

Naspers Limited
Incorporated in the Republic of South Africa
(Registration number: 1925/001431/06)
(Naspers)
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CONDENSED CONSOLIDATED INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

COMMENTARY

Naspers executed well in the first half of the 2019 financial year, generating group revenue, measured on an economic-interest basis of US\$11.0bn. Driven by ecommerce and Tencent, this represents growth of 23% (or 29% in local currency and adjusted for acquisitions and disposals). On a similar basis, group trading profit of US\$2.0bn reflects growth of 22% (or 34% in local currency and adjusted for acquisitions and disposals). Profitability in ecommerce improved on the back of strong contributions from the classifieds and business-to-consumer (B2C) units. Tencent's contribution further boosted trading profit growth. Core headline earnings, the board's measure of operating performance, was up a healthy 39% at US\$1.7bn.

Ecommerce reduced trading losses materially. The classifieds business (excluding letgo), which turned profitable in the 2018 financial year, continued to show strong profit growth and is now profitable, including letgo. Trading-loss margins in etail (online retail) and payments narrowed considerably as the businesses accelerated revenue growth and continued to scale.

Acquisitions in the period totalled over US\$700m as we continued to invest in existing and new businesses in classifieds, payments and food-delivery verticals, as well as progressing our growth strategy through Naspers Ventures. The acquisition spend includes: solidifying our presence in online food-delivery services with an additional investment in Swiggy of US\$79m; further expanding our global merchant capabilities in PayU through a US\$60m investment in Zooz; additional investments totalling US\$379m in letgo and Dubizzle to acquire minority interests, thereby increasing our stakes; and an investment of US\$89m in Frontier Car Group to support classifieds' focus on the opportunities created by convenient transaction models.

Following a US\$2.2bn offer from US-based Walmart, we sold our 12% interest in Indian ecommerce company Flipkart in August 2018, realising an internal annual rate of return of approximately 29%.

In September 2018 we reached an important milestone in our evolution into a global consumer internet company by announcing our intention to separately list our video-entertainment business on the JSE Limited (JSE) and simultaneously distribute our shares in this business (to be called MultiChoice Group) to our shareholders. We believe this will unlock value for our shareholders and, at the same time, create an empowered, top 40 JSE-listed African entertainment company, comprising MultiChoice South Africa, MultiChoice Africa, Showmax Africa and Irdeto. We believe the transaction will create further value for Phuthuma Nathi shareholders, who have participated in one of the most successful empowerment schemes in South Africa. On unbundling, Naspers will transfer 5% of its stake in MultiChoice South Africa to Phuthuma Nathi shareholders, for no consideration, to increase MultiChoice South Africa's broad-based black economic empowerment (BBBEE) participation. This significant step reinforces Naspers's transformation credentials.

Our earnings are significantly affected by foreign exchange volatility as our operations span over 120 countries and markets globally. This volatility has the most pronounced impact in the video-entertainment business where revenues are generated in local currencies while costs are predominantly US dollar-denominated. In the internet businesses, revenues and costs are typically in the same currency, which softens this impact. Where relevant in this report, numbers have been adjusted 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.

FINANCIAL REVIEW

Excluding equity-accounted investments (associates and joint ventures), consolidated revenue grew 8% (14%) to US\$3.3bn. Ecommerce was the main driver of growth, with revenues increasing 32% (29%). However, this performance was slowed by the contribution from video entertainment. The disposal of Novus in the media segment during the previous financial year also negatively impacted consolidated revenue growth. Consolidated trading profit improved considerably by 83% to US\$128m as the ecommerce businesses continued to scale and improve profitability.

Consolidated development spend (representing the trading losses of businesses not yet at scale) was down 30% (27%), as many of our developing ecommerce businesses continued to scale and move towards profitability. Development spend on more mature investments was down 12%, however, we continue to invest to accelerate growth and develop incremental revenue opportunities over the long term. We invested US\$78m in our consolidated newer initiatives, including letgo.

Equity-accounted investments contributed US\$2.1bn to group earnings, an increase of 45%. This includes investment disposal gains of US\$152m, impairment losses of US\$771m and fair-value adjustments on financial instruments of US\$1.4bn that have been recognised by these investees. In aggregate, equity-accounted investments contributed US\$1.7bn to core headline earnings - up 20%.

Notably, following the disposal of our interest in Flipkart (outlined above), a once-off gain of US\$1.6bn was recorded.

We recognised impairment losses of US\$103m relating to an equity-accounted investment focused on the provision of consumer lending and financial services. We impaired our investment (including convertible debt funding extended) as performance and the opportunity to leverage the investment in some of our core markets fell below our expectations.

We had a strong net cash position of US\$8.7bn (including short-term cash investments and net of interest-bearing debt, excluding capitalised finance leases), primarily attributable to the proceeds retained from the Flipkart disposal and sale of Tencent shares in the 2018 financial year. This resulted in net interest income of US\$48m.

At 30 September 2018 put option liabilities were US\$1.8bn. An aggregate remeasurement gain of US\$239m was recognised in the income statement on these liabilities in the period.

Consolidated free cash flow was US\$271m, a marked improvement on last year. This reflects improved profitability in the ecommerce businesses, dividend income of US\$332m from Tencent and positive working capital effects in video entertainment.

We adopted several new accounting standards in the period, including the new revenue recognition and financial instrument guidance, and comparative information has been restated accordingly, where applicable. Refer to note 2 for further details.

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

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

SEGMENTAL REVIEW

Internet

Revenues in the internet segment, which now contributes 82% of total group revenue compared to 77% a year ago, were up 31% (36%) to US\$9.0bn, while trading profits rose 30% (39%) as ecommerce and Tencent continued to stimulate growth.

Ecommerce

Ecommerce revenue increased 28% (29%) to US\$2.0bn with meaningful contributions from classifieds, payments, food delivery and B2C.

Trading losses narrowed by a significant 34% (46%) to US\$209m due to a noteworthy profit contribution from classifieds and reduced trading losses at the payments, etail and travel units. Consequently, the trading-loss margin halved from 21% last year to 11% this year, continuing the trajectory of the prior financial year.

Revenues generated by our profitable ecommerce businesses totalled US\$902m, with trading profits of US\$223m. Compared to US\$465m and US\$170m last year, this reflects growth of 94% (29%) and 31% (48%) respectively. eMAG Romania, which became profitable in the second half of the 2018 financial year, was a major driver of the revenue improvement.

Classifieds

Classifieds continued its strong growth trajectory, generating revenue of US\$405m - up 40% (37%) - driven by Avito, Brazil and the European markets (particularly Poland and the Ukraine). Trading profit (excluding letgo) grew by more than 100% (in local currency and adjusted for acquisitions and disposals) to US\$95m. Including letgo, classifieds was profitable in the first half of the year, although anticipated marketing spend may impact second-half results.

Avito's revenue increased 18% (31%) to US\$162m, driven by enhanced product features and good traction in the cars segment.

In Brazil, OLX grew revenues 29% (54%) and expanded profit margins, benefiting from its market position in car verticals.

letgo began monetising, benefiting from continued growth in its user base, particularly the increase in retained users due to product enhancements.

To access greater opportunities in new and existing markets, the classifieds business broadened its presence in car and real estate verticals through acquisitions. This addresses a sizeable consumer need. Given our focus on convenient transaction models to deepen market presence and enhance the consumer experience, we acquired a minority stake in Frontier Car Group and, after the reporting period, a controlling stake in WeBuyCars, which is subject to regulatory approval.

Etail

Etail revenues, measured in local currency and adjusted for the disposals of Souq last year and Flipkart in August 2018, grew 19%. On the same basis, trading losses reduced 22% as the business continued to scale and gain market share. We include seven months of results for Flipkart in our segmental results for the review period, representing our share of its earnings for the period up to disposal as well as a catch-up of the lag period applied in reporting Flipkart's results. Going forward, overall etail revenues are expected to reduce, with trading losses narrowing, following the disposal of Flipkart.

eMAG, the leading B2C platform in Central and Eastern Europe, delivered a solid performance with revenue up 18% (18%). In its home market of Romania, eMAG recorded gross merchandise value (GMV) growth of 31% with both the retail and marketplace businesses contributing meaningfully to the result. eMAG improved profitability 52% (55%) year on year, boosted by increased gross profit margins and cost control.

Takealot, South Africa's number one B2C platform, extended its market leadership and grew GMV 58%. Its electronics, home and kitchen categories recorded the highest growth, while its food-delivery service, Mr D Food, increased market share and grew GMV by almost 200%. Takealot also announced the merger of its online fashion brand, Superbalist, with Spree, the online fashion brand owned by Media24.

Travel

MakeMyTrip, the leading online travel agency in India, generated solid revenue growth across different verticals: hotels and packages room nights increased 16% and standalone room nights were up 18%. Air travel transactions increased 28%. Over the period, the business moved closer to sustainable growth by improving the unit economics of its hotels business, reducing trading losses (measured in local currency and adjusted for acquisitions and disposals) by 44% year on year. The group's share of MakeMyTrip's revenue, measured in local currency and adjusted for acquisitions and disposals, was up a healthy 22%. More information on MakeMyTrip's results is available at <http://investors.makemytrip.com>.

Payments

PayU, our payments business, recorded strong growth in its core (payment service provider) business. A 35% increase in the number of transactions processed, to over 400m, generated total payment transaction value exceeding US\$14bn - with India accounting for more than half. The business delivered revenue growth of 36% (33%) to US\$171m. We merged the Europe, Middle East and Asia (EMEA) and Latin American businesses, realising significant efficiencies and cost reductions. Revenue scaling, coupled with cost compression, enabled us to substantially improve profitability in the segment.

In India, we continue to build a broader credit platform, which is supporting encouraging progress across all our initiatives: LazyPay gained significant traction, reaching over 450 000 consumers and issuing more than US\$4m in loans per month. Our Indian credit-portfolio companies also continued to perform ahead of plan, with our minority investments PaySense and ZestMoney each issuing over US\$7m in loans per month, a significant acceleration year on year.

The global merchant business grew 65% (85%) and, to accelerate it further, PayU acquired Zooz, an Israeli payments technology company, in July 2018. This enables PayU to leverage the platform to serve its global merchants better.

Food delivery

Online food-delivery services continued to grow strongly, recording cumulative annualised GMV growth of 51% year on year. Strong contributions from all businesses (Delivery Hero, iFood and Swiggy) tripled revenue growth to US\$181m. Further investment in scaling these operations expanded trading losses to US\$41m.

Delivery Hero reported strong revenue growth of 48% to EUR357m and order volume growth of 46% to 184m in its half-year ended June 2018. More information on Delivery Hero's results is available at <https://ir.deliveryhero.com>.

In India, Swiggy continues to record robust growth. The company doubled its footprint over the past six months and now operates across 34 cities in India and has over 40 000 restaurant partners on its platform. In July 2018 we invested an additional US\$79m in Swiggy, bringing our effective interest to 25% (23% fully diluted) at 30 September 2018.

In Latin America, we invested US\$124m in Movile to further expand and scale iFood, which continues to execute well and deliver solid growth rates.

Tencent

Tencent grew total group revenue 39% year on year to RMB147.2bn for its six months to 30 June 2018. Key drivers were payment-related services, digital-content subscriptions and sales, social advertising and smartphone games. Non-GAAP profit attributable to shareholders (Tencent's measure of normalised performance) grew 23% to RMB47.5bn.

Revenues from value-added services increased 24% to RMB88.9bn, mainly driven by digital-content services such as video streaming, live broadcast, music and in-game virtual item sales. Revenues from online advertising increased 46% to RMB24.8bn as Tencent expanded its advertiser base and increased prices in Weixin Moments, QQ KanDian and other mobile platforms. Other revenues were up a solid 95% at RMB33.5bn, reflecting continued strong growth in payment-related and cloud services. Overall, margins declined as the business mix evolved and as the significant investment in research and development, cloud and other new services continued.

Swift growth of Mini Programs and Weixin Pay supported a 9.9% increase in Weixin's monthly active users to 1.1bn. User activity in Weixin Mini Games and Moments continued to increase, driving up time spent per user. Daily active users of Tencent's smartphone games grew by double digits year on year, but monetisation per user and online games revenues declined in the second quarter of 2018 as users shifted time to certain tactical tournament games for which regulatory approvals for in-game virtual item sales were still pending. Tencent recently implemented stringent self-imposed limitations on game-playing by minors and has introduced measures to enforce such policy.

Tencent continued to expand the user base of payment-related services, with monthly active users exceeding 800m at the end of June 2018. Average daily transaction volume rose by over 40% year on year.

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

Mail.ru

Mail.ru grew total group revenue 29% year on year to RUB33.6bn. Advertising revenue was up 39% at RUB13.9bn, driven by further user growth and engagement on Mail.ru's platform and the market's structural shift from traditional to online advertising. Massively multiplayer online game revenue increased 33% to RUB10.4bn, driven by ongoing success in both established and new titles. Warface and War Robots continued to perform well and Hustle Castle recorded significant growth. Internet value-added service revenue increased 1% to RUB7.1bn. EBITDA declined 17% to RUB7.7bn, mainly due to consolidating new acquisitions in the online-to-offline space, which were still loss-making.

VKontakte launched VK Pay, offering users the ability to conveniently accept payment for goods and services. Mail.ru created Russia's largest licensed digital music ecosystem with a subscriber base of 1.5m across three platforms: VKontakte, Odnoklassniki and BOOM.

In September 2018, Mail.ru announced that it will contribute its Pandao ecommerce business and cash in exchange for a 15% stake in AliExpress Russia. More information on Mail.ru's results is available at <https://corp.mail.ru/en/investors/>.

Video entertainment

The video-entertainment segment had a steady six months, growing subscriber numbers by a sizeable 400 000 households to 13.9m households. Revenue increased 3% (7%) to US\$1.8bn and trading profit remained relatively flat (up 6%) at US\$211m. The value strategy, aimed at growing the subscriber base and reducing costs, delivered a further US\$15m in cost savings. The Fifa World Cup provided a significant opportunity to drive growth on the back of significant investment in content and subscriber acquisition (mainly through set-top box subsidies). This investment in the review period skews the year-on-year comparison and masks the improvement in operating performance, particularly in sub-Saharan Africa. Customers added by this promotion will contribute to second-half revenues and profitability, driving year-on-year improvements.

The South African video-entertainment business delivered solid trading profits and generated meaningful cash flows. Subscriber growth was strong in the middle- and mass-market segments, with some churn in premium subscribers as a number of households in this segment appear to be experiencing strains on their disposable income. The ongoing change in subscriber mix resulted in average revenue per user reducing from US\$27 last year to US\$25 this year.

In sub-Saharan Africa, subscriber growth accelerated and the business generated 9% (16%) growth in revenues to US\$524m. Trading losses were stable, with a decline in losses measured in local currency. This improvement would have been stronger but for the Fifa World Cup promotional drive discussed above. Results were affected by the 42% devaluation of the Angolan kwanza since January 2018. Despite ongoing economic and currency volatility, efforts to return these operations to profitability are gaining traction.

We made significant progress with remittances from Angola over the period that has allowed us to reduce cash balances and trade receivables impacted by illiquidity. Over the period, we were able to reduce the total balance of cash and trade receivables affected by illiquidity from US\$131m at 31 March 2018 to US\$51m at 30 September 2018. However, the limited availability of foreign currency in the Angolan and Zimbabwean economies continues to affect liquidity.

Media

Media24's revenue was down 7% (4%) due to pressure on advertising and circulation revenue (all figures exclude Novus, which was distributed to shareholders last year). Revenue in Media24's ecommerce businesses increased 15% (19%) on higher fulfilment volumes and satisfactory growth from Spree, ahead of the merger with Superbalist. The trading result for the segment was flat year on year due to lower printing costs, cost-containment initiatives across the business, and progress with migrating audiences from print to digital platforms.

PROSPECTS

Over the remainder of the financial year, we will maintain our focus on driving profitability in the ecommerce units. Our strong balance sheet provides a basis for driving growth across the portfolio and unlocking new opportunities that fit our criteria. Containing costs and weathering challenging macro conditions will remain a priority for our more

mature assets.

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 30 November 2018.

On behalf of the board

Koos Bekker Bob van Dijk
Chair Chief executive

Cape Town
30 November 2018

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 September		Year ended 31 March
		2018 Reviewed US\$'m	Restated 2017 Reviewed US\$'m	Restated 2018 Audited US\$'m
Revenue	5	3 344	3 105	6 657
Cost of providing services and sale of goods		(1 981)	(1 824)	(4 025)
Selling, general and administration expenses		(1 284)	(1 250)	(2 782)
Other gains/(losses) - net		(30)	(20)	(47)
Operating profit/(loss)		49	11	(197)
Interest received	6	168	54	88
Interest paid	6	(142)	(132)	(267)
Other finance income/(costs) - net	6	140	(65)	(319)
Share of equity-accounted results	8	2 098	1 447	3 277
Impairment of equity-accounted investments		(82)	(17)	(46)
Dilution (losses)/gains on equity-accounted investments		(62)	(41)	9 216
Gains/(losses) on acquisitions and disposals		1 602	(51)	(93)
Profit before taxation	7	3 771	1 206	11 659
Taxation		(317)	(148)	(360)
Profit for the period		3 454	1 058	11 299
Attributable to:				
Equity holders of the group		3 422	1 092	11 358
Non-controlling interest		32	(34)	(59)
		3 454	1 058	11 299
Core headline earnings for the period (US\$'m)	4	1 664	1 196	2 508
Core headline earnings per N ordinary share (US cents)		385	277	581
Diluted core headline earnings per N ordinary share (US cents)		378	271	568
Headline earnings for the period (US\$'m)	4	2 766	910	1 795
Headline earnings per N ordinary share (US cents)		640	211	416
Diluted headline earnings per N ordinary share (US cents)		632	206	403
Earnings per N ordinary share (US cents)		792	253	2 631
Diluted earnings per N ordinary share (US cents)		783	248	2 612
Net number of shares issued ('000)				
- at period-end		431 943	431 690	432 126
- weighted average for the period		432 126	431 540	431 635

- diluted weighted average 433 522 433 191 433 003
Refer to note 2 for details of the group's adoption of new accounting pronouncements during the period.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended		Year ended
	30 September		31 March
	2018	Restated 2017	Restated 2018
	Reviewed	Reviewed	Audited
	US\$'m	US\$'m	US\$'m
Profit for the period	3 454	1 058	11 299
Total other comprehensive income, net of tax, for the period(1)	(1 865)	842	1 742
Translation of foreign operations(2)	(2 116)	7	996
Net fair-value gains/(losses)	1	(2)	(4)
Cash flow hedges	149	12	(98)
Share of other comprehensive income and reserves of equity-accounted investments	143	836	835
Tax on other comprehensive income	(42)	(11)	13
Total comprehensive income for the period	1 589	1 900	13 041
Attributable to:			
Equity holders of the group	1 604	1 968	13 026
Non-controlling interest	(15)	(68)	15
	1 589	1 900	13 041

(1) These components of other comprehensive income may subsequently be reclassified to profit or loss, except for "Net fair-value gains/(losses)" and gains of US\$178m (2017: US\$142m and 31 March 2018: US\$361m) 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.

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the period.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 September		As at
		Restated		31 March
		2018	2017	Restated
		Reviewed	Reviewed	2018
		US\$'m	US\$'m	Audited
				US\$'m
Assets				
Non-current assets		19 843	19 111	22 386
Property, plant and equipment		173	1 556	1 638
Goodwill	9	2 115	2 497	2 607
Other intangible assets		894	1 137	1 143
Investments in associates		16 439	13 563	16 666
Investments in joint ventures		85	84	78
Other investments and loans		64	102	115
Other receivables		17	28	21
Derivative financial instruments		27	5	1
Deferred taxation		29	139	117
Current assets		15 921	4 960	13 065
Inventory		201	214	231

Programme and film rights		18	413	240
Trade receivables		187	470	452
Other receivables and loans		561	669	762
Derivative financial instruments		14	23	11
Short-term investments		8 591	-	-
Cash and cash equivalents		3 388	3 171	11 369
		12 960	4 960	13 065
Assets classified as held for distribution/sale	11	2 961	-	-
Total assets		35 764	24 071	35 451
Equity and liabilities				
Capital and reserves attributable to the group's equity holders		26 816	14 464	25 523
Share capital and premium		4 908	4 954	4 965
Other reserves		(2 392)	(319)	425
Retained earnings		24 300	9 829	20 133
Non-controlling interest		117	161	169
Total equity		26 933	14 625	25 692
Non-current liabilities		4 014	6 424	5 623
Capitalised finance leases		5	1 111	1 086
Liabilities - interest-bearing		3 235	3 193	3 202
- non-interest bearing		10	34	22
Other non-current liabilities		455	1 717	867
Post-employment medical liability		24	15	30
Derivative financial instruments		79	76	157
Deferred taxation		206	278	259
Current liabilities		4 817	3 022	4 136
Current portion of long-term debt		31	355	280
Trade payables		248	675	564
Accrued expenses and other current liabilities		2 164	1 936	3 162
Derivative financial instruments		22	50	129
Bank overdrafts and call loans		1	6	1
		2 466	3 022	4 136
Liabilities classified as held for distribution/sale	11	2 351	-	-
Total equity and liabilities		35 764	24 071	35 451
Net asset value per N ordinary share (US cents)		6 208	3 351	5 906

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the period.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Six months ended		Year ended
	30 September		31 March
	2018	Restated 2017	Restated 2018
	Reviewed	Reviewed	Audited
	US\$'m	US\$'m	US\$'m
Balance at the beginning of the period	25 692	15 361	13 142
Change in accounting policy (refer to note 2)	-	(2 219)	-
Restated balance at the beginning of the period	25 692	13 142	13 142
Changes in share capital and premium			
Movement in treasury shares	(57)	(74)	(64)
Share capital and premium issued	-	84	85
Changes in reserves			

Total comprehensive income for the period	1 604	1 968	13 026
Movement in share-based compensation reserve	(45)	(74)	(48)
Movement in existing control business combination reserve	37	(111)	(195)
Direct retained earnings and other reserve movements	(51)	88	125
Dividends paid to Naspers shareholders	(196)	(261)	(262)
Changes in non-controlling interest			
Total comprehensive income for the period	(15)	(68)	15
Dividends paid to non-controlling shareholders	(114)	(124)	(153)
Movement in non-controlling interest in reserves	78	55	21
Balance at the end of the period	26 933	14 625	25 692
Comprising:			
Share capital and premium	4 908	4 954	4 965
Retained earnings	24 300	9 829	20 133
Share-based compensation reserve	1 593	1 216	1 460
Existing control business combination reserve	(1 810)	(1 775)	(1 847)
Hedging reserve	(25)	(33)	(106)
Valuation reserve	635	1 873	1 679
Foreign currency translation reserve	(2 785)	(1 600)	(761)
Non-controlling interest	117	161	169
Total	26 933	14 625	25 692

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the period.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Six months ended		Year ended
		30 September	31 March	2018
		2018	2017	2018
		Reviewed	Reviewed	Audited
		US\$'m	US\$'m	US\$'m
Cash flows from operating activities				
Cash generated from operating activities		233	(68)	141
Interest income received		102	46	81
Dividends received from investments and equity-accounted companies		335	250	251
Interest costs paid		(135)	(123)	(240)
Taxation paid		(165)	(175)	(391)
Net cash generated from/(utilised in) operating activities		370	(70)	(158)
Cash flows from investing activities				
Acquisitions and disposals of tangible and intangible assets		(77)	(45)	(138)
Acquisitions of subsidiaries, associates and joint ventures	12	(309)	(857)	(1 957)
Disposals of subsidiaries, associates and joint ventures	12	1 930	179	9 941
Acquisition of short-term investments(1)		(8 591)	-	-
Cash movement in other investments and loans		(32)	2	7
Net cash (utilised in)/generated from investing activities		(7 079)	(721)	7 853
Cash flows from financing activities				
Proceeds from long- and short-term loans raised		46	1 114	1 124
Repayments of long- and short-term loans		(19)	(703)	(827)
Outflow from share-based compensation transactions		(127)	(9)	(22)
Additional investments in existing subsidiaries		(424)	(45)	(219)
Dividends paid by the holding company and its subsidiaries		(313)	(313)	(344)
Other movements resulting from financing activities		(18)	(43)	(100)
Net cash (utilised in)/generated from financing activities		(855)	1	(388)
Net movement in cash and cash equivalents		(7 564)	(790)	7 307
Foreign exchange translation adjustments on				

cash and cash equivalents	(123)	(48)	58
Cash and cash equivalents at the beginning of the period	11 368	4 003	4 003
Cash and cash equivalents classified as held for distribution/sale	(294)	-	-
Cash and cash equivalents at the end of the period	3 387	3 165	11 368

(1) Relates to short-term cash investments with maturities of more than three months from date of acquisition.

SEGMENTAL REVIEW

	Revenue			Year ended 31 March Restated 2018 Audited US\$'m
	Six months ended 30 September		%	
	2018 Reviewed US\$'m	Restated 2017 Reviewed US\$'m		
Internet	9 028	6 906	31	15 863
Ecommerce	1 987	1 549	28	3 582
- Classifieds	405	289	40	628
- Payments	171	126	36	294
- Food delivery	181	56	>100	166
- Etail	984	877	12	2 060
- Travel(1)	137	96	43	211
- Other	109	105	4	223
Social and internet platforms	7 041	5 357	31	12 281
- Tencent	6 905	5 241	32	12 024
- Mail.ru	136	116	17	257
Video entertainment Media(2)	1 834 170	1 775 315	3 (46)	3 677 507
Corporate services	1	1	-	3
Intersegmental	(11)	(10)	(10)	(21)
Economic interest	11 022	8 987	23	20 029
Less: Equity-accounted investments	(7 678)	(5 882)	(31)	(13 372)
Consolidated	3 344	3 105	8	6 657

(1) Travel revenue for the period ended 30 September 2017 has been reduced by US\$32m (31 March 2018: US\$65m) due to the effect of the adoption of IFRS 15 Revenue from Contracts with Customers on the group's associate MakeMyTrip Limited. These adjustments did not have an impact on EBITDA or trading profit.

(2) 30 September 2017 includes revenue of US\$133m, 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 2 for details of the group's adoption of new accounting pronouncements during the period.

	EBITDA(1)			Year ended 31 March Restated 2018 Audited US\$'m
	Six months ended 30 September		%	
	2018 Reviewed US\$'m	Restated 2017 Reviewed US\$'m		
Internet	2 056	1 564	31	3 382
Ecommerce	(180)	(292)	38	(615)
- Classifieds	54	(38)	>100	(99)
- Payments	(22)	(32)	31	(60)
- Food delivery	(39)	(7)	>(100)	(20)
- Etail	(95)	(123)	23	(248)

- Travel	(17)	(29)	41	(59)
- Other	(61)	(63)	3	(129)
Social and internet platforms	2 236	1 856	20	3 997
- Tencent(2)	2 213	1 825	21	3 925
- Mail.ru	23	31	(26)	72
Video entertainment	337	363	(7)	628
Media(3)	(5)	25	>(100)	10
Corporate services	(12)	(8)	(50)	(22)
Economic interest	2 376	1 944	22	3 998
Less: Equity-accounted investments	(2 100)	(1 726)	(22)	(3 739)
Consolidated	276	218	27	259

(1) EBITDA refers to earnings before interest, taxation, depreciation and amortisation.

(2) EBITDA for the period ended 30 September 2017 has been restated to include amortisation expenses of US\$402m regarding Tencent's digital content business.

(3) 30 September 2017 includes EBITDA of US\$33.3m relating to Novus Holdings Limited (Novus). The group distributed majority of its shareholding in Novus to its shareholders in September 2017.

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the period.

	Trading profit			Year ended 31 March Restated 2018 Audited US\$'m
	Six months ended 30 September		%	
	2018 Reviewed US\$'m	Restated 2017 Reviewed US\$'m		
Internet	1 846	1 418	30	3 053
Ecommerce	(209)	(318)	34	(673)
- Classifieds	47	(45)	>100	(114)
- Payments	(24)	(33)	27	(64)
- Food delivery	(41)	(8)	>(100)	(30)
- Etail	(106)	(134)	21	(270)
- Travel	(19)	(31)	39	(61)
- Other	(66)	(67)	1	(134)
Social and internet platforms	2 055	1 736	18	3 726
- Tencent(1)	2 043	1 713	19	3 675
- Mail.ru	12	23	(48)	51
Video entertainment	211	234	(10)	370
Media(2)	(10)	21	>(100)	3
Corporate services	(12)	(8)	(50)	(22)
Economic interest	2 035	1 665	22	3 404
Less: Equity-accounted investments	(1 907)	(1 595)	(20)	(3 444)
Consolidated	128	70	83	(40)

(1) Trading profit for the period ended 30 September 2017 has been restated to include amortisation expenses of US\$402m regarding Tencent's digital content business.

(2) 30 September 2017 includes trading profit of US\$33.3m relating to Novus Holdings Limited (Novus). The group distributed the majority of its shareholding in Novus to its shareholders in September 2017.

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the period.

RECONCILIATION OF CONSOLIDATED TRADING PROFIT/(LOSS) TO CONSOLIDATED OPERATING PROFIT/(LOSS)

	Six months ended 30 September		Year ended 31 March Restated 2018 Audited
	2018	2017	
	Reviewed	Reviewed	

	US\$ 'm	US\$ 'm	US\$ 'm
Consolidated trading profit/(loss)	128	70	(40)
Finance cost on transponder leases	25	26	51
Amortisation of other intangible assets	(50)	(47)	(101)
Other gains/(losses) - net	(30)	(20)	(47)
Retention option expense	(6)	-	(8)
Share-based incentives settled in treasury shares	(18)	(18)	(52)
Consolidated operating profit/(loss)	49	11	(197)

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

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM REPORT

1. General information

Naspers Limited (Naspers or the group) 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 2018 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 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 consolidated annual financial statements, except as set out below.

The group has adopted all new and amended accounting pronouncements issued by the IASB that are relevant to its operations and that are effective for financial years commencing on 1 April 2018. The impact of the adoption of new and amended accounting pronouncements is set out below.

The group's reportable segments reflect the components of the group that are regularly reviewed by the chief executive officer and other senior executives who make strategic decisions. The group proportionately consolidates its share of the results of its associates and joint ventures in its reportable segments.

Trading profit excludes amortisation of intangible assets (other than software), equity-settled share-based payment expenses relating to transactions to be settled through the issuance of treasury shares, retention option expenses and other gains/losses, but includes the finance cost on transponder leases.

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

The group adopted the following new accounting pronouncements, during the current period.

Adoption of new and amended accounting pronouncements	
Pronouncements adopted on a retrospective basis	
Accounting pronouncement	Adoption impact

IFRS 15 Revenue from Contracts with Customers (IFRS 15).

IFRS 15 replaces the previous revenue recognition guidance applied by the group as contained in IAS 18 Revenue.

Change in accounting policy regarding written put option liabilities.

Pronouncements adopted with adjustments to the opening balance of retained earnings

Accounting pronouncement IFRS 9 Financial Instruments (IFRS 9).

IFRS 9 replaces the previous financial instrument recognition and measurement guidance applied by the group as contained in IAS 39 Financial Instruments: Recognition and Measurement.

IFRIC 22 Foreign Currency Transactions and Advance Consideration (IFRIC 22).

IFRIC 22 clarifies that non-monetary assets and liabilities arising from the payment/receipt of advance consideration (eg prepaid expenses and deferred

The group has applied IFRS 15 on a retrospective basis and has accordingly restated the comparative information contained in this condensed consolidated interim report. The application of IFRS 15 did not have a significant impact on the group's results or financial position. The cumulative net impact of adopting IFRS 15 on the period ended 30 September 2017 was a reduction in consolidated revenue of US\$2m (31 March 2018: reduction of US\$3m). IFRS 15 had no impact on the group's profit for the period ended 30 September 2017 (31 March 2018: increase of US\$1m). The aforementioned changes related to the group's video-entertainment segment.

The group changed its accounting policy regarding written put option liabilities during the year ended 31 March 2018. Accordingly, comparative information contained in this condensed consolidated interim report, relating to the period ended 30 September 2017, has been restated. Refer to the group's consolidated annual financial statements for the year ended 31 March 2018 for further details regarding this change.

Adoption impact

The group has applied IFRS 9 from 1 April 2018 and elected not to restate comparatives on transition, with the impact of adoption recognised as an adjustment to the opening balance of retained earnings as at 1 April 2018. The most significant impact of adoption was an increase in impairment allowances on trade receivables due to the IFRS 9 requirement to consider forward-looking information when determining impairment allowances. The cumulative net impact of adopting IFRS 9 was an increase of US\$14m in impairment allowances on trade receivables and a corresponding decrease of US\$14m in retained earnings. The impact related mainly to the group's video-entertainment segment.

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

The group has applied IFRIC 22 on a prospective basis, with the impact of adoption recognised as an adjustment to the opening balance of retained earnings as at 1 April 2018. The impact of adoption was an increase in prepaid expenses of US\$10m, a decrease in deferred revenue of US\$4m and a corresponding increase of US\$14m in retained earnings.

revenue) are not retranslated to the entity's functional currency after initial recognition.

Pronouncements adopted on a retrospective basis
The impact of the above changes is shown in the following tables:

INCOME STATEMENT (extract)

	30 September 2017			31 March 2018		
	Restated US\$'m	Change in accounting policy US\$'m	Previously reported US\$'m	Restated US\$'m	Change in accounting policy US\$'m	Previously reported US\$'m
Revenue(1)	3 105	(2)	3 107	6 657	(3)	6 660
Cost of providing services and sale of goods	(1 824)	-	(1 824)	(4 025)	-	(4 025)
Selling, general and administration expenses(1)	(1 250)	2	(1 252)	(2 782)	4	(2 786)
Other gains/(losses) - net	(20)	-	(20)	(47)	-	(47)
Operating profit/(loss)	11	-	11	(197)	1	(198)
Other finance (costs)/income - net(2)	(65)	(18)	(47)	(319)	-	(319)
Profit before taxation	1 206	(18)	1 224	11 659	1	11 658
Taxation	(148)	-	(148)	(360)	-	(360)
Profit for the period	1 058	(18)	1 076	11 299	1	11 298
Attributable to:						
Equity holders of the group	1 092	(6)	1 098	11 358	1	11 357
Non-controlling interests	(34)	(12)	(22)	(59)	-	(59)
Core headline earnings for the period	1 058	(18)	1 076	11 299	1	11 298
Core headline earnings per N ordinary share (US cents)	1 196	(314)	1 510	2 508	1	2 507
Basic	277	(73)	350	581	-	581
Diluted	271	(73)	344	568	-	568
Earnings for the period	1 092	(6)	1 098	11 358	1	11 357
Earnings per N ordinary share (US cents)						
Basic	253	(1)	254	2 631	-	2 631
Diluted	248	(1)	249	2 612	-	2 612
Headline earnings for the period	910	(6)	916	1 795	1	1 794
Headline earnings per N ordinary share (US cents)						
Basic	211	(1)	212	416	-	416
Diluted	206	(1)	207	403	-	403

(1) Represents the impact of adopting IFRS 15 Revenue from Contracts with Customers.

(2) Represents the impact of adopting the group's change in accounting policy regarding written put option liabilities.

STATEMENT OF COMPREHENSIVE INCOME (extract)

	30 September 2017			31 March 2018		
	Restated US\$'m	Change in accounting policy(1) US\$'m	Previously reported US\$'m	Restated US\$'m	Change in accounting(2) policy US\$'m	Previously reported US\$'m
Profit for the period	1 058	(18)	1 076	11 299	1	11 298
Other comprehensive income for the period	842	-	842	1 742	-	1 742
Total comprehensive income for the period	1 900	(18)	1 918	13 041	1	13 040

Attributable to:						
Equity holders of the group	1 968	(6)	1 974	13 026	1	13 025
Non-controlling interests	(68)	(12)	(56)	15	-	15
	1 900	(18)	1 918	13 041	1	13 040

(1) Represents the impact of adopting the group's change in accounting policy regarding written put option liabilities.

(2) Represents the impact of adopting IFRS 15 Revenue from Contracts with Customers.

STATEMENT OF FINANCIAL POSITION (extract)

	As at 30 September 2017		
	Restated	Change in	Previously
	US\$'m	accounting	reported
		policy(1)	US\$'m
		US\$'m	
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders	14 464	(2 110)	16 574
Share capital and premium	4 954	-	4 954
Other reserves	(319)	(1 518)	1 199
Retained earnings	9 829	(592)	10 421
Non-controlling interests	161	(117)	278
TOTAL EQUITY	14 625	(2 227)	16 852
Non-current liabilities	6 424	1 717	4 707
Other non-current liabilities	1 717	1 717	-
Current liabilities	3 022	510	2 512
Accrued expenses and other current liabilities	1 858	510	1 348
TOTAL EQUITY AND LIABILITIES	24 071	-	24 071

(1) Represents the impact of adopting the group's change in accounting policy regarding written put option liabilities.

The adoption of IFRS 15 Revenue from Contracts with Customers had no impact on the group's statement of financial position as at 30 September 2017.

The impact of adopting the group's change in accounting policy regarding written put option liabilities reduced the opening balance of total equity on 1 April 2017 by US\$2.2bn.

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

(1) Represents the impact of adopting IFRS 15 Revenue from Contracts with Customers.

Pronouncements adopted with adjustments to the opening balance of retained earnings
The impact of the above changes is shown in the following table:

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

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

(1) Represents the impacts of adopting IFRS 9 Financial Instruments and IFRIC 22 Foreign Currency Transactions and Advance Consideration as of 1 April 2018.

(2) IFRS 15 Revenue from Contracts with Customers has been adopted on a retrospective basis and accordingly the 31 March 2018 statement of financial position has already been restated for its impact.

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		Year ended
	30 September		31 March
	Restated	Restated	Restated
	2018	2017	2018
	Reviewed	Reviewed	Audited
	US\$'m	US\$'m	US\$'m
Net profit attributable to shareholders	3 422	1 092	11 358
Adjusted for:			
- impairment of property, plant and equipment and other assets	1	18	39
- impairment of goodwill and other intangible assets	-	1	4
- loss/(profit) on sale of assets	1	(3)	(1)
- (gains)/losses on disposal of investments	(1 594)	62	95
- remeasurement of previously held interest	(10)	(21)	(21)
- dilution losses/(gains) on equity-accounted investments	62	41	(9 216)
- remeasurements included in equity-accounted earnings	623	(292)	(524)
- impairment of equity-accounted investments	82	17	46
	2 587	915	1 780
Total tax effects of adjustments	176	-	18
Total adjustment for non-controlling interest	3	(5)	(3)
Headline earnings	2 766	910	1 795

Adjusted for:

- equity-settled share-based payment expenses	238	173	435
- amortisation of other intangible assets(1)	130	84	190
- fair-value adjustments and currency translation differences(2)	(1 483)	19	60
- retention option expense	6	-	8
- business combination losses	7	10	20
Core headline earnings	1 664	1 196	2 508

(1) Amortisation of other intangible assets for the period ended 30 September 2017 has been adjusted to include amortisation expenses of US\$314m regarding Tencent's digital content business.

(2) Fair-value adjustments and currency translation differences for the period ended 30 September 2017 have been adjusted by US\$6m for the impact of remeasurements of written put option liabilities.

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\$27m (2017: US\$20m and 31 March 2018: US\$49m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees and subsidiaries.

5. Revenue

	Six months ended		Year ended
	30 September		31 March
	Restated	Restated	
	2018	2017	2018
	Reviewed	Reviewed	Audited
	US\$ 'm	US\$ 'm	US\$ 'm
Subscription revenue(1)	1 527	1 469	2 996
Ecommerce revenue(2)	1 367	1 042	2 529
Advertising revenue(3)	192	192	388
Hardware sales and maintenance revenue(1)	91	88	192
Technology revenue(1)	50	57	128
Printing, circulation, publishing and distribution revenue(4)	62	194	270
Sublicence and reconnection fee revenue(1)	32	28	71
Other revenue	23	35	83
	3 344	3 105	6 657

Revenue is presented on an economic-interest basis (ie including a proportionate consolidation of the revenue of associates and joint ventures) in the group's segmental review and is accordingly not directly comparable to the above consolidated revenue figures. The relationship between the above consolidated revenue figures and revenue as presented in the segmental review is outlined below:

(1) Relates primarily to the video-entertainment segment.

(2) Relates primarily to the etail, payments, classifieds, food-delivery and other ecommerce businesses.

(3) Relates primarily to the video-entertainment and media segments.

(4) Relates primarily to the media segment.

6. Interest received/(paid)

	Six months ended		Year ended
	30 September		31 March
	Restated	Restated	
	2018	2017	2018
	Reviewed	Reviewed	Audited
	US\$ 'm	US\$ 'm	US\$ 'm
Interest received	168	54	88
- loans and bank accounts	149	46	74
- other	19	8	14
Interest paid	(142)	(132)	(267)
- loans and overdrafts	(101)	(100)	(196)

- transponder leases	(25)	(26)	(51)
- other	(16)	(6)	(20)
Other finance income/(cost) - net	140	(65)	(319)
- net foreign exchange differences and fair-value adjustments on derivatives	(99)	(43)	(67)
- remeasurement of written put option liabilities	239	(22)	(252)

7. Profit before taxation

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

	Six months ended 30 September		Year ended 31 March
	2018 Reviewed US\$'m	2017 Reviewed US\$'m	2018 Audited US\$'m
Depreciation of property, plant and equipment	106	108	219
Amortisation	68	62	133
- other intangible assets	50	47	101
- software	18	15	32
Costs related to programme and film rights, including amortisation	433	409	912
Impairment losses on financial assets measured at amortised cost	4	5	15
Net realisable value adjustments on inventory, net of reversals(1)	38	6	48
Other gains/(losses) - net	(30)	(20)	(47)
- (loss)/profit on sale of assets	(1)	3	2
- impairment of goodwill and other intangible assets	-	(1)	(4)
- impairment of property, plant and equipment and other assets	(1)	(18)	(39)
- dividends received on investments	4	2	2
- fair-value adjustments on financial instruments	(27)	(6)	(6)
- other	(5)	-	(2)
Gains on acquisitions and disposals	1 602	(51)	(93)
- gains/(losses) on disposal of investments	1 594	(56)	(91)
- remeasurement of contingent consideration	3	(6)	(5)
- acquisition-related costs	(5)	(10)	(18)
- remeasurement of previously held interest	10	21	21

(1) Net realisable value writedowns relate primarily to set-top box subsidies in the video-entertainment segment.

8. Equity-accounted results

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

	Six months ended 30 September		Year ended 31 March
	2018 Reviewed US\$'m	Restated 2017 Reviewed US\$'m	2018 Audited US\$'m
Share of equity-accounted results	2 098	1 447	3 277
- sale of assets	-	-	1
- disposal of investments	(152)	(414)	(692)
- impairment of investments	771	121	159
Contribution to headline earnings	2 717	1 154	2 745
- amortisation of other intangible assets	92	62	135
- equity-settled share-based payment expenses	220	157	385
- fair-value adjustments and currency translation differences	(1 372)	3	(224)
Contribution to core headline earnings	1 657	1 376	3 041

Tencent	1 775	1 516	3 288
Mail.ru	9	20	37
MakeMyTrip	(27)	(48)	(76)
Delivery Hero	(24)	(14)	(21)
Other	(76)	(98)	(187)

The group applies an appropriate lag period in reporting the results of equity-accounted investments where the year-ends of investees are not coterminous with that of Naspers Limited.

9. Goodwill

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

	Six months ended		Year ended
	30 September		31 March
	2018	2017	2018
	Reviewed	Reviewed	Audited
	US\$'m	US\$'m	US\$'m
Goodwill			
- cost	2 961	2 790	2 790
- accumulated impairment	(354)	(348)	(348)
Opening balance	2 607	2 442	2 442
- foreign currency translation effects	(291)	(30)	41
- acquisitions of subsidiaries and businesses	88	85	124
- disposals of subsidiaries and businesses	(6)	-	-
- transferred to assets classified as held for distribution/sale	(283)	-	-
Closing balance	2 115	2 497	2 607
- cost	2 341	2 845	2 961
- accumulated impairment	(226)	(348)	(354)

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		Year ended
	30 September		31 March
	2018	2017	2018
	Reviewed	Reviewed	Audited
	US\$'m	US\$'m	US\$'m
Commitments(1)	3 044	2 626	3 537
- capital expenditure	10	14	17
- programme and film rights	2 463	2 132	2 906
- network and other service commitments	171	123	104
- operating lease commitments	295	198	327
- set-top box commitments	105	159	183

(1) The above commitments include capital expenditure of US\$8m (2017: US\$12m and 31 March 2018: US\$9m); programme and film rights of US\$2.4bn (2017: US\$2.1bn and 31 March 2018: US\$2.8bn); network and other service commitments of US\$149m (2017: US\$80m and 31 March 2018: US\$86m); operating lease commitments of US\$82m (2017: US\$104m and 31 March 2018: US\$108m); and set-top box commitments of US\$105m (2017: US\$159m and 31 March 2018: US\$183m) relating to the video-entertainment business that has been classified as held for distribution as at 30 September 2018.

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\$194.3m (2017: US\$155.5m and 31 March 2018: US\$226.1m).

No provision has been made as at 30 September 2018 and 2017 for these possible exposures.

11. Disposal groups classified as held for distribution/sale

In September 2018 the group announced its intention to list its video-entertainment business separately on the JSE and to subsequently unbundle its shareholding therein to shareholders. The assets and liabilities of the video-entertainment business were accordingly classified as held for distribution/sale as at 30 September 2018. The listing and subsequent unbundling is subject to regulatory and other approvals and is anticipated to be completed in the first half of the 2019 calendar year.

The assets and liabilities of other smaller units were also classified as held for distribution/sale as at 30 September 2018. Assets and liabilities classified as held for distribution/sale as at 30 September 2018 are detailed in the table below:

	Six months ended 30 September		Year ended 31 March
	2018	2017	2018
	Reviewed	Reviewed	Audited
	US\$'m	US\$'m	US\$'m
Assets	2 961	-	-
Property, plant and equipment	1 250	-	-
Goodwill and other intangible assets	329	-	-
Programme and film rights	380	-	-
Other investments and loans	9	-	-
Derivative financial instruments	21	-	-
Deferred taxation	94	-	-
Inventory	72	-	-
Trade and other receivables	512	-	-
Cash and cash equivalents	294	-	-
Liabilities	2 351	-	-
Capitalised finance leases	1 118	-	-
Programme and film rights	124	-	-
Derivative financial instruments	4	-	-
Deferred taxation	18	-	-
Long-term liabilities	4	-	-
Trade payables	382	-	-
Accrued expenses and other current liabilities	701	-	-

12. Business combinations, other acquisitions and disposals

In August 2018 the group invested US\$60m for a 100% effective interest in the issued share capital of Zoos Mobile Limited (Zoos), a management and optimisation payment provider based in Israel. The transaction was accounted for as a business combination with an effective date of August 2018. The provisional purchase price allocation: cash and deposits US\$2m; trade and other receivables US\$3m; intangible assets US\$2m; trade and other payables US\$2m; loan liabilities US\$3m; and the balance of US\$58m to goodwill. The main intangible asset recognised in the business combination was technology.

The revenue and net results of Zoos, had the acquisition taken place on 1 April 2018, were not significant to the group's income statement.

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

In April 2018 the group acquired the share capital held by non-controlling shareholders of its subsidiary Dubizzle Limited (Dubizzle) for US\$190m. Following the acquisition, the group holds a 100% effective interest in Dubizzle.

In August 2018 the group's subsidiary Ambatana Holdings B.V. (Ambatana) acquired the entire share capital held by non-controlling shareholders of Letgo USA B.V. (letgo) for US\$189m. Following a US\$150m funding round in June 2018, the group's shareholding in Ambatana increased from an effective 73.4% at 31 March 2018 to 80% (77% fully diluted) at 30 September 2018.

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

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

In May 2018 the group invested US\$89m in Frontier Car Group, Inc. (Frontier Car Group), an online car marketplace headquartered in Berlin and currently operating in six countries, for a 36% effective (35% fully diluted) shareholding. The group accounts for its interest as an investment in an associate.

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

The group invested an additional US\$79m in Bundl Technologies Private Limited (Swiggy), a leading online food-ordering and delivery platform in India, during July 2018. Following the investment, the group holds a 25% effective interest (23% fully diluted) in Swiggy. The group accounts for its interest as an investment in an associate.

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

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

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

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 2018. 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 2018.

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 2018 using:
Quoted
prices in
active

	Carrying value US\$'m	markets for identical assets or liabilities (level 1) US\$'m	Significant other observable inputs (level 2) US\$'m	Significant unobservable inputs (level 3) US\$'m
Assets				
Financial assets at fair value through other comprehensive income(1)	63	26	3	34
Investments in preference shares and convertible notes of associates	1	-	-	1
Foreign exchange contracts(1)	57	-	57	-
Derivatives embedded in leases	1	-	-	1
Currency devaluation features(1)	3	-	-	3
Liabilities				
Foreign exchange contracts(1)	26	-	26	-
Earn-out obligations	22	-	-	22
Cross-currency swap	79	-	79	-

(1) Includes assets and liabilities classified as held for distribution/sale.

Fair-value measurements at 31 March 2018 using:

	Carrying value US\$'m	Quoted prices in active markets for identical assets or liabilities (level 1) US\$'m	Significant other observable inputs (level 2) US\$'m	Significant unobservable inputs (level 3) US\$'m
Assets				
Available-for-sale investments	35	33	2	-
Foreign exchange contracts	9	-	9	-
Derivatives embedded in leases	1	-	-	1
Currency devaluation features	2	-	-	2
Liabilities				
Foreign exchange contracts	162	-	162	-
Earn-out obligations	58	-	-	58
Interest rate and cross-currency swaps	124	-	124	-

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

Currency devaluation features 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.

For earn-out obligations, current forecasts of the extent to which management believes performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments are used.

Changes in these assumptions could affect the reported fair value of these financial instruments.

The fair value of level 2 financial instruments is determined with the use of exchange rates quoted in active

markets and interest rate extracts from observable yield curves.

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

	30 September 2018	
	Carrying value	Fair value
	US\$'m	US\$'m
Financial liabilities		
Capitalised finance leases(1)	1 127	1 250
Publicly traded bonds	3 200	3 266
	31 March 2018	
	Carrying value	Fair value
	US\$'m	US\$'m
Financial liabilities		
Capitalised finance leases	1 158	1 125
Publicly traded bonds	3 200	3 357

The fair values of capitalised finance leases have been determined through discounted cash flow analysis.

The fair values of 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

In September 2018 the group signed an agreement to invest R1.4bn (approximately US\$99m) for a controlling interest in We Buy Cars Proprietary Limited (WeBuyCars), a South African online used-car marketplace offering a specialised car-buying service to sellers. The transaction is subject to regulatory approval.

16. Pro forma financial information

The group has presented certain revenue and trading profit metrics in local currency, excluding the effects of changes in the composition of the group (the pro forma financial information) in the following tables. The pro forma financial information is the responsibility of the board of directors (the board) of Naspers 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 2018. The following methodology was applied in calculating the pro forma financial information:

1. Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the US dollar) used for the group's most significant functional currencies, were: South African rand (2018: 0.0741; 2017: 0.0757), Polish zloty (2018: 0.2728; 2017: 0.2714), Russian rouble (2018: 0.0156; 2017: 0.0172), Chinese yuan renminbi (2018: 0.1505; 2017: 0.1483),

Indian rupee (2018: 0.0145; 2017: 0.0155), Brazilian real (2018: 0.2612; 2017: 0.3134), Angolan kwanza (2018: 0.0039; 2017: 0.0006) and Nigerian naira (2018: 0.0028; 2017: 0.0028).

2. Adjustments made for changes in the composition of the group relate to acquisitions and disposals of subsidiaries and equity-accounted investments, as well as to changes in the group's shareholding in its equity-accounted investments. For mergers, the group composition adjustments include a portion of the prior-year results of the entity with which the merger took place. The following significant changes in the composition of the group during the respective reporting periods have been adjusted for in arriving at the pro forma financial information.

Period ended 30 September 2018

Transaction	Basis of accounting	Reportable segment	Acquisition/Disposal
Dilution of the group's interest in Tencent	Associate	Social and internet platforms	Disposal
Disposal of the group's interest in Flipkart	Associate	Ecommerce	Disposal
Effect of merger of ibibo with MakeMyTrip	Associate	Ecommerce	Acquisition and disposal
Acquisition of the group's interest in Delivery Hero	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Kreditech	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Swiggy	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Frontier Car Group	Associate	Ecommerce	Acquisition
Disposal of the group's interest in Souq	Joint venture	Ecommerce	Disposal
Acquisition of the group's interest in Takealot	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in AutoTrader	Subsidiary	Ecommerce	Acquisition
Disposal of the group's interest in Novus	Subsidiary	Media	Disposal
Disposal of the group's interest in MWEB	Subsidiary	Video entertainment	Disposal

The net adjustment made for all acquisitions and disposals that took place during the period ended 30 September 2018 amounted to a negative adjustment of US\$351m on revenue and a negative adjustment of US\$170m 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.

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						
2017	2018	2018	2018	2018	2018	2018	2018	2018
A	B	C	D	E	F(2)	G(3)	H(4)	
	Group	Group	Foreign	Local		Local		
IFRS(1)	composi- tion disposal	composi- tion acquisition	currency adjustment	currency growth	IFRS(1)	currency growth		IFRS
Restated	adjustment	adjustment						

	US\$ 'm	US\$ 'm	US\$ 'm	US\$ 'm	US\$ 'm	US\$ 'm	% change	% change
Revenue								
Internet	6 906	(464)	257	(12)	2 341	9 028	36	31
Ecommerce	1 549	(134)	257	(97)	412	1 987	29	28
- Classifieds	289	(2)	35	(24)	107	405	37	40
- Payments	126	-	17	(14)	42	171	33	36
- Food delivery	56	-	97	(16)	44	181	79	>100
- Etail	877	(145)	104	(25)	173	984	24	12
- Travel	96	14	-	(1)	28	137	25	43
- Other	105	(1)	4	(17)	18	109	17	4
Social and internet platforms	5 357	(330)	-	85	1 929	7 041	38	31
- Tencent	5 241	(329)	-	99	1 894	6 905	39	32
- Mail.ru	116	(1)	-	(14)	35	136	30	17
Video entertainment	1 775	(14)	3	(54)	124	1 834	7	3
Media	315	(133)	-	(4)	(8)	170	(4)	(46)
Corporate services	1	-	-	-	-	1	-	-
Intersegmental	(10)	-	-	-	(1)	(11)	(10)	(10)
Economic interest	8 987	(611)	260	(70)	2 456	11 022	29	23

(1) Figures presented on an economic-interest basis as per the segmental review.

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

(3) $[E/(A + B)] \times 100$.

(4) $[(F/A) - 1] \times 100$.

Refer to the segmental review and note 2 for details of the group's adoption of new accounting pronouncements during the period.

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							
	2017 A	2018 B	2018 C	2018 D	2018 E	2018 F(2)	2018 G(3)	2018 H(4)
	IFRS(1) Restated US\$ 'm	Group composi- tion disposal adjustment US\$ 'm	Group composi- tion acquisition adjustment US\$ 'm	Foreign currency adjustment US\$ 'm	Local currency growth US\$ 'm	IFRS(1) US\$ 'm	Local currency growth % change	IFRS % change
Trading profit								
Internet	1 418	(74)	(63)	47	518	1 846	39	30
Ecommerce	(318)	34	(63)	8	130	(209)	46	34
- Classifieds	(45)	1	(3)	(1)	95	47	>100	>100
- Payments	(33)	-	(10)	-	19	(24)	58	27
- Food delivery	(8)	-	(29)	1	(5)	(41)	(63)	>(100)
- Etail	(134)	38	(18)	5	3	(106)	3	21
- Travel	(31)	(5)	-	-	17	(19)	47	39
- Other	(67)	-	(3)	3	1	(66)	1	1
Social and internet platforms	1 736	(108)	-	39	388	2 055	24	18
- Tencent	1 713	(108)	-	40	398	2 043	25	19

- Mail.ru	23	-	-	(1)	(10)	12	(43)	(48)
Video entertainment	234	(1)	1	(36)	13	211	6	(10)
Media	21	(33)	-	-	2	(10)	17	>(100)
Corporate services	(8)	-	-	1	(5)	(12)	(63)	(50)
Economic interest	1 665	(108)	(62)	12	528	2 035	34	22

(1) Figures presented on an economic-interest basis as per the segmental review.

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

(3) $[E/(A + B)] \times 100$.

(4) $[(F/A) - 1] \times 100$.

Refer to the segmental review and note 2 for details of the group's adoption of new accounting pronouncements during the period.

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							
	2017 A	2018 B	2018 C	2018 D	2018 E	2018 F(2)	2018 G(3)	2018 H(4)
	IFRS(1) Restated US\$m	Group composi- tion disposal adjustment US\$m	Group composi- tion acquisition adjustment US\$m	Foreign currency adjustment US\$m	Local currency growth US\$m	IFRS(1) US\$m	Local currency growth % change	IFRS % change
Other metrics reported								
Development spend(1)								
- economic interest	470	(51)	64	(7)	(88)	388	(21)	(17)
- consolidated	331	(25)	12	(2)	(83)	233	(27)	(30)
Consolidated revenue	3 105	(162)	125	(130)	406	3 344	14	8
Consolidated trading profit	70	(25)	(17)	(31)	131	128	>100	83
Consolidated ecommerce revenue	1 031	(15)	122	(72)	290	1 356	29	32
Consolidated Avito revenue	137	-	-	(17)	42	162	31	18
Consolidated video-entertainment revenue	1 772	(14)	3	(54)	126	1 833	7	3

Core headline earnings, calculated on a constant-currency basis, amounted to US\$1.66bn.

(1) Development spend is excluded from the assurance report issued by the group's external auditor.

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

(3) $[E/(A + B)] \times 100$.

(4) $[(F/A) - 1] \times 100$.

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the period.

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 2018 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 enquiries 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 2018 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.

Director: Brendan Deegan

Registered Auditor

Cape Town

30 November 2018

PricewaterhouseCoopers Inc.

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Chief Executive Officer: T D Shango
Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg. no. 4950174682

ADMINISTRATION AND CORPORATE INFORMATION

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G Kisbey-Green

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Sponsor

Investec Bank Limited

ADR programme

Bank of New York Mellon maintains a GlobalBuyDIRECT(SM) plan for Naspers Limited. For additional information, please visit Bank of New York Mellon's website at www.globalbuydirect.com or call Shareholder Relations at 1-888-BNY-ADRS or 1-800-345-1612 or write to: Bank of New York Mellon, Shareholder Relations Department - GlobalBuyDIRECT(SM), Church Street Station, PO Box 11258, New York, NY 10286-1258, USA.

Important information

This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "intend", "seek", "will", "plan", "could", "may", "endeavour" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. The key factors that could cause our actual results performance, or achievements to differ materially from those in the forward-looking statements include, among others: changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; ongoing and future acquisitions; changes to domestic and international business and market conditions such as

exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political conditions; the occurrence of labour disruptions and industrial action; and the effects of both current and future litigation. This includes factors that can negatively affect our businesses and financial performance. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise. We cannot give any assurance that forward-looking statements will prove to be correct and investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

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