Media release

South Africa, Cape Town 29 November 2017 – Naspers Limited (JSE: NPN; LSE: NPSN) today announced its results for the six months to 30 September 2017

STRONG GROWTH, WITH ECOMMERCE BUSINESSES AND TENCENT BEING KEY DRIVERS

Naspers today announced its financial results for the six months to 30 September 2017. Revenues, measured on an economic-interest basis (including the proportionate contribution from associates and joint ventures), increased 33% year on year to US$9.0bn (or 39% if acquisitions, disposals and currency movements are excluded). Businesses outside South Africa contributed 82% of revenues, up from 80% a year ago.

Core headline earnings grew 65% to US$1.5bn. An encouraging development is the reduction in development spend year on year, on both a consolidated and an economic-interest basis. "We delivered a strong performance for the first six months of the financial year," said Naspers chair Koos Bekker. "Ecommerce accelerated its topline growth, whilst Tencent produced another excellent set of results. Video entertainment performed solidly in South Africa and managed to stabilise losses in sub-Saharan Africa, despite the continued need to navigate weak macroeconomic conditions."

Naspers reports in United States dollars (US$), with the financial performances of the businesses consolidated in their functional currencies and translated into US$. Where pertinent, performance in local currencies, adjusted for acquisitions and disposals, is quoted in brackets after the equivalent International Financial Reporting Standards metrics.

Revenues in the internet segment, which now accounts for 77% of group revenues, were up 42% (52%) to US$6.9bn. Trading profits increased 47% (61%), boosted by Tencent and declining losses in several ecommerce units. "Ecommerce growth was fuelled by strong performances across all segments as they continue to scale. Classifieds gained further traction across the portfolio and, excluding the additional investment in letgo, the business turned profitable during the reporting period," said CEO Bob van Dijk. "Over the past six months we also strengthened our presence in online food delivery with significant investments in Delivery Hero, plus Swiggy in India."

The video-entertainment business recorded only modest subscriber growth, closing the period at 12.2 million households. The segment reported revenues of US$1.8bn, up 8% (7%) on the prior year, and a 4% (3%) increase in trading profit to US$234m. The South African DStv business continued to deliver healthy profits and cashflows, despite a weakening economic backdrop, and is seeing good early traction from combining its Showmax offering with DStv Now. In sub-Saharan Africa, the business continues to face macroeconomic challenges and weak currencies, but assuming no further substantial currency weakness, as well as continued momentum in subscriber growth and ongoing cost controls, the group will be on track to return to profitability in the coming years.

Media24 achieved satisfactory results, with the structural decline in traditional revenue streams offset by significant cost-reductions throughout the business. The growth businesses, notably ecommerce and digital media initiatives, reported strong growth and now represent 8% of total revenue. The segment's focus on audience migration to digital formats remains.

Equity-accounted investments contributed US$1.7bn to core headline earnings, an improvement of 52% year on year. Consolidated free cash outflow of US$96m was recorded. The balance sheet remains healthy, with net debt of US$140m reflecting gearing of only 1%.

"The group will continue to drive scale to bring its ecommerce business to profitability and cash generation," said CFO Basil Sgourdos. "We will manage macro challenges in the more mature businesses through tight cost controls and will continue to innovate and reposition our businesses to counter increasing competition by global players. We will also continue to invest in opportunities that may power future growth," he added.

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The complete results are available on the Naspers website at http://www.naspers.com.

IMPORTANT INFORMATION

This media release 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 numerous factors that could adversely affect our businesses and financial performance. We are not under any obligation (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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