments	**(1 535)**	(1 080)	(42)	(2 261)
Consolidated	**176**	350	(50)	423

	Trading profit			
	Six months ended 30 September			Year ended 31 March
	2016	2015		2016
	Reviewed	Reviewed	%	Audited
	US$'m	US$'m	change	US$'m
Internet	**1 241**	805	54	1 619
– Tencent	**1 501**	1 065	41	2 246
– Mail.ru	**32**	36	(11)	66
– Ecommerce	**(292)**	(296)	1	(693)
Video entertainment	**226**	399	(43)	610
Media	**12**	16	(25)	29
Corporate services	**(6)**	(6)	–	(12)
Economic interest	**1 473**	1 214	21	2 246
Less: Equity-accounted investments	**(1 428)**	(982)	(45)	(2 067)
Consolidated	**45**	232	(81)	179

Note

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

RECONCILIATION OF TRADING PROFIT TO OPERATING (LOSS)/PROFIT

	Six months ended 30 September 2016 Reviewed US$'m	2015 Reviewed US$'m	Year ended 31 March 2016 Audited US$'m
Trading profit	**45**	232	179
Finance cost on transponder leases and merchant finance	**20**	16	33
Amortisation of other intangible assets	**(46)**	(29)	(68)
Other gains/(losses) – net	**(27)**	(139)	(292)
Retention option expense	**(1)**	(2)	(2)
Share-based incentives settled in treasury shares	**(21)**	(11)	(27)
Operating (loss)/profit	**(30)**	67	(177)

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM REPORT

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 condensed consolidated interim report for the six months ended 30 September 2016 is 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 report does 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 report 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 2016. None of the new or amended accounting pronouncements that are effective for the financial year commencing 1 April 2016 are expected to have 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM REPORT (continued)

4. Calculation of headline and core headline earnings

	Six months ended 30 September 2016 Reviewed US$'m	2015 Reviewed US$'m	Year ended 31 March 2016 Audited US$'m
Net profit attributable to shareholders	**554**	610	994
Adjusted for:			
– insurance proceeds	**–**	(1)	(1)
– impairment of property, plant and equipment and other assets	**2**	–	43
– impairment of goodwill and other intangible assets	**24**	140	155
– (profit)/loss on sale of assets	**(1)**	–	3
– loss on remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	**2**	–	88
– gains on acquisitions and disposals of investments	**(40)**	(88)	(110)
– remeasurement of previously held interest	**–**	(24)	(348)
– dilution losses/(gains) on equity-accounted investments	**71**	(129)	(104)
– remeasurements included in equity-accounted earnings	**(57)**	(45)	(125)
– impairment of equity-accounted investments	**–**	1	55
Total tax effects of adjustments	**(1)**	5	54
Total adjustment for non-controlling interest	**1**	(1)	(3)
Headline earnings	**555**	468	701
Adjusted for:			
– equity-settled share-based payment expenses	**124**	88	218
– recognition of deferred tax assets	**–**	(1)	(1)
– amortisation of other intangible assets	**177**	98	230
– fair-value adjustments and currency translation differences	**56**	36	90
– retention option expense	**1**	2	2
– business combination losses	**1**	5	6
Core headline earnings	**914**	696	1 246

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$11m (2015: US$8m and 31 March 2016: US$20m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

5. Interest received/(paid)

	Six months ended 30 September 2016 Reviewed US$'m	2015 Reviewed US$'m	Year ended 31 March 2016 Audited US$'m
Interest received	**29**	21	40
– loans and bank accounts	**26**	19	37
– other	**3**	2	3
Interest paid	**(136)**	(137)	(292)
– loans and overdrafts	**(100)**	(109)	(207)
– transponder leases	**(20)**	(16)	(33)
– other	**(16)**	(12)	(52)
Other finance income/(cost) – net	**(58)**	(40)	(100)
– net foreign exchange differences and fair-value adjustments on derivatives	**(58)**	(41)	(102)
– preference dividends received	**–**	1	2

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 2016 Reviewed US$'m	2015 Reviewed US$'m	Year ended 31 March 2016 Audited US$'m
Depreciation of property, plant and equipment	**99**	93	186
Amortisation	**59**	40	94
– other intangible assets	**46**	29	67
– software	**13**	11	27
Net realisable value adjustments on inventory, net of reversals[1]	**15**	1	78
Other gains/(losses) – net	**(27)**	(139)	(292)
– profit/(loss) on sale of assets	**1**	–	(3)
– impairment of goodwill and other intangible assets	**(24)**	(140)	(155)
– impairment of property, plant and equipment and other assets	**(2)**	–	(43)
– dividends received on investments	**1**	–	–
– remeasurement of disposal groups classified as held for sale to fair value less costs of disposal	**(2)**	–	(88)
– insurance proceeds	**–**	1	1
– fair-value adjustments on financial instruments	**(1)**	–	(4)
Gains on acquisitions and disposals	**39**	108	452
– gains on disposal of investments	**40**	88	110
– remeasurement of contingent consideration	**1**	(1)	2
– acquisition-related costs	**(2)**	(3)	(8)
– remeasurement of previously held interest	**–**	24	348

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 2016 Reviewed US$'m	2015 Reviewed US$'m	Year ended 31 March 2016 Audited US$'m
Share of equity-accounted results	**912**	635	1 289
– sale of assets	**8**	2	–
– disposal of investments	**(206)**	(118)	(251)
– impairment of investments	**145**	76	180
Contribution to headline earnings	**859**	595	1 218
– amortisation of other intangible assets	**150**	78	174
– equity-settled share-based payment expenses	**106**	77	191
– fair-value adjustments and currency translation differences	**(3)**	4	6
Contribution to core headline earnings	**1 112**	754	1 589
Tencent	**1 183**	854	1 797
Mail.ru	**27**	23	45
Other	**(98)**	(123)	(253)

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 2016 Reviewed US$'m	2015 Reviewed US$'m	Year ended 31 March 2016 Audited US$'m
Goodwill			
– cost	**3 175**	2 170	2 170
– accumulated impairment	**(357)**	(279)	(279)
Opening balance	**2 818**	1 891	1 891
– foreign currency translation effects	**95**	(82)	(26)
– acquisitions of subsidiaries and businesses	**138**	65	1 260
– disposals of subsidiaries and businesses	**–**	–	(7)
– transferred to assets classified as held for sale	**(7)**	(155)	(155)
– impairment	**(3)**	(140)	(145)
Closing balance	**3 041**	1 579	2 818
– cost	**3 416**	1 974	3 175
– accumulated impairment	**(375)**	(395)	(357)

9. Investments and loans

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

	Six months ended 30 September 2016 Reviewed US$'m	2015 Reviewed US$'m	Year ended 31 March 2016 Audited US$'m
Investments and loans	**8 932**	7 115	7 900
– listed investments	**7 996**	5 915	6 977
– unlisted investments and loans	**936**	1 200	923

10. 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 2016 Reviewed US$'m	2015 Reviewed US$'m	Year ended 31 March 2016 Audited US$'m
Commitments	**2 322**	3 692	3 254
– capital expenditure	**24**	54	16
– programme and film rights	**1 856**	2 318	2 245
– network and other service commitments	**166**	234	176
– transponder leases	**17**	896	573
– operating lease commitments	**187**	128	207
– set-top box commitments	**72**	62	37

The group operates a number of businesses in jurisdictions where withholding taxes are payable on certain transactions or payments. In some circumstances, transactions could potentially lead to withholding taxes being payable. Our current assessment of possible withholding tax exposures, including interest and potential penalties, amounts to approximately US$243.8m (2015: US$224.2m and 31 March 2016: US$216.8m).

11. Disposal groups classified as held for sale

The group classified the assets and liabilities of INET BFA Proprietary Limited, a leading provider of financial data feeds and analysis tools, as well as the assets and liabilities of various other smaller units, as held for sale during the period ended 30 September 2016.

During the current reporting period, the group concluded the disposal of Heureka and Netretail, following the receipt of regulatory approval during May and July 2016 respectively. These businesses were classified as held for sale as at 31 March 2016. Refer to note 12 for further details.

Significant classes of assets and liabilities, classified as held for sale as at 30 September 2016, are detailed in the table below:

	Six months ended 30 September 2016 Reviewed US$'m	2015 Reviewed US$'m	Year ended 31 March 2016 Audited US$'m
Assets	**26**	317	226
Property, plant and equipment	**6**	23	28
Goodwill and other intangible assets	**7**	210	124
Investment in joint venture	**–**	–	4
Deferred taxation assets	**3**	2	1
Inventory	**2**	44	38
Trade and other receivables	**5**	24	19
Cash and cash equivalents	**3**	14	12
Liabilities	**5**	102	97
Deferred taxation liabilities	**1**	10	9
Long-term liabilities	**–**	11	2
Trade payables	**1**	46	39
Accrued expenses and other current liabilities	**3**	23	35
Bank overdraft	**–**	12	12

The group recognised a loss of US$1.6m (2015: US$nil and 31 March 2016: US$87.7m) on remeasuring the net assets of businesses classified as held for sale to their fair value less costs of disposal during the period. 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, other acquisitions and disposals

As part of its strategy to consolidate the growing US online classifieds market, the US operations of Wallapop S.L. (Wallapop) were absorbed into the group's letgo business during July 2016. As consideration for the contribution of Wallapop's business and cash of US$45m, Wallapop was issued with a 45% interest in a newly formed entity, with the group holding the remaining 55% interest. The transaction was accounted for as a business combination. The total deemed purchase consideration amounted to US$126m, representing the fair value of the equity interest issued to Wallapop. Given the early-stage nature of the business model, the transaction gave rise to the recognition of goodwill of US$126m. A non-controlling interest of US$45m was recognised following the business combination.

Various acquisitions were made within the Movile group during the reporting period. Most notably the acquisition by iFood of a controlling interest in Brazilian food-ordering business Hellofood Brazil and the acquisition by LBS Global Holdings of controlling interests in Optilogistics S.A.S., a major French specialist in transportation issues and logistics and Systems Teamwork S.R.L., a provider of software solutions and consulting in supply chain management. The aggregate purchase consideration in these business combinations amounted to US$8m. The purchase price allocation: intangible assets US$1m, trade and other payables US$1m and with resulting goodwill of US$8m.

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

Had the revenue and net results of the businesses acquired been included from 1 April 2016, it would not have had a significant effect on the group's consolidated revenue or net results.

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

In May 2016 the group, through Naspers Ventures, announced its first investment targeting the education technology market by investing US$13m (23.6% fully diluted interest) 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 (8.9% fully diluted interest) in Udemy, an online education marketplace with over 7m students enrolled, and US$22m (19.2% fully diluted interest) in Codecademy, a leading global platform focused on online coding education, both during June 2016. The group accounts for these interests as investments in associates.

In July 2016 the group acquired a 49% interest in El Cocinero a Cuerda, S.R.L., the owner and operator of online food-ordering platforms including Just Eat, Do Eat, and SinDelantal in Latin America for US$15m. The group accounts for its interest as an investment in a joint venture.

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

In May 2016 the group disposed of its Czech online comparison-shopping platform Heureka for a cash consideration of US$67m, following the receipt of regulatory approval. A gain on disposal of US$61m has been recognised in "Gains on acquisitions and disposals" in the income statement following the transaction.

During July 2016 the group disposed of its Czech online retail and ecommerce platform Netretail for a cash consideration of US$102m. A loss on disposal of US$28m has been recognised in "Gains on acquisitions and disposals" in the income statement following the transaction.

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 as at 31 March 2016. There have been no material changes in the group's credit, liquidity or market risks or in key inputs used in measuring fair value since 31 March 2016.

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 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	**11**	**1**	**–**
Foreign exchange contracts	**–**	**4**	**–**
Currency devaluation features	**–**	**–**	**10**
Liabilities			
Foreign exchange contracts	**–**	**79**	**–**
Shareholders' liabilities	**–**	**–**	**14**
Earnout obligations	**–**	**–**	**14**
Interest rate swaps	**–**	**16**	**–**

	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	–

13. Financial instruments (continued)

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

	30 September 2016			
	Currency devaluation features US$'m	**Share-holders' liabilities US$'m**	**Earnout obligations US$'m**	**Total US$'m**
Opening balance	**11**	**(13)**	**(22)**	**(24)**
Total gains/(losses) recognised in the income statement	**1**	**(1)**	**1**	**1**
Total gains recognised as adjustments to the cost of programme and film rights	**6**	**–**	**–**	**6**
Reclassifications	**(8)**	**–**	**–**	**(8)**
Settlements	**–**	**–**	**8**	**8**
Foreign currency translation effects	**–**	**–**	**(1)**	**(1)**
Closing balance	**10**	**(14)**	**(14)**	**(18)**

The group has assessed that, if one or more of the inputs used in measuring the fair value of shareholders' liabilities, earnout obligations and currency devaluation features were changed to a reasonably possible alternative assumption, it would not have a significant impact on these fair-value measurements.

	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) recognised 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	–	(27)	(1)	(28)
Cancellations/Reclassifications	–	4	–	4
Settlements	–	43	11	54
Foreign currency translation effects	–	-	4	4
Closing balance	11	(13)	(22)	(24)

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 2016	
Financial liabilities	**Carrying value US$'m**	**Fair value US$'m**
Capitalised finance leases	**1 231**	**1 274**
Publicly traded bonds	**2 900**	**3 119**

	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

14. Events after the reporting period

In October 2016 the group acquired a 100% interest in Citrus Pay, a leading Indian payments technology player, for US$130m. Citrus Pay will form part of the Indian operations of PayU, the group's global online payment service provider.

During October 2016 the group announced the sale of its interests in Allegro.pl and Ceneo.pl, the leading online marketplace and price comparison businesses in Poland, for US$3.25bn. The transaction is subject to regulatory approval with closing expected in early 2017.

A merger of the group's Indian travel business with that of MakeMyTrip Limited, another leader in the Indian travel sector, was announced in October 2016. Following the merger, the group will hold a 40% stake in MakeMyTrip. The transaction is subject to approval by MakeMyTrip shareholders and regulatory authorities.

15. 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 tables below. The pro forma financial information is the responsibility of the board of directors (the board) of Naspers Limited (Naspers) 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 period ended 30 September 2016. The following methodology was applied in calculating the pro forma financial information:

1. Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted, is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the US dollar) used for the most significant currencies, were: South African rand (2016: 0.0690; 2015: 0.0789); Polish zloty (2016: 0.2572; 2015: 0.2672); Russian rouble (2016: 0.0154; 2015: 0.017); Chinese yuan renminbi (2016: 0.1512; 2015: 0.1598); Indian rupee (2016: 0.0149; 2015: 0.0155); Brazilian real (2016: 0.3000; 2015: 0.2958); and Nigerian naira (2016: 0.0037; 2015: 0.0050).
2. Adjustments made for changes in the composition of the group relate to acquisitions and disposals of subsidiaries and equity-accounted investment 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 have been adjusted for in arriving at the pro forma financial information:

Transaction	Basis of accounting	Reportable segment	Acquisition/ Disposal
Dilution of the group's interest in Tencent	Associate	Internet	Disposal
Disposal by Mail.ru of a controlling interest in Headhunter	Associate	Internet	Disposal
Dilutions of the group's interest in Flipkart and Souq	Associate and joint venture respectively	Ecommerce	Disposal
Acquisition of the group's interest in Avenida	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Avito	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in letgo	Subsidiary	Ecommerce	Acquisition
Disposal of Netretail	Subsidiary	Ecommerce	Disposal
Disposal of Heureka	Subsidiary	Ecommerce	Disposal
Disposal of Korbitec	Subsidiary	Ecommerce	Disposal
Disposal of Ricardo	Subsidiary	Ecommerce	Disposal

The net adjustment made for all acquisitions and disposals that took place during the period ended 30 September 2016 amounted to a negative adjustment of US$54m on revenue and a negative adjustment of US$53m 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.

15. 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:

	Period ended 30 September							
	2015	2016	2016	2016	2016	2016	2016	2016
	A	B	C	D	E	F[2]	G[3]	H[4]
	IFRS	Group composition disposal adjustment	Group composition acquisition adjustment	Foreign currency adjustment	Local currency growth	IFRS	Local currency growth	IFRS
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	% change	% change
Revenue[1]								
Internet	3 763	(130)	78	(258)	1 436	4 889	40	30
– Tencent	2 461	(8)	–	(196)	1 169	3 426	48	39
– Mail.ru	92	(5)	–	(12)	9	84	10	(9)
– Ecommerce	1 210	(117)	78	(50)	258	1 379	24	14
Video entertainment	1 790	–	–	(255)	110	1 645	6	(8)
Media	325	(2)	–	(36)	(3)	284	(1)	(13)
Corporate services	–	–	–	–	1	1	100	100
Intersegmental	(17)	–	–	1	(15)	(31)		
Economic interest	5 861	(132)	78	(548)	1 529	6 788	27	16
Trading profit[1]								
Internet	805	(3)	(50)	(82)	571	1 241	71	54
– Tencent	1 065	(3)	–	(87)	526	1 501	50	41
– Mail.ru	36	(2)	–	(5)	3	32	9	(11)
– Ecommerce	(296)	2	(50)	10	42	(292)	14	1
Video entertainment	399	–	–	(116)	(57)	226	(14)	(43)
Media	16	–	–	1	(5)	12	(31)	(25)
Corporate services	(6)	–	–	1	(1)	(6)	(17)	–
Economic interest	1 214	(3)	(50)	(196)	508	1 473	42	21
Other metrics reported								
Development spend								
– economic interest	404	(7)	–	(11)	110	496	27	23
– consolidated	280	(4)	–	(6)	117	387	42	38
Consolidated revenue	2 983	(94)	74	(333)	328	2 958	11	(1)
Etail revenue	732	(73)	4	(18)	108	753	16	3
Travel revenue	40	–	–	(3)	30	67	75	68
Classifieds revenue	91	(12)	73	(16)	60	196	76	115
Payments revenue	68	–	–	(5)	20	83	29	22

Core headline earnings, calculated on a constant currency basis, amounted to US$1 076bn.

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) *Figures presented on an economic interest basis.* (2) *A + B + C + D + E.* (3) *[E/(A + B)] x 100.* (4) *[(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 2016 and the related 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.

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 2016 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
25 November 2016

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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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